



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
BAHIA ROAD REHABILITATION AND MAINTENANCE PROJECT - 2ND PHASE
APPROVED ON JANUARY 29, 2016
TO
STATE OF BAHIA

TRANSPORT

LATIN AMERICA AND CARIBBEAN

| | |
|---------------------------|--------------------------|
| Regional Vice President: | Carlos Felipe Jaramillo |
| Country Director: | Paloma Anos Casero |
| Regional Director: | Franz R. Drees-Gross |
| Practice Manager/Manager: | Nicolas Peltier-Thiberge |
| Task Team Leader(s): | Carlos Bellas Lamas |



ABBREVIATIONS AND ACRONYMS

| | |
|---------|-------------------------------------------------------------------------------------------------|
| CREMA | <i>contratos de reabilitação e manutenção</i> (rehabilitation and maintenance contracts) |
| DBM | design-build-maintain |
| EIB | European Investment Bank |
| IBRD | International Bank for Reconstruction and Development |
| GRS | grievance redress system |
| PAD | Project Appraisal Document |
| PDO | Project Development Objective |
| SEINFRA | Secretaria de Infraestrutura da Bahia (Bahia State Secretariat of Infrastructure) |
| SIT | Superintendência de Infraestrutura de Transportes (Superintendency of Transport Infrastructure) |



BASIC DATA

Product Information

| | |
|------------------------------------------------|------------------------------------------------------|
| Project ID P147272 | Financing Instrument Investment Project Financing |
| Original EA Category Partial Assessment (B) | Current EA Category Partial Assessment (B) |
| Approval Date 29-Jan-2016 | Current Closing Date 30-Jun-2022 |

Organizations

| | |
|----------------------------|--------------------------------------------------------------------|
| Borrower State of Bahia | Responsible Agency Infrastructure Secretariat of State of Bahia |
|----------------------------|--------------------------------------------------------------------|

Project Development Objective (PDO)

Original PDO

The Project Development Objective is to enhance, in a sustainable fashion, road accessibility and safety in selected regions of the State of Bahia territory.

Summary Status of Financing (US\$, Millions)

| Ln/Cr/Tf | Approval | Signing | Effectiveness | Closing | Net Commitment | Disbursed | Undisbursed |
|------------|-------------|-------------|---------------|-------------|----------------|-----------|-------------|
| IBRD-85800 | 29-Jan-2016 | 31-May-2016 | 15-Jul-2016 | 30-Jun-2022 | 200.00 | 149.53 | 50.47 |

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. *Project Status*

1. **Project background.** The Project is financed by a US\$200 million loan from the International Bank for Reconstruction and Development (IBRD) and US\$100 million in counterpart funding.
 - a. **The Project Development Objective is to enhance, in a sustainable fashion, road accessibility and safety in selected regions of the State of Bahia territory.** The Project has five components: (a) Component 1: Institutional Strengthening (total estimated costs US\$18 million), which is focused on supporting the institutional capacity of the Bahia State Secretariat of Infrastructure (Secretaria de Infraestrutura da Bahia, SEINFRA), with a particular focus on the Superintendency of Transport Infrastructure (Superintendência de Infraestrutura de Transportes, SIT); (b) Component 2: Performance-based State Highway Rehabilitation and Maintenance (total estimated costs, US\$132.5 million IBRD loan plus US\$100 million in counterpart funding) to perform works of road rehabilitation and maintenance; (c) Component 3: Feeder Road Improvement (total estimated costs US\$30 million) to support the accessibility and all-season transitivity of rural areas in the State of Bahia; (d) Component 4: Road Safety (total estimated costs US\$15 million) to improve selected corridors and reduce the number of fatalities and serious injuries; and (e) Component 5: Project Management (total estimated costs US\$4 million).
 - b. The Project was restructured once, on January 9, 2020 (a) to extend the loan closing date from June 30, 2020, to June 30, 2022 (24 months);¹ and (b) to reallocate loan proceeds between the following categories: (i) US\$20 million from Component 3 (Feeder Road Improvement) with a cost underrun to Component 2 (Performance-based State Highway Rehabilitation and Maintenance) with a cost overrun; and (ii) US\$13 million from the unallocated amount to Component 2.
2. **Current status.** The overall implementation progress is currently rated as Moderately Satisfactory, and the likelihood of achieving the Project Development Objective (PDO) is rated Satisfactory.
 - a. The main intermediate outcomes under Component 1 (rated Satisfactory) have already been achieved. They include the following: the State Infrastructure Road Fund has been established, SEINFRA/SIT's Pavement Management System is under operational tests (target: operationalized), and a draft "internal regiment" has been approved for establishing a business model for SEINFRA/SIT.

¹ The Project was negotiated and agreed with the closing date of June 30, 2022, but at loan signing the loan closing date was set to June 30, 2020, the reason being that the Senate resolution #26, dated April 27, 2016, authorizing the loan was issued with the erroneous implementation closing date of June 30, 2020. The restructuring corrected the closing date in the loan agreement and made it consistent with the Board-approved closing date in the Project Appraisal Document.



