

Project Summary for Public Disclosure
(after approval of NDB financing)

Project Name	Maranhão Road Corridor – South North Integration Project
Country	The Federative Republic of Brazil
Type	Sovereign
Area of Operation	Transport Infrastructure
Financing Approval Date	5 March 2018
Total Project Cost	USD 190 million
Initial Limit of NDB Financing	USD 71 million
Current Limit of NDB Financing	USD 71 million
Borrower	The State of Maranhão
Project Entity	The Government of the State of Maranhão
Project Context	<p>The state of Maranhão occupies 3.9% of the Brazilian territory and is the 7th largest state by area in Brazil. The state however ranks the lowest in Brazil measured by GDP per capita and has significant logistical potential that needs to be developed. While the state has managed to develop its coastal region, the inland areas have not received significant infrastructure improvements despite being important to the state's economy. In the transport sub-sector, road is currently the main mode of transport for the movement of cargo in Brazil. However, only 12% of Brazil's highways are paved, 69% with problems such as deficiencies in road pavement, signage or geometry. Maranhão has a similar situation: in 2016, 65.1% of the surveyed highways in the state has had deficiencies. To improve its logistics and connectivity the state has created the Maranhão Road Corridor – South North Integration Project. The Project is designed to rebuild sections of the MA006 in the state of Maranhão, to improve connectivity and facilitate socio-economic development.</p>
Project Description	<p>The Maranhão Road project consists of the reconstruction of 233 km of the North-South state highway MA-006, which are currently in poor conditions. The highway is part of an existing corridor connecting the grain production region in the south of the State to the Itaqui Port in the north of Maranhão. The rehabilitation of southern sections of the road have been prioritized since there are no alternative roads along this corridor and this is the main grain producing area. NDB will finance the Project through a Project Loan with Sovereign</p>

	Guarantee from the Federative Republic of Brazil of up to USD 71 million to the state of Maranhão to support the program. The proposed Loan will finance the costs of rebuilding a section of the road spanning 143 km.								
Project Objective	The Project is in close alignment with NDB's mandate of supporting sustainable infrastructure development.								
Implementation Arrangements	The Project is estimated to be implemented over 4 years between 2019 and 2022. The procurement for the Project will be conducted through a competitive and transparent bidding process								
Environmental and Social Information	The Project through rehabilitating sections of the MA-006 will bring benefits of (i) time saved for road travel; (ii) reduced logistics costs between the agricultural region and the Itaqui Port; (iii) integration of the North and South of Maranhão, linking municipalities that are currently isolated, thereby contributing to socio-economic development of the State of Maranhão. The Project is categorized as "B" in accordance with the NDB Environment and Social Framework with limited adverse social and environmental impacts. The adverse impacts are site specific and few, if any of them, are irreversible and in most cases mitigation measures can be designed and implemented easily.								
Financing	<p>The total cost of the Project is estimated to be USD 190 million. NDB will support the Project through a Project Loan with Sovereign Guarantee up to USD 71 million. The balance will be co-financed by CAF of USD 77 million and the State of Maranhão of USD 42 million.</p> <table> <tr> <th>Source of Fund</th><th>Amount (USD million)</th></tr> <tr> <td>NDB</td><td>71</td></tr> <tr> <td>CAF</td><td>77</td></tr> <tr> <td>Government of the State of Maranhão</td><td>42</td></tr> </table>	Source of Fund	Amount (USD million)	NDB	71	CAF	77	Government of the State of Maranhão	42
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