



1. Project Data

Operation ID
P147695

Operation Name
Enhancing Public Manag for Service Deliv

Country
Brazil

Practice Area(Lead)
Transport & ICT

L/C/TF Number(s)
IBRD-83070

Closing Date (Original)
31-Jan-2015

Total Financing (USD)
500,000,000.00

Bank Approval Date
21-Nov-2013

Closing Date (Actual)
31-Jan-2016

| | IBRD/IDA (USD) | Co-financing (USD) |
|---------------------|-----------------------|---------------------------|
| Original Commitment | 500,000,000.00 | 0.00 |
| Revised Commitment | 500,000,000.00 | 0.00 |
| Actual | 500,000,000.00 | 0.00 |

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2. Project Objectives and Policy Areas

a. Objectives

The Project Development Objectives (PDO) as stated in the Program Document (pages v and para 45) were to assist the Government of Rio de Janeiro (GORJ) in its efforts to enhance public management for the delivery of key public service for vulnerable populations by instituting new policies and regulations to improve:

- the medium term planning and monitoring of public expenditures (Policy Area 1);
- the accessibility, quality and affordability of urban mobility services for the poor (Policy Area 2); and



- the availability of targeted social services aimed at reducing domestic and gender based violence (Policy Area 3).

b. Were the program objectives/key associated outcome targets revised during implementation of the series?

c. Pillars/Policy Areas

The following is the summary of the actions that had already been taken under the program by the Government (Loan Agreement page 1).

Policy Area 1: Instituting policies to improve medium-term planning and monitoring of public expenditures.

Policy Objective 1.1: Adopt sound financial and debt management policies and practices.

Policy Objective 1.2: Strengthen the definition of the budget resource envelope under a Medium-Term Expenditure Framework (MTEF).

Policy Objective 1.3: Implement a framework to deal with fiscal commitments originated from Public-Private Partnerships (PPPs).

Policy Area 2: Instituting policies and regulations to improve the accessibility, quality and affordability of urban mobility services for the poor.

Policy Objective 2.1: Foster Modal Integration in urban transport systems.

Policy Objective 2.2: Enhance Performance and Transparency of Inter-Municipal Bus Services.

Policy Objective 2.3: Ensure the long-term sustainability and effectiveness of the State's urban transport subsidy / affordability programs.

Policy Area 3: Instituting policies and regulations to improve the availability of targeted social services aimed at reducing domestic and gender based violence.

Policy objective 3.1: Implement the Maria da Penha Law by leveraging transport sector.

d. Comments on Program Cost, Financing, and Dates

Project Costs: The program and actual project costs were US\$500 million.

Financing: The IBRD loan of US\$ US\$500 million was fully disbursed. There was no cofinancing.

Borrower Contribution: No borrower contribution was planned or made.

Dates: The operation suffered implementation delays due to legal constraints and institutional changes during the 2014 electoral period. The State of Rio de Janeiro requested the Bank to extend the program



closing date by one year from January 31, 2015 to January 31, 2016 to continue receiving World Bank support in the critical areas of inter-municipal bus reform and gender-based violence prevention. This allowed the Bank to continue to provide technical assistance and to work with the Government on pushing the reform agenda forward (ICR para 22).

3. Relevance of Objectives & Design

a. Relevance of Objectives

According to the Bank Team, "the operation was part of a long-term engagement with the State of Rio de Janeiro and followed four previous Development Policy Loans that focused on improving service delivery in other sectors (education for instance). The operation also had important synergies with the Strengthening Public Management and Integrated Territorial Development Project (P126735). From an urban mobility perspective, the proposed operation was closely linked to the ongoing Upgrading and Greening the Rio de Janeiro Urban Rail System Project (P111996), a project that is financing critical investments in the SuperVia suburban rail system and providing technical assistance aimed at improving urban transport policy and planning. On the fiscal side, the rationale was that the operation would focus on issues of public financial management (operational risks management, budget planning, and transparency)".

