CABEI ratifies its role as a promoter of life and people's rights by guaranteeing water resources in the region.

The multilateral projects Water and Sanitation investments in the region to total US$3.837 billion over the next three years.

Central America, Panama and the Dominican Republic together have a population of just over 61.5 million inhabitants, according to data from the Central American Economic Integration Secretariat (SIECA). Between the seven of them, they have an area of 547,980 km², and an average annual rainfall of 1,213 km³/year, without counting the external flows that provide a volume of renewable water available of around 645 km³/year, of which it is estimated that the aquifers are recharged by infiltration of 200 km³/year.

However, despite this water production, water resources are scarce in the region and, in addition to the challenge of maximizing the resource, the effects of climate change, which hinders its predictability, reduces its quality, further exacerbates its scarcity, and constitutes a threat to the sustainable development of the countries.

In this line, the Central American Bank for Economic Integration (CABEI), aware that sustainability in access to drinking water and sanitation works promote public health, promotes the production of water resources in different sectors such as industrial, agricultural, and energy through technical advice and financing initiatives that favor economic growth, job creation and sustainable development of the countries.

To this end, it has an "Intervention Strategy for the Water and Sanitation Sector in Central America and the Dominican Republic" and a "Regional Water and Sanitation Program," whose general objective is to contribute to improving and expanding access to water and sanitation services with a focus on poverty reduction, social inclusion, and sustainability over time.
“Water guarantees people’s lives and rights, which is why at CABEI we are committed to contributing to continuous and quality access to the service, as well as to promoting its adequate sanitation and correct use in line with our Strategy’s axes in this area, which includes concrete lines of action ranging from improving public policies and the regulation and control of service provision, to financing initiatives, renovation, rehabilitation and expansion of drinking water and sewerage networks, water safety, among many others,” explained CABEI Executive President, Dr. Dante Mossi.

Priority Sector

CABEI Productive Infrastructure Specialist Ana Lily Mejía explained that the water sector is a global priority and is therefore part of the 2030 Agenda, with Sustainable Development Goal (SDG) No.6, which includes sustainability as a fundamental principle to guarantee the lives and rights of people, considering that on average 70% of available water resources are used for irrigation of agri-food production, 15-20% for human consumption and the rest for hydroelectric power generation and other uses.

“Water sector in all its forms is a priority for CABEI because there is a direct relationship between poverty and access to water, not only because quality human consumption increases the productivity of the population, but also because all forms of production: agricultural, industrial and commercial, among others, are linked to its proper use to generate economic growth, employment, development, human and material wealth,” highlighted the specialist.

Guatemala is promoting an initiative to decontaminate rivers as a fundamental part of improving Guatemalans’ quality of life. In this sense, a pre-feasibility study is currently being carried out in the Las Vacas river, which will benefit the communities surrounding the municipality of Chiauta.

### CABEI-supported water and sanitation initiatives

<table>
<thead>
<tr>
<th>Initiative</th>
<th>INVESTMENT</th>
<th>EXPECTED BENEFITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PREFEASIBILITY STUDY FOR THE DEVELOPMENT OF A SANITARY LANDFILL IN THE AREA OF INFLUENCE OF THE LAS VACAS RIVER</td>
<td>US$75,000</td>
<td>CONSERVATION AND PROTECTION OF THE ENVIRONMENT’S NATURAL RESOURCES, as well as mitigation and adaptation to climate change. Decrease in the contamination of the Las Vacas and Motagua rivers. Reduction of solid waste that reaches the Gulf of Honduras, affecting the tourist attractions of the surrounding beaches. Beneficiaries: communities near the Las Vacas and Motagua rivers in Guatemala, seeking to provide sanitary infrastructure for the final disposal of waste.</td>
</tr>
<tr>
<td>TECHNICAL ASSISTANCE IN SUPPORT OF THE FORMULATION OF A SANITATION PROGRAM FOR LAKE ATITLÁN</td>
<td>US$99,986</td>
<td>ENVIRONMENTAL CLEANUP OF WATER RESOURCES. Decrease in the contamination levels of Lake Atitlán. Beneficiaries: population of the communities surrounding the lake.</td>
</tr>
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</table>
CABEI recognizes the challenges that countries face in the area of water and sanitation, especially in guaranteeing access to the most vulnerable population. For this reason, CABEI is executing two strategic initiatives in El Salvador for US$67.9 million.