- b. The Project has rehabilitated 2,710 kilometers (km) of CREMA (*contratos de reabilitação e manutenção*, rehabilitation and maintenance contracts) roads against the targeted 2,370 km under Component 2 and is expected to rehabilitate 3,574 km by June 2022 in total, well above the original expected length. The Project has successfully completed Groups I, II, III, and V of civil works contracts under Component 2 and is implementing civil works for Groups VI and VII contracted in January 2021. An additional Group VIII and a design-build-maintain (DBM) pilot will be awarded as soon as this restructuring is approved. There are no issues with these contracts. On the other hand, the CREMA Group IV has been paralyzed since 2019, when the contractor initiated a litigation process against SEINFRA. SEINFRA is moving forward with the necessary steps to terminate the contract and to finish the stalled rehabilitation works under a new contract financed with counterpart funds as part of the Project. The table in annex 1 details the total length of the CREMA roads to be rehabilitated by the end of the Project by group and their status.
- c. Regarding Component 3, the works are advancing with 615 critical spots eliminated against the target of 900 (as of September 15), and a total of 1,300 spots are expected to be eliminated by the end of the Project. The Project activities have been slightly delayed for a few reasons. First, there was a delay of almost a year in the process of bidding the works. After the conclusion of the contracting procedures, the activities were affected by the COVID-19 pandemic in Brazil. Efforts such as sanitary barriers between municipalities and the closing of nonessential services caused many difficulties that led contracted companies to fall behind the schedule. In addition to the pandemic, the municipal elections at the end of 2020 also directly affected the progress of the civil works since the pace of the construction is not homogeneous on the targeted roads and is subject to local political influences. These factors caused delays and slowdowns in the works, resulting in low disbursements. However, implementation is catching up and it is expected that more than 1,300 critical works will be completed by the closing date under the Project, exceeding the targeted 900 works.
- d. Component 4 has established a State Committee for Road Safety and made significant progress in the definition and functionality of the integrated traffic accident database and carried out the executive pilot projects to eliminate 100 critical spots on selected corridors to improve road safety. Still, civil works under Component 4 are delayed, but expected to reach targets by June 2022 as the pilots are being contracted in October 2021.
- e. Regarding safeguards, there were claims filed in both the Project's grievance redress mechanism (GRM) and the Bank's grievance redress system (GRS) about a COVID-19 situation allegedly caused by the contractor's negligence in one road works contract financed by the counterpart funds (in BA-290 road), which led to the downgrading of the safeguards rating. The Project Implementation Unit prepared a fully updated COVID-19 response and management plan in collaboration with the Bank Team, and the contractor's compliance with Bank policies and safeguards instruments has since been restored. Additional COVID-19 prevention and response efforts were included in contractors' Environmental and Social Management Plans. The situation is now considered resolved and the GRM and GRS claims have been closed. Lessons from this situation were also widely disseminated.



3. **Disbursement:** The Project has delivered almost 80 percent of the targeted outputs but disbursed only 74.8 percent (US\$149.53 million of the total US\$200 million) because the Brazilian real has depreciated 35 percent against the US dollar in the past few years since Board approval.

B. Rationale for Restructuring

4. **Impact of the ongoing contract litigation and COVID-19.** Some Project activities have been delayed under Components 2 and 3. They include mainly the civil works performed by one contractor in the CREMA Group IV under Component 2 that have been stalled since 2019 due to ongoing contract litigation. They also include the spots improvement of rural roads under Component 3 that suffered from implementation delays due to the impact of the COVID-19 pandemic. In contrast to other parts of the world, Brazil had struggled against the pandemic trend for longer, reaching the peak of COVID-19 cases as late as in March/April 2021. On September 8, Brazil has the world's third-largest number of confirmed COVID-19 cases (20.93 million) and deaths (584,000, i.e., 279 per 100,000 people). Bahia suffered with more than 26,000 deaths and 1.2 million COVID-19 cases, and this has affected the State budget. COVID-19 hit the economy and depleted the State of Bahia Government's budget resources due to the need to spend heavily on public health. Under these conditions and considering the devaluation of the Brazilian real against the US dollar, it became increasingly difficult for Bahia State to provide the original counterpart funding target under the Project. Thus, the Bahia government requested the Federal Brazilian Ministry of Economy be the Guarantor for approval to reduce the amount of counterpart finance from US\$100 million to US\$50 million through a restructuring of the Project.
5. **Devaluation of the Brazilian real.** On the other hand, the Project has more IBRD loan financing available as the devaluation of the Brazilian real has increased the IBRD loan amount in real terms. More available IBRD financing will allow to achieve all the intermediate indicators by the current closing date even though the total nominal Project financing (including the IBRD loan and counterpart funds) will go down due to the reduction of the counterpart funding. The strong devaluation in the Brazilian real by about 35 percent since the Board approval of the Project has allowed the Project to expand the scope of Component 2 without reducing the outputs under the other components.
6. At appraisal, this Project was supposed to be complemented by a US\$100 million loan from the European Investment Bank to finance CREMA roads (Component 2), but the State and EIB did not reach an agreement to move forward with the financing. In recent years, the Bahia government has used the opportunity of the strong devaluation of the Brazilian real to rehabilitate the CREMA roads expected to be previously financed by the EIB under the Bahia Road Rehabilitation and Maintenance Project with both IBRD and counterpart financing.² Due to the impact of the COVID-19, the Bahia government wants to reallocate more IBRD financing to Component 2 to compensate for the reduction of counterpart financing and the non-materialization of the EIB loan. As a result of the extension of the closing date to June 2022 during the previous restructuring and based on the real devaluation, some of the Project roads that were initially to be financed by the EIB have been incorporated already as new CREMA

