

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

Project Name	PARÁ II Project – Transport Infrastructure for Regional Development
Country	The Federative Republic of Brazil
Type	Sovereign
Area of Operation	Transport Infrastructure
Concept Approval Date	5 February 2020
Financing Approval Date	29 March 2021
Total Project Cost	USD 191 million
Initial Limit of NDB Financing	USD 153 million
Current Limit of NDB Financing	USD 153 million
Borrower	The State of Pará
Project Entity	The Government of the State of Pará
Project Context	<p>The State of Pará has a road network of 11,745 km, out of which only 33.7% is currently paved. This challenge is hampering the State's internal and external connectivity, affecting its capacity to export its production, and limiting the development and economic integration of its municipalities. These unpaved roads have high accident rates, and in some sections, speed is limited to between 10 to 20 km/h, resulting in long travel time. Major challenges currently faced by the State's road network are inadequate road infrastructure, poor road conditions, lack of pavement, and road safety concerns. Development of the road infrastructure has become a priority for the State of Pará, which is consistent with the State's goal to facilitate growth. To address the issue, the Government of Pará has developed the Regional Development and Integration Project (PRODEIR) to promote the economic and social development of the State and reduce intra-regional inequalities. In alignment with Government of Pará's goal, the PARA II Project, the second sovereign loan from NDB to the State of Pará, is proposed to support the development of the State's road infrastructure.</p>
Project Description	<p>The PARÁ II Project includes subprojects in five regions comprising 475 km road pavements, several bridges and weight stations as described below: (i) Rio Capim Region – 3 sections of approximately 150 km (ii) Xingu Region – 4 sections of approximately 145 km (iii) Baixo Amazonas Region – 5 sections of approximately 135 km (iv) Rio Caete Region – 1 section of</p>

	approximately 25 km (v) Tocantins Region – 1 section of approximately 20 km.	
Project Objective	The objective of the Project is to improve connectivity of the State of Pará and to promote regional development by rehabilitating existing unpaved roads. The expected benefits include (i) average operational speed increased from 44.1 km/h to 68 km/h; (ii) annual average daily traffic increased from 387.5 to 1,000 vehicles per day; and (iii) travel time between Novo Repartimento and Santarém Port reduced from 13 hours to 9.5 hours.	
Implementation Arrangements	The Project will be implemented by Secretary of Transport (SETRAN), which is responsible for managing all roads in the State of Pará. As the Project will represent a substantial increase in the SETRAN's workload, a Contract Manager will be hired to support the coordination and supervision of the Project implementation, including the E&S aspects.	
Environmental and Social Information	The Project has been categorized as Category A in line with NDB's Environment and Social Framework (ESF). Main environmental and social (E&S) impacts and risks include (i) biodiversity impacts to the Amazon terrestrial and aquatic ecosystems due to vegetation removal to enlarge and pave existing roads, construct bridges and operate roads; (ii) degradation and reduction of permanent protection areas including erosion, such as river banks; (iii) resettlement of about 440 households; (iv) indirect impacts on 3 indigenous communities located outside the road intervention areas but within buffer zones; (v) potential impacts on about 13 quilombola communities outside of the road intervention areas but within buffer zones; and (vi) potential reputational risk associated with road development in the Amazon region. These impacts will be addressed and mitigated by development of relevant environmental and social impact studies as well as implementation of an Environmental and Social Impact Management Plan (ESIMP) alongside the NDB's intensive monitoring of the Project implementation.	
Financing	The total cost of the Project is estimated at USD 191 million. NDB will finance USD 153 million or 80% of the total cost. The remaining balance will be financed by counterpart funds from the state's budget.	
	Source of Fund	Amount (USD million)
	NDB	153

	State of Para		38
Contacts	NDB	Borrower	Project Entity
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