

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

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| Project Name | Desenvolve SP Sustainable Infrastructure Project |
| Country | The Federative Republic of Brazil |
| Type | Sovereign |
| Area of Operation | Multiple Areas |
| Concept Approval Date | 16 April 2020 |
| Financing Approval Date | 22 March 2022 |
| Total Project Cost | USD 90 million |
| Initial Limit of NDB Financing | USD 90 million |
| Current Limit of NDB Financing | USD 90 million |
| Borrower | Desenvolve Sao Paulo (“DSP”) |
| Project Entity | DSP |
| Project Context | The Project will support DSP’s mandate, according to its bylaws, to “promote the economic development of the state of Sao Paulo”. The Project is aligned with NDB’s General Strategy 2017-2021. Sub-projects will fall under key areas of operations of the Bank, such as sustainable urban development, clean energy and irrigation, water resource management and sanitation. DSP’s experience in financing municipalities and private sector companies in the state of Sao Paulo will enable NDB to offer a wholesale funding mechanism to sustainable and urban infrastructure under one single transaction. |
| Project Description | The proposal is to provide a Sovereign Guaranteed Loan (the “Loan”) of USD 90 million (Ninety Million United States Dollars) to Desenvolve Sao Paulo (“DSP”), development agency 100 per cent owned by the state of Sao Paulo, for onlending to sustainable infrastructure sub-borrowers in the public and private sectors within the boundaries of the state of Sao Paulo (the “Project”). The lending modality will be Development Finance Facility – Sovereign (“DFFS”) through which NDB provides sovereign guaranteed loans to financial intermediaries in its member countries for on-lending for infrastructure and sustainable development projects. Financial intermediaries on-lend NDB loans as sub-loans to finance projects of sub-borrowers termed as Sub-projects. |
| Project Objective | The Loan will be used by DSP for on-lending to Sub-projects in the public and private sectors with the scope of works focused |

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| | <p>on sustainable infrastructure and urban development. Project's sub-borrowers selection will have the following eligibility areas: (i) water and waste management, recycling; (ii) renewable energy and energy efficiency; and (iii) urban infrastructure.</p> <p>The expected development impact of the Project will be: (i) the promotion of sustainable infrastructure in the state of Sao Paulo; and (ii) the improvement of socio-economic well-being of inhabitants of the state of Sao Paulo as a result of these investments, leading to job creation and income opportunities.</p> |
| Implementation Arrangements | <p>The Government of Brazil ("GoB") will be the Guarantor providing sovereign guarantee to DSP. DSP will be the Borrower as well as the Executing Agency for the Project. DSP will be responsible for the overall Project monitoring and evaluation, including collection of all information and supervision of subborrower loan performance. Participating municipalities and companies will be responsible for planning and implementing Sub-projects that would entail conducting procurement and carrying out monitoring and evaluation and reporting to DSP, which will then be shared with NDB.</p> |
| Environmental and Social Information | <p>The Project has been categorized as Category FI-B in line with NDB's Environmental and Social Framework ("ESF"). The Sub-projects are not known at this stage; however, main environmental and social ("E&S") impacts and risks based on identified sectors may include (i) land acquisition, temporary restriction of access, potential resettlement and impacts to livelihoods; (ii) typical construction environmental impacts including dust emission, noise pollution, water use and wastewater discharge, potential contamination of surface and underground water, waste generation, and disposal; (iii) potential impacts to archaeological and cultural heritages, and (iv) occupational health and safety issues on construction site. These impacts will be addressed and mitigated by implementation of environmental and social management plans required by local regulation, and E&S permit conditions as well as Environmental and Social Impact Management Plan - ESIMP (Annexure V). Upon successful implementation of these plans, the Project will comply with the requirements of the E&S country systems and NDB's Environmental and Social Framework.</p> |
| Financing | <p>The total Project cost is estimated at USD 90.0 million.</p> |

| | Source of Fund | Amount (USD million) |
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| | NDB | 90 |
| Contacts | NDB | Borrower and Project Entity |
| | Americas Regional Office: Mauricio Xavier | Brunna Teles Pereira brunna.pereira@desenvolvesp.com.br |