² The annex 1 table shows the Core B roads that were to be financed by the EIB loan. All of them are now being financed by either the IBRD loan or the counterpart funds under the Project. The original scope of the Project related to the Core A roads.



- roads into the Project and are being rehabilitated since 2019. Still, there is a need to increase the Component 2 allocation to finalize all the CREMA roads by the end of the Project in June 2022. The Bahia government is not willing to cancel any IBRD funds or extend the Project's closing date due to the budget constraints posed by the pandemic.
7. This devaluation has opened an opportunity to contract 1,200 km of additional roads as part of Groups VI, VII, and VIII, the private-public partnership (BA-052), and the DBM pilot, which are proposed to be funded by the IBRD and counterpart financing, increasing the rehabilitated CREMA roads to an estimated 3,574 km against the targeted 2,370 km. The additional CREMA roads connect regions of the State in need of economic development to market centers. The new group of CREMA roads under Component 2 are ready to be rehabilitated as soon as the proposed restructuring is approved. The two latter activities are innovations based on the CREMA roads model, one with the concession of the BA-052 road under the private-public partnership concession scheme (funded through the counterpart financing) and the Design-Build-Maintain (DBM) contract for a pilot CREMA road with integrated project preparation. Those two innovations would be key in preparing potential road-based projects as these output and performance-based road contracts are the way the World Bank is preparing the road rehabilitation and construction projects elsewhere, and Brazil needs to catch up with the new ideas after having been a key player in the CREMA contracts in the past.³
8. **Changes in the Results Framework.** Below are detailed explanations of the changes to the result framework.
- a. **Component 1.** Two intermediate indicators have been changed:
 - i. **Establishment of a business model for SEINFRA/SIT.** SEINFRA was expected to prepare a simplified methodology to diagnose SEINFRA/SIT delivery of works, but this will be integrated into a larger business model analysis for the entire Government of Bahia outside the project, following the expected changes in labor the pandemic has brought (remote work, hybrid models, etc.). The project result framework will measure one of the interim targets (Hours of Capacity Building for improving the business model for SEINFRA/SIT) to establish the business model but lower the target. The original 3,000 staff-days training is too large for a project affected by two years of the pandemic, with its barriers to in-person training, so the target is proposed to be changed to 3,000 staff hours (375 staff-days).
 - ii. **Number of yearly meetings conducted by the State Logistics Committee.** In 2019, as reported in the aide-memoires, it had become clear that most State logistics discussions occurred within the Bahia Industries' Federation (*Federação das Indústrias da Bahia*), not in the State Logistic Committee. The federation, a private sector forum, serves the same purpose that the State Logistic Committee was expected to perform when designing the Project. The State government has a permanent representative of the SEINFRA in this private forum. The purpose of restructuring is to avoid duplicating the existing platform and measure the meetings of the federation.
 - b. **Component 4.** While the Project's road safety activities are being implemented and are expected to be completed on time, the scope of measuring road safety improvements requires correction because of a baseline mistake during preparation. Regarding "Reduction in fatalities and serious injuries on the selected

³ The estimated number of CREMA roads rehabilitated under the Project is listed in a table in annex 1.



road safety corridors,” the baseline value confirmation is necessary. The target will remain the same in relation to the confirmed baseline, in line with the expected reduction in fatalities and serious injuries estimated by the International Road Assessment Programme, but the methodology is also revised to measure the outcomes attributed to the Project activities—the road safety corridor works. The issue is that the 2013 baseline that was included in the original Project Appraisal Document (PAD) was an estimate as no other value could be confirmed by SEINFRA at appraisal. The proposed changes will measure the variation in the number of fatalities and serious injuries against the revised baseline and in comparison, (difference in differences) with the overall rate across the road network in Bahia.