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<th>INITIATIVE</th>
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<tbody>
<tr>
<td><strong>REHABILITATION OF WATER TREATMENT PLANT IN LAS PAVAS (SAN PABLO TACACHICO)</strong></td>
<td><strong>US$66.9 MILLION</strong></td>
</tr>
<tr>
<td>Technical and physical rehabilitation of the Las Pavas Water Treatment Plant and its three pumping stations, through expansion and rehabilitation of infrastructure works and replacement of equipment.</td>
<td>WITH CO-FINANCING FROM THE FRENCH TREASURY DEPARTMENT</td>
</tr>
<tr>
<td><strong>EXPECTED BENEFITS</strong></td>
<td><strong>STRENGTHENING OF THE DRINKING WATER SERVICE PROVIDED TO THE POPULATION, thus ensuring the continuity of service to this population.</strong></td>
</tr>
<tr>
<td>25% increase in water production and a 9.73% increase in the coverage of homes with access to potable water in the country.</td>
<td>Beneficiaries: 538,120 inhabitants, of which 53.5% are estimated to be women, all located in the San Salvador Metropolitan Area.</td>
</tr>
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| SUPPLY OF BIOGAS-PRODUCING BIODIGESTERS AND THE ACQUISITION OF MOBILE SYSTEMS FOR WATER DESALINATION AND PURIFICATION | **US$1 MILLÓN** |
| The sustainable development of the country and environmental awareness will be promoted through the use of eco-friendly technologies such as the biodigester that will generate biogas (clean gas) and the water desalination and purification plants, which will provide the beneficiary population with drinking water. | **EXPECTED BENEFITS** |
| 2 WATER DESALINATION AND PURIFICATION SYSTEMS TO BE INSTALLED in the Communities of El Majahual and San Diego. | 152,000 students and 6,650 teachers will benefit from the biodigesters. |
| 500 households will benefit from the two mobile systems for desalination and water purification. | |

Due to the relevance of this essential liquid for life, CABEI has contributed in recent years in different municipalities of the country, financing programs and projects that promote water measures to improve access and quality of drinking water and sewerage services with new and rehabilitated connections, in some cases with the support of the CABEI-administered Debt Conversion Program for Honduras vis-à-vis Spain. Five initiatives with nationwide impact are underway.

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<tr>
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<tr>
<td><strong>TECHNICAL COOPERATION: NATIONAL PROGRAM FOR THE ESTABLISHMENT OF EARTH DAMS IN HONDURAS</strong></td>
<td><strong>US$5.8 MILLION</strong></td>
</tr>
<tr>
<td>Feasibility studies and final designs for the construction of six (6) earth dams are being prepared.</td>
<td><strong>EXPECTED BENEFITS</strong></td>
</tr>
<tr>
<td>IMPACT ON 2.7 MILLION PEOPLE</td>
<td>Flow regulation and flood control, hydroelectric power generation and water supply for human consumption and irrigation.</td>
</tr>
<tr>
<td>Strengthening the country’s resilience to extreme natural phenomena resulting from climate change.</td>
<td></td>
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</tbody>
</table>
### Technical Cooperation: Technical and Economic Pre-Feasibility Study of Hydraulic Infrastructures in the Lower Basin of the Choluteca River

- **Initiative:**
  - **Investment:** US$529,950

  **Expected Benefits:**
  - **Impact on:** 169,496 inhabitants in the area of influence.

  The works will strengthen the region’s resilience to extreme natural phenomena through the implementation of works related to flow regulation, flood control, hydroelectric power generation, and water supply for human consumption and irrigation.

  The subprojects included in this cooperation are:
  - Morolica multipurpose storage dam.
  - Hydroelectric Generation on the foot of the Morolica dam.
  - El Papalón diversion dam.
  - Irrigation and flood relief canals.
  - Urban supply system to the city of Choluteca.

  Works of fluvial fluvial regularization downstream of El Papalón dam.

### Technical Cooperation: Program to Improve Access and Quality of Water and Sanitation Services in Honduras Cities of Intermediate Size

- **Phase 1:** “Diagnosis and Investment Plan”

  - **Investment:** US$99,750

  **Expected Benefits:**
  - Project and cost identification investment in the short, medium, and long term.

  Quality, access and sustainability of water and sanitation services.

  Expand service coverage, especially in rural and marginal urban areas.

