

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

Project Name	Paraiba Water Supply Infrastructure Project
Country	The Federative Republic of Brazil
Type	Sovereign
Area of Operation	Water & Sanitation
Concept Approval Date	11 July 2023
Financing Approval Date	10 July 2024
Total Project Cost	BRL 390.08 million
Initial Limit of NDB Financing	USD 60.95 million
Current Limit of NDB Financing	USD 60.95 million
Borrower	The State of Paraiba
Project Entities	The Government of the State of Paraiba Water and Sanitation Company of Paraiba
Project Context	The semi-arid inland area of Paraiba, comprising the Agreste Paraibano, Borborema and Sertão Paraibano regions, suffers from water scarcity and frequent water supply interruptions. For the Project, the State's authorities have selected 16 municipalities in the inland area, in which water shortage is especially acute: (i) 10 municipalities in the Agreste Paraibano region with access to piped water for 114 days in a year on average and (ii) 6 municipalities in Sertao Paraibano region with access to piped water for 179 days in a year on average.
Project Description	The Project consists of the following components:  Component 1: The Transparaíba/Curimataú Water Supply Extension Pipeline System Phase II ( <i>Sistema Adutor Transparaíba Ramal Curimataú 2ª Etapa</i> ), to supply piped water to around 77 thousand inhabitants of the Agreste Paraibano region by building 182 km of water mains, 7 pumping stations and 9 service reservoirs.  Component 2: Microregião Hídrica 89 (MRH89) Integrated Water Supply Pipeline System ( <i>Sistema Adutor Integrado da Microrregião 89</i> ), to supply piped water to around 51 thousand inhabitants of the Sertão Paraibano region by building 103 km of water mains, 5 pumping stations, 2 service reservoirs and 2 water treatment plants.
Project Objective	The proposed NDB loan will support the expansion of Paraiba's water supply infrastructure, thus enhancing water availability and resilience to climate

	change, in line with the State Water Resources Plan/ <i>Plano Estadual de Recursos Hídricos da Paraíba</i> .								
Implementation Arrangements	<p>Project Entities:</p> <ol style="list-style-type: none"> <li>1. Executing agency: The Government of the State of Paraíba represented by the Secretariat for Water Resources and Infrastructure (<i>Secretaria de Infraestrutura e dos Recursos Hídricos</i>, “SEIRH”), responsible for overall project planning, guiding its implementation and monitoring its execution and achievement of planned results.</li> <li>2. Implementing agency: Water and Sanitation Company of Paraíba (<i>Companhia de Água e Esgotos da Paraíba</i>), responsible for implementing the Project under the guidance of the SEIRH.</li> </ol> <p>Implementation period: 2023 – 2028.</p>								
Environmental and Social Information	<p>The Project has been classified as Category “B” in accordance with the NDB Environment and Social Framework, with an Environmental and Social Risk Rating assessed as “Substantial”.</p> <p>Key E&amp;S impacts include: land acquisition, potential resettlement of people, impacts on livelihoods mainly associated with communities located in irregular settlements, loss of vegetation, potential impact within permanent protected areas and legal reserves for native vegetation, interference with aquatic habitats and hydro-morphological alterations, increased volume of water abstraction from the Açude Epitácio Pessoa, Piranhas and São Francisco rivers, vegetation clearance and soil erosion due to water pipelines trenching, and common construction-induced environmental impacts.</p> <p>These impacts will be addressed and mitigated by adherence to country system requirements and management plans developed for the Project's components, including the Environmental and Social Impact Management Plan.</p>								
Financing	<table border="1"> <thead> <tr> <th>Source of Fund</th> <th>Amount (USD million)</th> </tr> </thead> <tbody> <tr> <td>NDB</td> <td>USD 60.95 million</td> </tr> <tr> <td>The State of Paraíba</td> <td>USD 15.24 million</td> </tr> </tbody> </table>			Source of Fund	Amount (USD million)	NDB	USD 60.95 million	The State of Paraíba	USD 15.24 million
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