9. **The Government of Bahia requested the restructuring in two *oficios* (official letters), dated February 5, 2021, and June 6, 2021, to reallocate funds between the components and include the changes in the Result Framework.**

II. DESCRIPTION OF PROPOSED CHANGES

A. Results Framework

10. The restructuring proposes the following changes (see the Results Framework section for details).
- i. **PDO indicator “Reduction in fatalities and serious injuries on the selected road safety corridors (percentage).”** The target will remain the same, but the original baseline value of 50 in the PAD from 2013 is changed to 110 from 2015. In addition, it is proposed to delete the target (“reduction”) from the indicator name based on the good practices and change the methodology to compare the pilot projects with the overall results in the State road network.
 - ii. **Intermediate outcome indicator “Establishment of a business model for SEINFRA/SIT.”** The original indicator was to create a business model that would look at how to improve SEINFRA’s performance (“Establishment of a business model for SEINFRA/SIT” with the target “New business model implemented”). The Project included intermediate targets, preparing a modernization plan, and a minimum of 3,000 staff days of training for the SEINFRA/SIT staff. The restructuring proposes to revise the name of the indicator to “Hours of capacity building for improving the business model for SEINFRA/SIT (number)” and to revise the target to 3,000 hours (375 staff-days) of training to SEINFRA/SIT staff. The Government of Bahia will still deliver the output with their own financing.
 - iii. **Intermediate outcome indicator “Number of yearly meetings conducted by the State Logistic Committee.”** As agreed between the Bank and Borrower in 2019, the original indicator “Number of yearly meetings conducted by the State Logistic Committee” is proposed to be replaced with “Number of yearly meetings conducted by the Infrastructure Committee of the Federation of Industries of the State of Bahia”. The remain remains the same (two per year).
 - iv. **Added corporate result indicator.** A new corporate result indicator to measure the **number of direct and indirect beneficiaries** of the rehabilitated CREMA roads, the rural works, and the road safety corridors has been integrated into the Results Framework. This indicator will measure the total number of citizens who see their access to jobs, education, and health services improved as a result of the activities supported by the Project.



B. Components and Cost, as well as Reallocation between Disbursement Categories

- 11. Changes in components and costs.** Based on the rationale discussed above, the total allocation to Component 2 will increase from the original US\$199.5 million to US\$206.5 million because of the reduction of US\$50 million of the counterpart financing and increased allocation of IBRD financing to Component 2 allocation. The allocation of IBRD financing to other components will decrease, and the unallocated amount will be reduced from \$US13 million to US\$0 million (see pages 13 and 14 for details).
- 12.** The proposed changes in Component costs are described below:
- i. **Reallocation of US\$11 million from Component 1 to Component 2.** Based on an agreement with the World Bank team in the April 2021 mission, it was decided that some activities that are part of the Component 1 (Institutional Strengthening) will no longer be developed under the Project. They will be removed from the Procurement Plan of the Project and some of them developed with the government’s own funds outside of the SEINFRA/SIT scope as they will affect the whole public administration of Bahia rather than the SEINFRA. It should be noted that dropping these activities does not impact negatively the expected outcomes of the Project nor any target for the Project indicators.
 - ii. **Reallocation of US\$5 million from Component 3 to Component 2.** As the current activities won’t need the full amount allocated to this component, there are savings of undisbursed funds and there is little time to implement other activities on the feeder roads (longer time for implementation), SEINFRA has requested the reallocation of IBRD loan resources from Component 3 to 2.
 - iii. **Reallocation of US\$6 million from Component 4 to Component 2.** Road safety actions have a projected disbursement of approximately US\$9 million for both ongoing and future contracts, leaving US\$6 million of undisbursed funds. The savings are solely due to the appreciation of the dollar against the real, causing advantageous financial leeway for the Project since the Project activities have not been reduced.
 - iv. **Reallocation of US\$2 million from Component 5 to Component 2.** The Project management component finances the Project Coordination Unit’s operating and consulting costs for Project monitoring, supervision, and evaluation. It also funds the necessary operating expenses such as training, daily payments, and transportation, in addition to other items related to the Project. As a result of the strong dollar appreciation, it is estimated that the projected costs for this component (US\$2 million) amount to only about 50 percent of the original allocation to this component (US\$4 million).
 - v. **US\$50 million reduction of the counterpart funding under Component 2.** The counterpart funding is reduced from US\$100 million to US\$50 million under Component 2. There is no counterpart funding in other components.
- 13.** Tables 1 and 2 show the details of the proposed allocation of financing by component, including both IBRD and counterpart funding. Table 1 compares the proposed total costs with the original allocations in the PAD. Table 2 shows the changes proposed in this restructuring compared to the current allocation of financing by components after the 2020 restructuring.

