

Project Summary for Public Disclosure

Project Name	Urban and Sustainable Infrastructure Program – Aracaju City of the Future
Country	The Federative Republic of Brazil
Area of Operation	Multiple Areas
Concept Approval Date	24 December 2021
Board Approval Date	13 December 2022
Total Project Cost	BRL 598 million
Initial Limit of NDB Financing	Up to 84 million
Current Limit of NDB Financing	Up to 84 million
Borrower	Municipality of Aracaju
Project Entities	Municipal Government of Aracaju (PMA) through its Municipal Secretariat of Infrastructure (SEMINFRA).
Project Context	Aracaju is the capital of the state of Sergipe in the northeast region of Brazil. Aracaju’s population increased by 45% in the past 20 years and reached around 700 thousand in 2021. The rapid population growth has caused the municipality to face challenges related to inadequate urban infrastructure. This is reflected in the expansion of neighbourhoods to areas without stormwater and sewage system, unpaved and susceptible to floods. It also affects the Aracaju’s major mobility corridors with the reduction on the level of service and fast pavement deterioration due to the increase in traffic flow.
Project Objective	The Project aims to enhance life conditions of the population in a comprehensive manner through increase of sanitation coverage, street paving, elimination of flood areas, and improve accessibility and mobility throughout the city.
Project Description	The Project consists of the following components: (i) Integrated Sanitation – implementing (i) the stormwater infrastructure in 14 neighborhoods; (ii) sewerage systems totalling approximately 60 km in length; and (iii) four pumping stations and two sewage treatment plants with treated sewage discharge facilities;

	<ul style="list-style-type: none"> (ii) Flood Protection – (i) widening and deepening of Médici and Anísio Azevedo canals, (ii) dredging of Poxim river, (iii) building a new canal network to drain the storm water from Expansion Zone, a fast growing area located in the southwest of the city prone to floods; (iii) Urban Mobility – improving the pavement of five avenues of the city (Pres. Tancredo Neves, Visconde de Maracaju, Maranhão, Melício Machado and Náufragos); (iv) Project Management – enhancing the institutional capacity of the PIU and providing support to project management. 						
Expected Benefits	<p>The Project outcomes include: (i) a four percentage points increase of the population with access to sewage network, from 54% to 58%; (ii) a reduction by 25% of households exposed to waterlogging and floods; and (iii) a reduction in the average number of road users with over an hour commute time throughout the city, from 11% to 4%.</p> <p>The Project will contribute to economic and social development of Aracaju by providing basic infrastructure to most vulnerable areas and improving intracity connectivity, in line with its Urban Development Master Plan.</p>						
Environmental and Social Aspect	<p>The Project has been classified as “Category A” in accordance with the NDB Environment and Social Framework. The main Project’s Environmental and Social impacts include: (i) acquisition of public and private land, and resettlement; (ii) interference in aquatic habitats and impacts on biodiversity; (iii) temporary disruption of traffic and public utilities, (iv) occupational health and safety risks, and general pollution emissions; and (v) discharges during construction.</p>						
Financing Aspect	<p>The Project will be financed through the loan from NDB and counterpart funding from the municipality’s budget.</p> <table border="1" data-bbox="497 1675 1441 1803"> <thead> <tr> <th style="background-color: #4CAF50; color: white;">Source of Fund</th> <th style="background-color: #4CAF50; color: white;">Amount (USD)</th> </tr> </thead> <tbody> <tr> <td>NDB Loan</td> <td>84 million</td> </tr> <tr> <td>Counterpart funding</td> <td>21 million</td> </tr> </tbody> </table>	Source of Fund	Amount (USD)	NDB Loan	84 million	Counterpart funding	21 million
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Implementation	<p>PMA, through SEMINFRA, will be responsible for implementing the Project, ensuring compliance with applicable regulations and achieving its results. The implementation period of the Project is five years, starting from the beginning of 2023 till the end of 2027.</p>						

Contacts	NDB	Borrower	Project Entity
	Public Sector Department	Municipality of Aracaju	Municipal Government of Aracaju
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