

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

Project Name	Pará Sustainable Municipalities Project
Country	The Federative Republic of Brazil
Type	Sovereign
Area of Operation	Multiple Areas
Financing Approval Date	2 March 2018
Total Project Cost	USD 125 million
Initial Limit of NDB Financing	USD 50 million
Current Limit of NDB Financing	USD 50 million
Borrower	The State of Pará
Project Entity	The Government of Municipality of Para
Project Context	<p>The state of Pará, Brazil's 5th poorest state in terms of GDP per capita, ranking as the second largest in terms of area, is ambitiously developing the lagged urban infrastructure. During the 70's the state received an inflow of population as part of federal government programs to develop the inland regions of Brazil, but proper infrastructure has never been developed in the areas where immigrants settled. Recognizing these infrastructure problems, the government of the state of Pará has launched several programs to promote urban development infrastructure, including roads, sanitation, internet connectivity and public lighting. In this context, the Project is designed to contribute to government's efforts to promote long-term socio-economic development for its population. After the completion of the Project, the national standard level of urban infrastructure development is expected to be substantially enhanced in affected cities, vastly improving the quality of life for residents. The Project is in close alignment with NDB's mandate of supporting sustainable infrastructure development.</p>
Project Description	<p>The Project consists of developing urban mobility, sanitation and communication programs in various cities alongside the Trans-Amazonian highway in Pará state. The Project includes three main components: i) Drainage and Road Paving program intends to pave 186 km of existing urban dirt roads (streets) and manage pluvial draining in 12 municipalities to improve the urban condition of the cities; ii) Sanitation program intends to build 5 waste disposal sites serving 12 municipalities to improve waste management in the state of Pará</p>

	<p>allowing communities and cities to have adequate final destinations for solid waste, thereby improving sustainability; iii) Telecommunications program intends to extend fiber optic internet connectivity to 29 municipalities (a total cable length of 1,000km) that currently do not have proper internet access NDB will finance the Project through a Project Loan with Sovereign Guarantee from the Federative Republic of Brazil of up to USD 50 million to the state of Pará to support the drainage and road paving program.</p>	
Project Objective	<p>Development impacts include all-weather connectivity within the city to residents of the municipalities, decreased flooding, improved sanitation and reduced road maintenance cost due to implementation of superficial and underground drainage system along the roads, improved health of residents due to reduction of dust generated by unpaved roads. The percentage of population in the 12 municipalities benefiting from access to paved urban roads, drainage and sidewalks will increase from 1.5% currently to 30% after completion of the Project.</p>	
Implementation Arrangements	<p>The Project is estimated to be implemented over 4 years between 2019 and 2023. The procurement for the Project will be conducted through a competitive and transparent bidding process.</p>	
Environmental and Social Information	<p>The Project's positive development impacts include bringing all-weather connectivity within the city to residents of the municipalities, decreased flooding, improved sanitation, and reduced road maintenance cost after implementation of superficial and underground drainage system along the roads. The Project also contributes to bringing better internet connectivity to 29 municipalities, improved urban solid waste management and promoting better urban planning through the development of Master Plans of the state. The component of Road and Drainage financed by NDB is categorized as "B" in accordance with the NDB Environment and Social Framework. The Project's negative impacts are site specific, with few, if any, irreversible impacts and in most cases mitigation measures can be designed and implemented easily. The Project does not lead to expansion of roads, land acquisition or impacts on natural environments.</p>	
Financing	<p>The total cost of the Project is estimated to be USD 125 million. NDB will support the Project through a Project Loan with Sovereign Guarantee up to USD 50 million. The balance will be co-financed by Latin America Development Bank (CAF) of USD 50 million and the State Government of Para of USD 25 million.</p>	
	Source of Fund	Amount (USD million)
	NDB	50

	CAF		50
	Government of the State of Pará		25
Contacts	NDB	Borrower	Project Entity
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