Table 1. Summary of Reallocation between Components from the Original PAD



| Current component name | Current total costs (US\$ million) | Action | Proposed total costs (US\$ million) |
|-----------------------------------------------------------------------------|------------------------------------|---------------------|-------------------------------------|
| Component 1: Institutional Strengthening | 18.00 | Revised | 7.00 |
| Component 2: Performance-based State Highway Rehabilitation and Maintenance | 199.50 | Revised | 206.50 |
| Component 3: Feeder Road Improvement | 50.00 | Revised | 25.00 |
| Component 4: Road Safety | 15.00 | Revised | 9.00 |
| Component 5: Project Management | 4.00 | Revised | 2.00 |
| Unallocated | 13.00 | Marked for deletion | 0.00 |
| Front End Fee | 0.50 | No change | 0.50 |
| Total | 300.00 | | 250.00 |

Table 2. Summary of Proposed Changes to IBRD Loan and Counterpart Funding Related to the Current Estimates after the Previous Restructuring

| Component | Current costs (US\$ million) | | Proposed changes (US\$ million) | | Revised proposed costs (US\$ million) |
|-----------------------------|------------------------------|---------------|---------------------------------|--------------|---------------------------------------|
| | IBRD | Counterpart | | | |
| 1 | 18.00 | - | 11.00 | Reduction | 7.00 |
| 2 | 132.50 | - | 24.00 | Increase | 156.50 |
| | - | 100.00 | 50.00 | Cancellation | 50.00 |
| 3 | 30.00 | - | 5.00 | Reduction | 25.00 |
| 4 | 15.00 | - | 6.00 | Reduction | 9.00 |
| 5 | 4.00 | - | 2.00 | Reduction | 2.00 |
| Front-end fee | 0.50 | | 0.50 | No Change | 0.50 |
| Subtotal | 200.00 | 100.00 | 50.00 | Reduction | |
| Total (US\$ million) | | 300.00 | | | 250.00 |

14. The disbursement estimates of the IBRD loan do not require revision because they were updated during the December 2020 restructuring. SEINFRA intends to disburse the full amount of the IBRD loan by June 2022.



III. SUMMARY OF CHANGES

| | Changed | Not Changed |
|----------------------------------------------|---------|-------------|
| Results Framework | ✓ | |
| Components and Cost | ✓ | |
| Reallocation between Disbursement Categories | ✓ | |
| Implementing Agency | | ✓ |
| DDO Status | | ✓ |
| Project's Development Objectives | | ✓ |
| PBCs | | ✓ |
| Loan Closing Date(s) | | ✓ |
| Cancellations Proposed | | ✓ |
| Disbursements Arrangements | | ✓ |
| Disbursement Estimates | | ✓ |
| Overall Risk Rating | | ✓ |
| Safeguard Policies Triggered | | ✓ |
| EA category | | ✓ |
| Legal Covenants | | ✓ |
| Institutional Arrangements | | ✓ |
| Financial Management | | ✓ |
| Procurement | | ✓ |
| Implementation Schedule | | ✓ |
| Other Change(s) | | ✓ |
| Economic and Financial Analysis | | ✓ |
| Technical Analysis | | ✓ |
| Social Analysis | | ✓ |
| Environmental Analysis | | ✓ |

IV. DETAILED CHANGE(S)

**COMPONENTS**

| Current Component Name | Current Cost (US\$M) | Action | Proposed Component Name | Proposed Cost (US\$M) |
|-----------------------------------------------------------------------------|----------------------|---------------------|-----------------------------------------------------------------------------|-----------------------|
| Component 1: : Institutional Strengthening | 18.00 | Revised | Component 1: : Institutional Strengthening | 7.00 |
| Component 2: Performance-based State Highway Rehabilitation and Maintenance | 199.50 | Revised | Component 2: Performance-based State Highway Rehabilitation and Maintenance | 206.50 |
| Component 3: Feeder Road Improvement | 50.00 | Revised | Component 3: Feeder Road Improvement | 25.00 |
| Component 4: Road Safety | 15.00 | Revised | Component 4: Road Safety | 9.00 |
| Component 5: Project Management | 4.00 | Revised | Component 5: Project Management | 2.00 |
| Unallocated | 13.00 | Marked for Deletion | Unallocated | 0.00 |
| Front End Fee | 0.50 | | Front End Fee | 0.50 |
| TOTAL | 300.00 | | | 250.00 |

REALLOCATION BETWEEN DISBURSEMENT CATEGORIES

| Current Allocation | Actuals + Committed | Proposed Allocation | Financing % (Type Total) | |
|--------------------------------|--------------------------------------------------------|---------------------|--------------------------|----------|
| | | | Current | Proposed |
| IBRD-85800-001 Currency: USD | | | | |
| iLap Category Sequence No: 1 | Current Expenditure Category: CW,GO,CS,NCS&TR - Part 1 | | | |
| 18,000,000.00 | 3,684,879.26 | 7,000,000.00 | 100.00 | 100.00 |
| iLap Category Sequence No: 2 | Current Expenditure Category: CW & CS - Part 2.1 | | | |
| 132,500,000.00 | 115,769,003.80 | 156,500,000.00 | 100.00 | 100.00 |
| iLap Category Sequence No: 3 | Current Expenditure Category: CW,GO,CS&NCS - Part 3 | | | |