The development objective of Policy Area 1, of "instituting policies and regulations to improve medium-term planning and monitoring of public expenditures," is modestly aligned with the first strategic objective of the Brazil Country Partnership Strategy (CPS) FY 12-15 which aims at increasing the efficiency of public and private investments. However, the Policy Area 1 objective failed to address the series of fiscal challenges the state was already facing at appraisal. This objective did not sufficiently support fiscal discipline measures to increase the fiscal space for public investment, although it worked to improve predictability and transparency of budgetary resources (ICR, para 38).

The development objective of Policy Area 2, of "instituting policies and regulations to improve the accessibility, quality, and affordability of urban mobility services for the poor," was substantially relevant to the second strategic objective of the CPS - improving the quality of public services for low-income households.

The development objective of Policy Area 3, of "instituting policies and regulations to improve the availability of targeted social services aimed at reducing domestic and gender-based violence" was also aligned with the second strategic objective of the CPS - improving the services for low-income households with increasing attention to supporting efforts to promote gender inclusion (ICR, para 38).

The operation was part of a larger Government of Rio de Janeiro sectoral reform program of US\$750 million (of which the Bank financed US\$500 million). The PDO was linked to the Government's priority of improving the availability and quality of public services (Program Document, para 45). According to the Bank Team, "the project objectives were aligned with the strategy of the Government. Firstly, the elimination of the old bus permission system and its replacement for a modern concession scheme was required by a Federal Court



ruling and had been in the plans for some time, but has always faced important challenges due to political opposition and strong lobby of the bus industry. Partnering with the Bank in this operation represented an opportunity to get help from the bank in advancing the bus reform. In addition, the Government had instituted a plan and created a sub secretariat to address domestic violence and advanced on a partnership with Supervia for the Via Lilac program. On the metropolitan transport planning front, the government had (with bank financing) developed an update to the metropolitan transport urban plan and wanted to institute this plan as the basis for planning coordination in the metropolitan region".

Rating

Substantial

b. Relevance of Design

Relevance of Prior Actions.

The policy actions under Policy Area 1 were mostly focused on operational improvement, not on fiscal adjustment, which was the crux of the fiscal difficulties facing Rio. While mitigating operational risks is worthwhile, these are less important than conventional fiscal risks (revenue shortfall, inability to control expenditures) to improve medium-term planning and monitoring of expenditures (ICR, para 47).

The policy actions for Policy Area 2 were clearly linked with achieving the outcomes relating to Policy Area 2 objective. The operation supported reforms that complemented the Government's investments in the transport sector to improve the delivery of mobility services for the poor. Out of the actions mentioned under this policy area, the program placed great emphasis on improving inter-municipal bus services, which transports the majority of the poor people in the metropolitan region and operates under an outdated licensing framework characterized by substandard monitoring, lack of transparency in operations, lack of performance incentives, and poor integration with other mass transit systems (ICR, para 19).

Under Policy Area 3, the operation backed ongoing efforts in the Rio de Janeiro Metropolitan Region to improve the delivery of gender-focused services and reduce domestic and gender-based violence by supporting the implementation of the *Maria da Penha* Law. The *Maria da Penha* law provides for unprecedented measures to protect women in situations of violence or under risk of death. The law changed the Penal Code, allowing an aggressor to be arrested not only in the act of committing an offence, but also preventively, if the aggressor's freedom is determined to be a threat to a victim's life. The *Maria da Penha* Law was to be operationalized by leveraging transport infrastructure for improved delivery and targeting of gender specific services.

Adequacy of the Lending Instrument

According to the Program Document (para 3) the operations "supports important reforms in public sector management and service delivery that are fundamental for meeting citizen expectations, of both the poor and of the middle-class, and complements previous operations". According to the Bank Team, "the DPO was chosen to complement a series of investment loans that had been provided to decentralize, rehabilitate, introduce private participation and "green" the urban rail sector in the State of Rio de Janeiro. Although these operations went a long way in introducing quality service and increasing ridership, further improvements in



demand and a greater impact in mitigating climate change were limited by lack of coordination of the rail and bus services with the rail as the backbone system and deficient planning leading to poor physical integration. Improving coordination and integration required a change in the operational model for bus services and better metropolitan planning, both actions that are better supported through a policy loan".