  Updated diagnosis, investment plan and terms of reference for investments needed to improve the quality, access and sustainability of water and sanitation services for the municipalities of La Ceiba, Siguatepeque, La Esperanza and Intibucá.

### Expansion of the Potable Water Supply System in the City of Gracias

- **Investment:** US$36 million
  - Of which US$25.2 million is financed by the Korea Trust Fund.

  **Expected Benefits:**
  - Implementing environmental and social measures to protect the reserve zone of the Celaque Mountains.

  Improve access to potable water services for the population of the city of Gracias, department of Lempira.

  Provide continuous coverage of potable water service to 4,536 families with a 40-year service vision (15,377 families).

  Initiatives financed by the CABEI-administered Debt Conversion Program for Honduras vis-à-vis Spain.

### Access to Drinking Water and Sanitation Services Program for the Development of the Population Established in the City of La Paz, Department of La Paz

- **Investment:** US$8.7 million

  **Expected Benefits:**
  - Continuity and efficient drinking water service for the population of La Paz city.

  Expected beneficiaries: more than 29,000 inhabitants.

  It will generate 1,250 gallons of water per minute from the Cansa and Tepanguare rivers.

  A treatment plant and storage tank will be built, and 42 km of sanitary sewers will be installed in the urban center of the city of La Paz.
CABEI in this Central American country continues to support efforts focused on improving the quality of drinking water for consumption, promoting shared responsibility in its production, use and sustainability of the systems, with the implementation of five initiatives that benefit more than 1.2 million Nicaraguans and total financing of more than US$600 million.

### IMPROVEMENT AND EXPANSION OF DRINKING WATER SUPPLY AND SANITATION SYSTEMS IN 19 CITIES

Set of investments that will allow the improvement and expansion of drinking water and sewerage services in 19 cities in the country and strengthen ENACAL’s management in the administration, operation, and maintenance of the services it provides to the population. It includes the construction of 4 wastewater treatment plants. The project is cofinanced by CABEI with US$100.06 million, as well as AECID with US$87.22 million, LAIF with US$58.48 million and IIB with US$97.53 million.

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<td><strong>US$100.06 MILLION</strong></td>
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### BLUEFIELDS SANITATION

Construction of the sanitary sewer system and treatment plant of the city of Bluefields, which will allow the collection, conduction and treatment of wastewater generated in the city. It involves the construction of 13 pumping stations, 43.45 km for the sewerage network and a wastewater treatment plant.

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<tbody>
<tr>
<td><strong>US$38.80 MILLION</strong></td>
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### IMPROVEMENT AND EXPANSION OF DRINKING WATER AND SEWERAGE SYSTEMS IN 7 CITIES

Includes the improvement and expansion of sanitary sewage and potable water systems in 7 cities in the country.

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<th>INITIATIVE</th>
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<tbody>
<tr>
<td><strong>US$251.47 MILLION</strong></td>
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### RURAL WATER AND SANITATION SECTOR SUSTAINABILITY PROGRAM

Expansion and/or rehabilitation of water and sanitation systems in rural areas, as well as the equipment installation and improvements in water quality.

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<th>INITIATIVE</th>
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<tr>
<td><strong>US$30 MILLION</strong></td>
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</table>
ENVIRONMENTAL SANITATION PROJECT FOR LAKE MANAGUA’S SOUTH SHORE

Rehabilitation and expansion of the sanitation systems in the cities of Managua, Ciudad Sandiní and Tiplapa, as well as the potable water system in the city of Tipitapa.

INVESTMENT

US$184.1 MILLION

* CABEI FINANCING OF US$151.4 MILLION, OF WHICH US$106 MILLION IS FROM CABEI RESOURCES AND US$21.4 MILLION CORRESPONDS TO A DIRECT LOAN FROM CABEI TO THE REPUBLIC OF NICARAGUA.

EXPECTED BENEFITS

PEOPLE BENEFITED: 430,386

Direct temporary jobs: 144
Permanent jobs: 57

For Costa Rica, sustainability is one of the priority areas, which is why the sector with the most investments in CABEI’s active portfolio is water and sanitation, with a total of seven investments that exceed US$1.3 billion and have a positive impact on the quality of life of Costa Ricans throughout the country.

Supply for the Fifth Stage Metropolitan Aqueduct (PAAM)

Construction of 44.3 km of pipelines, of which 8.6 km are tunnels, a new water treatment plant and six storage tanks with a total capacity of 50,000 m³.