The World Bank

BAHIA ROAD REHABILITATION AND MAINTENANCE PROJECT - 2ND PHASE (P147272)

| | | | | | |
|------------------------------|-----------------------|-----------------------|--------------------------------------------------------|--------|--------|
| | 30,000,000.00 | 6,516,634.27 | 25,000,000.00 | 100.00 | 100.00 |
| iLap Category Sequence No: 4 | | | Current Expenditure Category: CW,GO,CS,NCS&TR - Part 4 | | |
| | 15,000,000.00 | 1,392,143.57 | 9,000,000.00 | 100.00 | 100.00 |
| iLap Category Sequence No: 5 | | | Current Expenditure Category: CS, TR & OP - Part 5 | | |
| | 4,000,000.00 | 1,669,544.01 | 2,000,000.00 | 100.00 | 100.00 |
| iLap Category Sequence No: 6 | | | Current Expenditure Category: UNALLOCATED | | |
| | 0.00 | 0.00 | 0.00 | | |
| Total | 199,500,000.00 | 129,032,204.91 | 199,500,000.00 | | |



Results framework

COUNTRY: Brazil

BAHIA ROAD REHABILITATION AND MAINTENANCE PROJECT - 2ND PHASE

Project Development Objectives(s)

The Project Development Objective is to enhance, in a sustainable fashion, road accessibility and safety in selected regions of the State of Bahia territory.

Project Development Objective Indicators by Objectives/ Outcomes

| Indicator Name | PBC | Baseline | End Target |
|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------|
| To enhance, in a sustainable fashion, road accessibility in selected regions of the State of Bahia | | | |
| State paved road network under performance-based rehabilitation and maintenance contracts (Percentage) | | 3.00 | 25.00 |
| Share of rural population with access to an all-season road (Percentage) | | 45.00 | 60.00 |
| Number of rural people with access to an all-season road (Number) | | 490,000.00 | 1,315,000.00 |
| People with enhanced access to transportation services (CRI, Number) | | 0.00 | 6,183,000.00 |
| Action: This indicator is New | Rationale: A new Corporate Indicator to measure the number of direct and indirect beneficiaries of the rehabilitated CREMA roads, the feeder roads' works, and the road safety corridors has been integrated into the Result Framework. | | |
| People with enhanced access to transportation services - Roads/Highways (CRI, Number) | | 0.00 | 6,183,000.00 |
| Action: This indicator is New | | | |
| To enhance, in a sustainable fashion, safety in selected regions of the State of Bahia | | | |



| Indicator Name | PBC | Baseline | End Target |
|----------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|
| Change in fatalities and serious injuries on the selected road safety corridors (Percentage) | | 0.00 | 30.00 |
| <i>Action: This indicator has been Revised</i> | <p>Rationale: <i>The target will remain the same, but there is a need to correct the baseline in the PAD. The absolute baseline value in the PAD from 2013 was 50, including fatalities and serious injuries. The issue is that the 2013 baseline was an estimate because no other baseline value could be obtained and confirmed at Appraisal. The proposed baseline value for the two targeted project corridors is 110 from 2015, a year before the Board Approval, and is confirmed. In addition, it is proposed to delete the target (“reduction”) from the indicator name based on the good practices.</i></p> | | |

Intermediate Results Indicators by Components

| Indicator Name | PBC | Baseline | End Target |
|--------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-----------------------------------|
| Component 1: : Institutional Strengthening | | | |
| Establishment of the State Infrastructure Road Fund (Text) | | Fund created but not operational | Road fund established and working |
| Operationalization of SEINFRA/SIT’s Pavement Management System (Text) | | System installed a pilot phase | System operational |
| Hours of Capacity Building for improving the business model for SEINFRA/SIT (Number) | | 0.00 | 3,000.00 |
| <i>Action: This indicator has been Revised</i> | <p>Rationale: <i>The original indicator was to create a business model that would look at how to improve SEINFRA's performance (“Establishment of a business model for SEINFRA/SIT” with the target “New business model implemented”). The Project included intermediate targets, preparing a modernization plan and a minimum of 3000 staff days of training to staff in SEINFRA/SIT. The restructuring proposes to revise the name of the indicator to “Hours of Capacity Building for improving the business model for SEINFRA/SIT (Number)” and revise the target to 3000 hours (375 days) of training to staff in SEINFRA/SIT.</i></p> | | |