Measurability

The M&E framework had 18 indicators to measure the achievement of seven policy objectives in three policy areas. However, there were some shortcomings with respect to these indicators (see section 9 a below).

Rating

Substantial

4. Achievement of Objectives (Efficacy)

Objective 1

Objective

Policy Area 1: Instituting policies to improve medium-term planning and monitoring of public expenditures.

Rationale

Outputs

Adopt sound financial and debt management policies and practices

- Improved budget preparation practices were introduced under the program and at project close were being implemented. These include publication of budget, regular updating of medium-term revenue estimates, and setting-up of appropriate sectorial budget ceilings. The ICR reports (para 45) that these improved practices did not address the underlying fiscal constraints the state was facing and any progress achieved under the improved practices will not be effective until a fiscal reform package is in place.
- According to the ICR (para 43), "in 2016, the State of Rio de Janeiro defaulted on its debt obligations and had insufficient resources to meet personnel and pension commitments".

Strengthen the definition of the budget resource envelope under a medium-term expenditure framework

- The State Secretariat of Finance (SEFAZ), along with the State University of Rio de Janeiro, developed and implemented its own statistical models for the improvement of the State Treasury revenue projections.



- The state published the 2014 revenue estimates in 2013. In 2014, the state prepared and published four technical notes on the review of the revenue estimates. For 2015 the state published revenue estimates and five technical notes on the review of the 2015 revenue estimates. The publication of revenue estimates has increased the transparency in the definition of the budget estimates. The ICR reports (para 47) that SEFAZ continues to use the Medium-Term Expenditure Framework (MTEF) but has made some adjustments based on the economic factors.

Implement a framework to deal with fiscal commitments originated from PPPs

- The State Secretariat of Finance (SEFAZ) established a methodology to identify the fiscal commitments as a result of PPPs, which includes the analysis, quantification, and qualification of the impacts of the explicit financial obligations, namely those defined in the PPP contract.

Outcome

The objective of improving the medium term planning and monitoring of public expenditures was not achieved.

- According to the ICR (para 42) “the improvements to internal controls could not, by their nature, offset the fall in revenues that was driven by the downturn of the economy and, in particular, the oil sector. For 2016, the cash balance was below the threshold in seven out of nine months (data from January to September 2016), which shows a very deteriorated situation. At project close, the state was several months behind schedule in salary payments, pensions, and payments to vendors”.

Rating

Negligible

Objective 2

Objective

Policy Area 2: Instituting policies and regulations to improve the accessibility, quality and affordability of urban mobility services for the poor.

Rationale

Outputs:

Foster modal and regional integration in urban transport



- Two multimodal integration stations - Maracanã and Madureira were completed against the target of one. Maracanã Station was inaugurated in February 2014, integrating the SuperVia urban train and subway systems. The Madureira Station, the state improved the integration between SuperVia and the TransCarioca BRT system.
- To connect the poor, the state prepared guidelines for non-motorized transport. 40 bicycle racks were integrated with high capacity transport in Cocota Station. An agreement was reached with MetrôRio and SuperVia to authorize bicycle boarding.

Enhance the performance and transparency of inter-municipal bus services

- The indicator “inter-municipal bus lines in the Rio de Janeiro Metropolitan Region are in operation under new concession agreements incorporating performance monitoring” was not achieved. After delays due to the elections, the state was unwilling to provide significant changes in the transport service, given the proximity of Olympics and Paralympic games in the summer of 2016 (para 57).

Ensure the long-term sustainability and effectiveness of the Borrower's urban transport subsidy and affordability programs

- The state contracted a technical audit of the Integrated Fare Policy, as mandated by the Prior Action Decree. A number of actions were taken: (a) the nomination of a high-level manager to oversee the program and fight against fraud and the Roads Transport Department implemented a new face recognition technology in 1,200 buses to reduce Integrated Fare (BUI) fraud; (b) the elimination of a subsidy that existed on top of the BUI; and (c) better access to data.

