

BRAZIL: PROJECT PERFORMANCE EVALUATION PARÁ SUSTAINABLE MUNICIPALITIES PROJECT

The State of Pará is located in Brazil's Amazon region and is hit by heavy rainfall for 6 months of the year. However, only 20% of the roads in the state are paved and only 33% of the roads have a drainage system. By, amongst other things, paving 186 km of urban roads (137 km of which funded by NDB) the project aimed to address issues stemming from the heavy rainfall. Expected benefits included decreased flooding and reduced road maintenance costs due to the installation of surface and underground drainage systems along urban streets, improved health of residents due to the reduction of dust generated by unpaved roads, as well as reduction of open sewage that ran through streets. Indirectly, the project also aimed to contribute to the development of the local economy.

Was the project successful in achieving these objectives and targets? Here is what the Independent Evaluation Office (IEO) of NDB found in answer to the above queries with its project performance evaluation (PPE).

What worked well... Overall, the Pará Sustainable Municipalities Project was a successful project that improved urban infrastructure in the state's selected municipalities, aligning with local and national development priorities as well as broader strategic goals of NDB. A key factor in the project's success was the support from the Americas Regional Office (ARO) and the centralised Project Management Office (PMO), which ensured consistent project delivery, even during challenging times (see box on "innovation").

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Paved street in front of school. The asphalt brought more safety, comfort and well-being to the school's students.
– Rurópolis, Pará, Brazil

A MILESTONE FOR IEO

This is IEO's first ever joint evaluation, as it was prepared in partnership with the Development Bank of the Latin America and Caribbean (CAF) – making it a unique initiative in the exchange of experiences and lessons between the two organisations. The evaluation itself only covered the NDB part of the entire project and financing.

Despite implementation not being complete at the time of the evaluation, 124 km of roads have been paved (of targeted 137 km under NDB funding), and over 300,000 people in the heart of the Amazon region – where conditions are tough for implementing development projects – not only benefitted in logistical terms, but also through improved health, access to education and overall improved quality of life.

The project, jointly designed and implemented with CAF, represents NDB's first sovereign-guaranteed venture in Brazil and its initial co-financed operation – an important step for NDB and for more effective regional development.

Approval date:	March 05, 2018
Expected loan closing date:	September 10, 2024
Total project cost:	USD 125 million
NDB financing amount:	USD 50 million
Co-financing by CAF:	USD 50 million
Borrower:	State of Pará
Benefited by NDB:	9 municipalities
Population reached:	Over 300,000
Asphalt and drainage systems:	124 km
Aligned with Sustainable Development Goals (SDGs):	SDG 1, SDG 8, SDG 9, SDG 10, SDG 11 and SDG 17

... and what could have worked better

Capacity-building for the PMO and relevant stakeholders could have been provided earlier in the project. Even though procurement and environmental, social, and governance (ESG) approaches were based on country systems, further work related to capacity-building and technical assistance – for example to develop training programmes that are tailored to the identified needs of the project and relevant stakeholders – would have been beneficial for project implementation.

Knowledge management is critical for NDB's development value proposition as an MDB but was limited in the project. It is in the interest of the Bank to be seen not only as a co-financier, but also as a Bank that can support clients with technical assistance issues, knowledge exchange and non-financial products.

The project faced challenges such as the need for better project design and IT systems. Issues like the absence of a thorough needs assessment and lack of local stakeholder engagement at the design stage were noted.

THE INDEPENDENT EVALUATION OFFICE

The NDB Independent Evaluation Office was established in April 2022. The Director General of IEO reports directly and exclusively to the NDB Board of Directors. The main objective of IEO is to promote accountability and learning for enhancing the Bank's performance. IEO conducts a range of independent evaluations at different levels: evaluations of projects and programmes as well as of policies, strategies, instruments, and corporate processes.

WHAT IS A PROJECT PERFORMANCE EVALUATION (PPE)?

The main objectives of PPEs are to assess the results of NDB-financed projects and generate recommendations and lessons for the implementation of ongoing and design of future operations. All PPEs will include field work by an IEO team, composed of evaluation and technical experts, as needed. PPEs are expected to be completed within a six-month period. The Pará Sustainable Municipalities Project evaluation is the second PPE conducted by IEO in Brazil (first sovereign-guaranteed operation).

EVALUATION RECOMMENDATIONS

Recommendation 1: Implement local currency loans. This reduces exposure to foreign exchange volatility, external inflation and economic shocks, plus unforeseeable events like COVID-19.

Recommendation 2: Enhance project design and its components. This includes having a solid theory of change to establish the foundation of a strong results framework.

Recommendation 3: Improve capacity-building initiatives. For example, developing tailored training programmes for the needs of the project, the implementing agency, and relevant stakeholders.

Recommendation 4: Enhance and scale-up knowledge management and communication plans. For example, assistance for developing traffic studies for pavement design could reduce maintenance costs. NDB has a privileged position to scale up and share knowledge and good practices.

Recommendation 5: Highlight project implementation support enablers – project management IT systems. To facilitate effective coordination and communication among diverse teams and areas inside and outside the bank.

Recommendation 6: Keep expanding cofinancing and partnerships. NDB should keep expanding parallel cofinancing and implement others, as bridge loans, A/B, syndicated, blended finance, etc. This will expand NDB's financing volume, outreach and impact.

Innovation from the field – Building drainage infrastructure in the rain

One of the key challenges was to build drainage where wet weather is the norm throughout the year: a rainforest. Whenever the construction team would dig holes for drainage installation, very soon they would be filled with water from the rain. How do you overcome an issue like that?

The construction company, together with the PMO's construction supervision team, solved the problem through innovative construction processes: they opened and completed small construction sites instead of large continuous holes, as is the traditional procedure. It took a little longer, but allowed operations to continue during the rain, instead of having to wait longer periods before construction could be resumed.

Want to find out more?



Evaluation Lens' provides a short summary of evaluations conducted by IEO. The full evaluation report and related documentation may be accessed through the IEO web pages.

◀ Scan to access the full report.

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