| Indicator Name | PBC | Baseline | End Target |
|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------|
| Number of yearly meetings conducted by the Infrastructure Committee on the Bahia Industries' Federation. (Number) | | 0.00 | 2.00 |
| Action: This indicator has been Revised | <p>Rationale: <i>As agreed between the Bank and Borrower in 2019, the original indicator "Number of yearly meetings conducted by the State Logistic Committee" with the target of two is proposed to be replaced with "Number of yearly meetings conducted by the Infrastructure Committee of the Federation of Industries of the State of Bahia"(or Federacao das Industrias da Bahia) with the same target. In 2019, as reported in the aide memories, it had become clear that most States logistics discussions had actually happened within the "Federação das Industrias da Bahia". The Bahia Industries' Federation, a private sector forum, serves the same purpose that the State Logistics Committee was expected to serve at the time of designing the Project. The State Government has a permanent representative of the Secretariat of Infrastructure in this private forum. The purpose of the restructuring is to avoid duplicating the existing forum.</i></p> | | |
| Establishment of an appraisal tool to inform decision-making for transport infrastructure investments (Text) | | Tool not available | Tool available |
| Component 2: Performance-based State Highway Rehabilitation and Maintenance | | | |
| Roads rehabilitated, Rural (Kilometers) | | 0.00 | 2,370.00 |
| Roads in good and fair condition as a share of total classified roads (Percentage) | | 70.00 | 80.00 |
| Size of the total classified network (Kilometers) | | 10,900.00 | 10,900.00 |
| Component 3: Feeder Road Improvement | | | |
| Cumulated number of critical spots eliminated (Number) | | 0.00 | 900.00 |
| Cumulated number of municipalities where citizens engaged in road investment definition and prioritization (Number) | | 0.00 | 62.00 |
| Component 4: Road Safety | | | |
| Establishment of a State Committee for road safety (Text) | | No Committee | Committee established |



The World Bank

BAHIA ROAD REHABILITATION AND MAINTENANCE PROJECT - 2ND PHASE (P147272)

| Indicator Name | PBC | Baseline | End Target |
|-----------------------------------------------------------------------------------------------|-----|------------------------|-----------------------|
| Elimination of physical critical spots for road safety on the selected corridors (Percentage) | | 0.00 | 100.00 |
| Operationalization of integrated traffic accident database (Text) | | No integrated database | Database in operation |



Annex 1. Bahia Road Rehabilitation and Maintenance Project—2nd Phase (P147272)—Division Into Lots and Road Groups of CREMA Roads—Component 2

| STEPS ⁴ | GROUP | LOT | HIGHWAY | START-STRETCH | END-STRETCH | EXTENSIONS (km) | SITUATION OF THE GROUPS—CIVIL WORKS | |
|--------------------|-------------|----------------------------|-----------------------|---------------|-----------------------|-----------------|-----------------------------------------------------------------------|--------------------------|
| 2nd | GROUP 0—PPP | SINGLE LOT | BA-052 | BA-052 | BR-116 | 83.43 | CONTRACTED IN RESTORATION PHASE | |
| | | | BA-052 | BA-052 | IPIRÁ | 53.02 | | |
| | | | BA-052 | BA-052 | BAIXA GRANDE | 77.66 | | |
| | | | BA-052 | BA-052 | PORTO FELIZ (km 5) | 244.96 | | |
| | | | BA-160 | BA-160 | BA-052(XXIQUE-XIQUE) | 87.53 | | |
| | | TOTAL GROUP 0 - PPP | | | | | 546.60 | TOTAL GRUPO 0—PPP |
| 1st - CORE A | GROUP I | LOT 1 | BA-210 | BA-210 | BR-110 | 9.86 | REHABILITATION COMPLETED; ROUTINE MAINTENANCE TOTAL GROUP I | |
| | | | BA-210 | BA-210 | PAULO AFONSO | 29.97 | | |
| | | | BA-210 | BA-210 | AC BARRAGEM ITAPARICA | 84.78 | | |
| | | | BA-210 | BA-210 | RODELAS | 26.4 | | |
| | | | BA-210 | BA-210 | BARRA TARRACHIL | 22.8 | | |
| | | | BA-210 | BA-210 | ABARE | 16.9 | | |
| | | SUBTOTAL LOT 1 | | | | | | SUBTOTAL LOT 1 |
| | | LOT 2 | BA-210 | BA-210 | BR-116(Ac. Ibo) | 92.84 | | |
| | | | BA-210 | BA-210 | CURAÇA | 89.69 | | |
| | | | SUBTOTAL LOT 2 | | | | | SUBTOTAL LOT 2 |

⁴ The Core A roads were the original scope of Component 2. The Core B roads are now being added to the Project Component 2 scope.