Outcome

The objective of instituting policies and regulations to improve the accessibility, quality and affordability of urban mobility services for the poor was modestly achieved:

- The Permanent Committee for the implementation of the Urban Transport Master Plan (PDTU), which included relevant government and civil society stakeholders, met four times in 2015 and presented a strategy for the implementation of priority projects in urban transport integration. The state also presented this plan at the Legislative Assembly and at the commercial association of Rio de Janeiro.
- Modal integration was achieved. The main beneficiaries of Maracanã Station are the passengers of poor areas of the periphery of Rio de Janeiro (Baixada Fluminense, northern, southern and western areas). The lines integrated in Maracanã are SuperVia branches Deodoro, Santa Cruz, Japeri, Belford Roxo, and



Saracuruna and Metro Line 2. Madureira station is a major railway station of the Rio suburb, and this was integrated between SuperVia and the TransCarioca BRT system.

- The Roads Transport Department has developed a smartphone application to allow better monitoring of service quality from the passengers' perspective. The application response rate was however very low (para 59).
- The new cable car operation contract resulted in reduction in subsidy by 14 percent (above the target of 5 percent). However, in October 2016, the private contractor managing the system cancelled the contract. This was because the state had not paid the contractor (due to fiscal crisis) and the operation was suspended.

Rating
Modest

Objective 3

Objective

Policy Area 3: Instituting policies and regulations to improve and the availability of targeted social services aimed at reducing domestic and gender based violence.

Rationale

Outputs

The Borrower had taken the following actions to implement the Maria da Penha Law by leveraging transport infrastructure for improved delivery and targeting of services: (i) established the Sub-secretariat of Policies for Women; (ii) adopted a policy to promote gender equality in the transport sector specifically focused on the women users of the transport system operated by SuperVia; and (iii) committed to implement the "Programa SuperVia e Telef6rico Lilds" (Loan Agreement para 3).

- A total of 40 information kiosks, out of 93 were installed in SuperVia and ferry stations. These information kiosks (referred to as 'Totems') are interactive computer terminals installed inside the stations, which provide information about gender-based violence, women's rights, and supporting legal services.
- The construction/renovation of the three gender-based violence prevention service centers (Casa Lilas) and four municipal day care centers attached to railway stations were not completed at project close because of low commitment from the municipalities which generated substantial delays (ICR para 65). The municipality was planning to take over the construction but there is a high risk that the



construction/renovation of all seven facilities may be affected by budget cuts as the State Secretariat of Social Welfare and Human Rights (SEASDH) has been identified as an agency for cost reduction (ICR para 65).

- The indicator “increase in the number of women benefiting from the integration of the SuperVia and Teleférico systems to the ‘Casa da Mulher Brasileira’” was not achieved.

Outcome

The objective of instituting policies and regulations to improve and the availability of targeted social services aimed at reducing domestic and gender based violence was modestly achieved. Under the program, the access to gender based violence information had increased.

- According to the ICR (ICR para 64) by January 2016, 53,732 persons had accessed the kiosks, meeting the target of 50,000. The State Secretariat of Social Welfare and Human Rights (SEASDH) provided women with ‘Lilac Bus’. These buses reached the poorest neighborhoods of 20 municipalities in the metropolitan area, serving more than 3,000 women with general services and information on violence prevention and women’s rights.
- According to the ICR, "it is unclear if the increase in access to information generated an actual increase in access to services as the databases for these centers are not integrated, making it impossible to identify what prompted the women to look for support" (ICR para 64).
- There is no evidence attributable to this operation that policies implemented have reduced domestic and gender based violence.