INVESTMENT

US$399.2 MILLION

EXPECTED BENEFITS

IMPROVED DRINKING WATER SUPPLY
Collection, treatment, and distribution of 2.5 m³/s of potable water in the Greater Metropolitan Area (GAM) and surrounding areas.

Beneficiaries: Indirectly 1.4 million people. Directly 618,000 people.

800 temporary jobs will be generated for construction activities.

San José Metropolitan Area Supply Program, Urban Aqueducts II and Sanitary Sewerage Juanito Mora de Puntarenas

Improvements to the potable water infrastructure for the western zone of San José (Bagaces Aqueduct, Juanito Mora sanitary sewer system in Puntarenas, Buenos Aires Aqueduct, second stage of the Cóban Aqueduct, and the expansion of the Los Chiles Aqueduct, among others).

INVESTMENT

US$154.5 MILLION

EXPECTED BENEFITS

IMPROVED DRINKING WATER SUPPLY

Beneficiaries: 300,000 people in 16 cantons: Alajuela, Esparza, Los Chiles, San Mateo, San Mateo, San Ramón-Palmares and Turrialba (Alajuela), El Guero (Cartago), Bagaces (Guaracume), Buenos Aires, Coftos and Puntarenas (Puntarenas) and Escazú Santa Ana Mora and Pérez Zeledón (San José), plus the 25-year population growth projection.

Non-Revenue Water Reduction and Energy Efficiency Optimization Project (RANC-EE)

A set of investments in relevant components such as macro and micro metering, customer and infrastructure cadastre, leak detection and repair, establishment of supply zones and operation subsectors (pressure control), replacement of pipelines, establishment of an integrated operational, commercial, and administrative information system, training, and the establishment of permanent operational units to manage the reduction of unaccounted-for water in a sustainable manner. It also includes an energy efficiency component consisting of the optimization of the main pumping stations of the projects systems.

INVESTMENT

US$130 MILLION

EXPECTED BENEFITS

DECREASE OF WATER TAKEN FROM THE ENVIRONMENT

Creation of a total of 242 jobs, of which 25% are estimated to be skilled labor and 75% unskilled labor, during the execution phase.

Improved drinking water service and attention to damages (leaks). Recovery of a volume of unlilled water of about 17%.

Increased network of 864.5 km of pipelines, 876 macro-metering stations and 347,360 micro-meters.

KfW participated together with CABEI in the financing of the project with a concessional loan amounting to Eur 100 million and a non-reimbursable cooperation of Eur 1.7 million for implementation consultancies.
## Costa Rica

### Initiative

**Program for Drinking Water and Sanitation in Coastal Areas, Service Quality and Efficiency Management**

Construction of the new National Water Laboratory and five sanitation water projects: Improvements to the Guácimo Aqueduct in Limón; the Limón Drinking Water Supply System, Stage II; the Quepos and Manuel Antonio Aqueduct, Stage II; Improvements and Expansion of the Jacó Aqueduct System, Garabito, Stage II; and Construction of the Moin, Limón Sanitary Sewer System.

The project is funded by KfW to CABEI for Eur 25.7 million and US$58.97 million.

### Investment

**US$111.1 million**

### Expected Benefits

- Improve National Water Quality Monitoring Capacity through the construction and equipping of the National Water Laboratory.

**Beneficiaries:** 132,000 Limon inhabitants and 147,000 Central Pacific inhabitants.

### Limon Sewerage and Flood Control Program

**SENARA:** expansion of the Limoncito riverbed by more than 7 kilometers, as well as the hydraulic section of the existing riverbeds, the construction of new riverbeds, the removal of natural vegetation and the improvement, rehabilitation, and construction of infrastructure such as bridges, culvert crossings and protection walls.

**AyA:** Construction of 7,776 home sewerage connections in the Limoncito, Envaco, Pueblo Nuevo and Los Baños neighborhoods.

### Expected Benefits

- **Flood Control System (SENARA):** 23,730 people of the Limoncito Sector.
- **AyA:** Construction of 7,776 home sewerage connections in the Limoncito, Envaco, Pueblo Nuevo and Los Baños neighborhoods.

### Water Supply System for the Middle Basin of the Tempisque River and Coastal Communities (PAACUME)

Construction of hydraulic, civil, and mechanical structures to achieve the multiple purpose of providing water for irrigation, future power generation and water for human consumption:

- Construction of the Río Piedras Reservoir,
- Expansion and Improvements to the DRAT,
- Works for Future Electricity Generation
- Irrigation Conduction and Distribution Network.