| | | | | | | |
|-------------------------------------------------|-------|-----------------------|--------------------------------|--------------------------------|---------------|-------------------------------------------------------------|
| | | TOTAL GROUP I | | | 373.24 | |
| GROUP II | LOT 1 | BA-161 | BR-242 | IGARITÉ | 61.39 | REHABILITATION COMPLETED; ROUTINE MAINTENANCE |
| | | BA-161 | IGARITÉ | BARRA | 86.79 | |
| | | SUBTOTAL LOT 1 | | | | |
| | LOT 2 | BA-172 | SANTA MARIA DA VITÓRIA | JABORANDI | 43.02 | |
| | | BA-172 | BR-242 (JAVI) | SANTA MARIA DA VITÓRIA | 167.49 | |
| | | SUBTOTAL LOT 2 | | | 210.51 | |
| TOTAL GROUP II | | | | 358.69 | | |
| GROUP III | LOT 1 | BA-262 | BRUMADO | VITÓRIA DA CONQUISTA | 126.77 | REHABILITATION COMPLETED; ROUTINE MAINTENANCE |
| | | BA-263 | ITAMBÉ | VITÓRIA DA CONQUISTA | 51.78 | |
| | | BA-148 | BRUMADO | LIVRAMENTO | 65.3 | |
| | | SUBTOTAL LOT 1 | | | 243.85 | |
| | LOT 2 | BA-152 | LIVRAMENTO | BA-156 | 93.95 | |
| | | BA-156 | BA-152 (CATURAMA) | BR-430 (IGAPORÃ) | 82.88 | |
| | | BA-156 | BA-152 | BR-242 | 129.48 | |
| | | SUBTOTAL LOT 2 | | | 306.31 | |
| TOTAL GROUP III | | | | 550.16 | | |
| CREMA BAHIA II - REST OF FORMER GROUP IV | LOT 1 | BA-459 | BA-460(PLACAS) | BA-454(p/FORMOSA DO RIO PRETO) | 92.29 | CONTRACTED, IN MOBILIZATION PHASE; COUNTERPART RESOURCES |
| | | BA-459 | BA-454(p/FORMOSA DO RIO PRETO) | BR-242 (ANEL DA SOJA) | 64.92 | |
| | | BA-460 | BR-242(LUIS EDUARDO MAGALHÃES) | BA-459(PLACAS)-DIVISA BA/TO | 55.52 | |
| | | SUBTOTAL LOT 1 | | | 212.73 | |
| | LOT 2 | BA-463 | SÃO DESIDÉRIO | BR-020 (RODA VELHA) | 125.2 | |



| | | | | | | | |
|--------------------------------------------|----------------------|------------------------|-----------------------|-------------------------------|-------------------------|----------------|-----------------------------------------------------------|
| | | | SUBTOTAL LOT 2 | | | 125.2 | |
| | | TOTAL GROUP IV | | | | 337.93 | |
| TOTAL CORE A (INCLUSIVE OF THE PPP) | | | | | | 2166.62 | |
| 3rd - CORE B | GROUP V | LOT 1 | BA-046 | ITABERABA | IAÇU | 30.00 | REHABILITATION BEING COMPLETED; ROUTINE MAINTENANCE PHASE |
| | | | BA-046/245 | IAÇU-MARCIONÍLIO SOUZA-ITAETÊ | ENTR. BA-142 | 145.00 | |
| | | | BA-142 | ENTR.BR-242-MUCUGE-B. ESTIVA | ENTR.BR-407(SUSSUARANA) | 237.85 | |
| | | | SUBTOTAL LOT 1 | | | 412.85 | |
| | | LOT 2 | BA-160 | IBOTIRAMA-PARATINGA | BOM JESUS DA LAPA | 137.30 | |
| | | | BA-148 | BR-242-BONINAL-ABAÍRA | RIO DE CONTAS | 195.17 | |
| | | | SUBTOTAL LOT 2 | | | 332.47 | |
| | TOTAL GROUP V | | | | | 616.16 | |
| | GROUP VI | LOT | BA-131 | ENT.BR-407(SR.BONFIM)-SAUDE | CAEM-ENTR.BR-324 (A) | 97.90 | REHABILITATION BEING COMPLETED; ROUTINE MAINTENANCE PHASE |
| | | TOTAL GROUP VI | | | | | 97.90 |
| | GROUP VII | LOT | BA-001 | VALENÇA | ITACARÉ | 121.00 | REHABILITATION STARTED |
| | | TOTAL GROUP VII | | | | | 121.00 |
| | GROUP VIII | LOT | BA-233 | IPIRÁ | ITABERABA | 76.79 | CONTRACTED; IN MOBILIZATION PHASE |
| | | | BA-130 | BA-052-MACAJUBA-RUI BARBOSA | BR-242(ZUCA) | 80.74 | |
| TOTAL GROUP VIII | | | | | 157.52 | | |

**The World Bank**

BAHIA ROAD REHABILITATION AND MAINTENANCE PROJECT - 2ND PHASE (P147272)

| | | | | | | | |
|----------------------------------------------------------------|----------------------|------------------------------------------------------------|--------|------------------------|---------------------|-------------------------|-----------------------------------------------------|
| | GROUP IX | LOT | BA-001 | NAZARÉ | VALENÇA | 34.72 | NCB BIDDING NOTICE TO BE LAUNCHED IN SEPTEMBER 2021 |
| | | | BA-001 | ENTR BA 656 (TREMENBÉ) | ILHÉUS | 80.09 | |
| TOTAL GROUP IX | | | | | | 114.81 | TOTAL GROUP IX |
| | CREMA BAHIA I | LOT | BA-290 | ITANHEM | TEIXEIRA DE FREITAS | 92.20 | REHABILITATION STARTED; COUNTERPART RESOURCES |
| | | | | | | TOTAL GROUP VIII | |
| | DBM PILOT | Under discussion. Estimated length at least 200 km. | | | | 207.79 | |
| TOTAL GROUP B | | | | | | 1407.38 | |
| OVERALL TOTAL LENGTH TO BE REHABILITATED OF CREMA ROADS | | | | | | 3,574 km | |