Rating
Modest

5. Outcome

The relevance of objectives and design is assessed as substantial. The first objective of improving the medium term planning and monitoring of public expenditures was not achieved as the improvements to internal controls could not, by their nature, offset the fall in revenues that was driven by the downturn of the economy and, in particular, the oil sector. For 2016, the cash balance was below the threshold in seven out of nine months, which shows a very deteriorated situation. At project close, the state was several months behind schedule in



salary payments, pensions, and payments to vendors. The second objective of instituting policies and regulations to improve the accessibility, quality and affordability of urban mobility services for the poor was modestly achieved. Modal integration was achieved. However, the concessioning of inter-municipal bus lines in the Rio de Janeiro Metropolitan Region was not achieved. The third objective of instituting policies and regulations to improve and the availability of targeted social services aimed at reducing domestic and gender based violence was modestly achieved. Under the program, the access to gender based violence information had increased. However, there is no evidence attributable to this operation that policies implemented have reduced domestic and gender based violence. On the basis of the evidence regarding the program's achievements, the overall outcome of this operation is rated unsatisfactory.

a. Outcome Rating
Unsatisfactory

6. Rationale for Risk to Development Outcome Rating

The risk to development outcome is rated high due to continued fiscal crisis and related political tension. The risk for each policy area are discussed below.

The risk that the outcomes related to the Policy Area 1 namely "*instituting new policies and regulations to improve the medium term planning and monitoring of public expenditures*" may not be sustained is assessed as high according to this review. The ICR reports (ICR para 68) that "while there are important fiscal reform measures under consideration (both at the state and federal level), their approval and effectiveness in improving public management are far from ensured. The publication of fiscal commitments in the budget does not prevent the Government from failing to make payments, as demonstrated by the suspension of the cable car contract".

The risk that the outcomes related to the Policy Area 2 namely "*instituting new policies and regulations to improve the accessibility, quality and affordability of urban mobility services for the poor*" may not be sustained is assessed as high according to this review. To make transport services accessible and affordable, the State of Rio de Janeiro needs to integrate inter-municipal bus and mass transportation as well as rationalize inter-urban bus routes. However, at the time the ICR was prepared, the state had not implemented the new bus concession scheme, including route reorganization. Furthermore, due to the fiscal constraints, the State of Rio de Janeiro is under pressure to change the subsidies policies for the Integrated Transport Card (*Bilhete Único Integrado*), and impose a monthly cap to minimize fraud and generate savings. If these changes are not implemented properly, there is a high risk that it might affect the affordability and mobility of poor.

The risk that the outcomes related to the Policy Area 3 namely "*instituting new policies and regulations to improve availability of targeted social services aimed at reducing domestic and gender based violence*" may not be sustained is assessed as high according to this review. The fiscal crisis in Brazil and the State of Rio de Janeiro may result in budget cuts and there is a high risk that the Lilac Bus Program might be discontinued. The municipalities are also facing fiscal pressures, and there is a high risk that operations and maintenance of the service centers and childcare facilities might be discontinued (ICR para 74). Also, the institutional



reorganization might be delayed as a result of the fiscal crisis (ICR para 71).

a. Risk to Development Outcome Rating

High

7. Assessment of Bank Performance

a. Quality-at-Entry

According to the ICR the main shortcoming at entry was that "the project team failed to recognize the severity of the imminent fiscal crisis and the difficulties in carrying out the proposed reforms under the time frame of the operation" (ICR para 72). The Bank Team further elaborated that "although there were signs and the Bank did recognize them, the slowdown of 2011-2014 was followed by the deepest recession in more than a century in 2015 and 2016. The Bank failed to adequately assess the severity of the slowdown, but in fact, nobody saw this deep recession coming. It was the perfect storm: combination of a very significant oil price decrease (oil being the state's economic engine) with the worst political crisis that Brazil has faced (originated in the lava jato investigations) and that brought the construction industry to a complete halt, coupled with the huge expenditure pressures". The ICR notes that "In Policy Area 1 the project could have targeted toward measures of fiscal discipline instead of financial management as the project implementation period was too short to achieve significant progress on financial management. In Policy Area 2, the Bank failed to address the set of barriers surrounding the bus service reforms (such as elimination of some of the bus lines). In Policy Area 3, the Bank failed to recognize the risks of low Government commitment to address the low capacity of agency and changes in personnel" (ICR para 72).