### Expected Benefits

- **Social and Territorial Inclusion of the Region,** through the generation of opportunities.
- Increase in the use of water extracted from aquifers and surface sources.
- Reduction of the existing gap between water supply and demand for different uses: drinking water, irrigation for agricultural production, irrigation of green areas in tourism projects and for future hydroelectric generation.
- Increase in the efficiency of water use, by stimulating cultural and technological practices based on the optimal use of the resource.

### San José Metropolitan Area, Urban Aqueducts and Sanitary Sewage System of Puerto Viejo de Limón Supply Program

60 projects around the country, such as the water treatment plant in San Isidro de Pérez Zeledón, sanitary sewage system in Puerto Viejo, improvements to the Quepos–Manuel Antonio aqueduct, expansion and improvements to the Ciudad Cortés aqueduct, improvements to the drinking water supply for the northeast area of San José, line II, among others of national importance.

### Expected Benefits

- Expansion of installed capacity to meet growing population needs.
- Incremental volume of potable water supply.

**US$103 million**
From 2007 to date, CABEI has contributed to improving the quality of life of Dominican families through large-scale projects such as the Montegrande Dam, which is expected to benefit 51 communities in the country.

### PROYECTO PRESA MULTIPROPÓSITO MONTEGRANDE, FASE III:

Consists of the construction of the dam for the generation of energy and drinking water. Its impact is measured in the new generation of energy and potable water, resulting in the development of the southern part of the country. The dam will serve to supply water to the existing water treatment plant and distribution network of the Barahona-Bahoruco-Independencia Regional Aqueduct.

**Expected Benefits**
- Increase in water available for drinking and irrigation
- Continuous technical cooperation for the feasibility studies for the integral development of Port Haina
- Employment Generation direct and indirect

### CONTINUOUS TECHNICAL COOPERATION FOR THE FEASIBILITY STUDIES FOR THE INTEGRAL DEVELOPMENT OF THE PORT OF HAINA

It consists of financing the technical and financial feasibility studies for the integral development of Port Haina.

**Expected Benefits**
- It’s impact will be measured in that work will be carried out on the sanitation of ravines, construction of storm drainage, expansion of the potable water distribution system, construction of the sanitary sewerage system, improvement of road infrastructure and integrated solid waste management.

CABEI, in line with Resolution 64-292 issued by the United Nations General Assembly in July 2010 recognizing water as a fundamental human right, accompanies the efforts of its member countries in the achievement of the Sustainable Development Goals (SDGs), providing financial resources to improve and increase infrastructure and technology transfer in the integrated management of water resources, as well as to strengthen the institutional framework and governance of the governing and operating institutions in the countries.

The reaffirmation of this commitment is materialized in the "CABEI Intervention Strategy for the Water and Sanitation Sector in Central America and the Dominican Republic" that CABEI uses in each of the operations in which it participates, whose strategic axes are based on institutional strengthening and consolidation, equity and social development, efficiency and sustainability, and infrastructure expansion and extension.

Committed to caring for water through environmental management

Water is a resource that is valued in all CABEI buildings in the region. In the last three years, a 77% reduction in water consumption has been achieved, equivalent to 9,155 m3, which represents 955 water cisterns or 3.6 Olympic swimming pools.

This, through the implementation of an Environmental Management System under the ISO 14001:2015 standard, which manages the environmental footprint caused by the Bank’s administrative and operational activities. Currently the buildings of the headquarters in Honduras and the representative office in El Salvador are certified, adding efforts to expand in all its facilities in Central America.

Also, in CABEI buildings in Nicaragua, Guatemala and El Salvador, rainwater is collected for irrigation of green areas and the irrigation and landscaping system has been modernized in Honduras and a drip irrigation system has been implemented in El Salvador.

About CABEI

CABEI was created in 1960 as the region’s financial arm for integration and development. Its resources are continuously invested in projects with an impact on development to reduce poverty and inequalities, strengthen regional integration and the competitive insertion of its partners in world economy, paying special attention to environmental sustainability. CABEI is based in Tegucigalpa with offices throughout Central America.

CABEI’s financial strength as the best credit in Latin America is supported by its high credit rating granted by the different international agencies: Standard & Poor’s with a rating of AA, Moody’s with a rating of Aa3, and Japan Credit Rating with AA.