The Bank Team clarified that the time period of the DPO to achieve the objectives and indicators was not considered too short as the team "believed that with a committed government and in the absence of the political changes (elections and change in government officials) and industry / political pressures that disrupted bus reforms, the policy actions could have been achieved in the original timeframe. The implementation of modern concessions for the bus services required more political will than more time per se. On the gender activities, although technically it is possible that, given the constrained resources, more time would have yielded to more results, however, the high turn-over of the staff with low commitment to the agenda, time alone would not generate better results".

Quality-at-Entry Rating

Unsatisfactory

b. Quality of supervision

According to the ICR (para 73) the project team had the required expertise to supervise the project and the ratings in the Implementation Status and Results Reports were candid. In addition, the supervision of this project was also aided by the supervision missions for the ongoing Rio de Janeiro Upgrading and Greening Urban Rail System Project (P111996). Also, several missions from high-level Bank management were conducted. The Bank supervision team showed flexibility by extending the loan closing date (which is not a



common practice for a DPO) to allow for the completion of some of the reforms.

The project team took a number of actions to improve project implementation:

- supplementary sources of financing were leveraged for implementation and evaluation. These include: Umbrella Facility for Gender Equality trust fund (TA-P157959) and the Development Impact Evaluation (DIME);
- created a task force headed by the Casa Civil. The Bank Team explained that "because the operation involved multiple sectors under different state secretariats (gender, transport, finance, planning), the Bank wanted a high level coordination and supervision of the implementation of the activities. The government officials had a bigger incentive to act when they received direct instructions from the Casa Civil (i.e. the governor's office). The task force started improved reporting by compiling the indicators and following up with each entity in charge of implementation of specific activities";
- engaged international expertise to support the drafting of concession documents for the inter-municipal bus service.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Moderately Unsatisfactory

8. Assessment of Borrower Performance

a. Government Performance

According to the ICR, the government commitment to the reforms was weak (para 75). The Governor under whom the operation was approved resigned a few months after program effectiveness (para 24). The new Government under the former Vice-Governor refrained from moving forward with difficult reforms, such as the new bus concession scheme, because of political implications (para 24). "The new administration appointed new officials in key positions, leading to loss of institutional memory and caused implementation delays. The supervision team tried to manage this situation by immediately engaging with the new administration and insisting on the importance of the reforms. However, the new officials who had not been engaged in the preparation of the program did not have much ownership over the policy actions" (ICR para 24).

Government Performance Rating

Unsatisfactory



b. Implementing Agency Performance

The project included five agencies/secretariats to implement the program - Casa Civil, State Secretariat of Transportation (SETRANS), Road Transport Department (DETRO), Secretariat of Finance (SEFAZ), and State Secretariat of Social Welfare and Human Rights (SEASDH). This generated complexity in managing the implementation of the project (ICR, para 31). For example, the integration among transport agencies (SETRANS and DETRO) was deficient as evidenced by the lack of restructuring on the inter-municipal bus lines and the difficulties in the issuance of the concessions, which affected Policy Area 2 (ICR, para 75). "At appraisal the responsibility for implementing the inter-municipal bus concession scheme was with the Office of the Chief of Staff (Casa Civil). However, this responsibility was later delegated to the Road Transport Department (DETRO)" (ICR, para 28). The Bank team clarified that DETRO is the entity that regulates and supervises the bus services provided by the private companies that have permissions to operate in the metropolitan region. According to the ICR, "DETRO demonstrated little capacity and accountability in pursuing the reform i.e. implementing the inter-municipal bus concession scheme " (para 28). The ICR also notes (para 80) that "the concession documents developed by DETRO promote higher quality standards than the current licensing system, and, if implemented, will constitute a better platform for promoting the provision of quality bus services".

The State Secretariat of Transportation (SETRANS) was the implementing agency of Policy Area 2 and was responsible for development and dissemination of the Master Plan on Urban Transport (PDTU), the advances in the BUI policies, and the modal integration of at two station - Maracana and Madureira (ICR, para 79). However, there was fragmentation of responsibilities and SETRANS lacked the authority to coordinate the agencies to implement metropolitan-wide projects (ICR, para 79).

The State Secretariat of Social Welfare and Human Rights (SEASDH) lacked the institutional capacity to implement the kiosks and construction of service facilities due to changes in key staff which caused institutional memory loss (ICR, para 81). However, the agency showed important resourcefulness in implementing the Lilac Bus, which allowed for expanding the reach of the Maria da Penha Law.

Implementing Agency Performance Rating

Unsatisfactory

Overall Borrower Performance Rating

Unsatisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The M&E framework had 18 indicators to measure the achievement of seven policy objectives in three policy areas. However, there were some shortcomings with respect to these indicators.

The indicators for the fiscal area did not measure the achievement and progress of the PDO. Many of the



indicators were poorly defined and the definitions used by the client diverged from those in the program document (ICR, para 36).

The indicators under the policy action “Institutionalize sound financial and debt management policies and practices” were not a good measure of the improvement in the medium-term planning and monitoring of public expenditures, even within the framework of operational risk instituted by the PDO. The indicators under the policy action “Strengthen the definition of the budget resource envelope, reinforcing its hard constraint, under a Medium-Term Expenditure Framework (MTEF)” were procedural and did not allow for actually improving the medium-term planning and monitoring of public expenditures, as the hard constraints were not enforced.

The indicators for policy actions of fostering modal and regional integration and enhancing performance of inter-municipal transport systems were directly related to the policy objective to improve accessibility, quality, and affordability of urban mobility services for the poor. However, they needed a longer time frame for measurement such as the indicator “no transport project outside the Master Plan on Urban Transport (PDTU). The indicator of “new operations contract awarded for the cable car system,” was insufficient to reflect the improvement of the accessibility, quality, and affordability of urban mobility services for the poor. Considering the importance of the Integrated Transport Card (BUI) for affordability and reduction in fraudulent use of the card, an indicator related to the BUI to measure progress in this area would have been useful.

The indicators for measuring results in the gender policy area were mostly output indicators (e.g. number of women who access an information). There were no indicators to measure the actual impact of the policy reform on accessing social services or in improving the lives of women.

b. M&E Implementation

The ICR reports (para 37) that the indicators relating to the fiscal and transport policy areas were regularly measured by the relevant agencies. The Casa Civil kept track of the indicators for the policy actions supported by the program and the Bank team conducted periodic assessments of the state of compliance with the targets and maintained a document where records were regularly updated.

However, for the gender policy area, the actual access to social and legal services as a result of project activities (kiosks) was not easy to obtain due to the lack of integration of the databases. The indicator “increase in the number of women benefiting from the integration of the SuperVia and Teleférico systems to the Casa da Mulher Brasileira” was replaced with “access to any state-run center” and then finally to the “access to the itinerant mobile bus service” (Lilac Buses). With the support of the Umbrella Facility for Gender Equality trust fund (TA-P157959) and the Development Impact Evaluation (DIME) team, the Bank suggested ways to integrate databases from the different institutions that received data about violence against women and established a means to track and assess the results of these policies.



c. M&E Utilization

According to the ICR (para 37) the indicators were used to inform decision making and for leveraging additional resources from the World Bank's Development Impact Evaluation (DIME) team and the World Bank's Technical Assistance for Umbrella Facility for Gender Equality to provide guidance to some of the components of the project. However, the Bank was not able to propose changes to the operations as the Bank no longer had any leverage after disbursement of the program funds.

M&E Quality Rating

Modest

10. Other Issues

a. Environmental and Social Effects

No safeguards policies were triggered by this operation. The Program Document (para 99) noted that “It is expected that the policies supported by this operation which promote improvements in urban mobility will have significant positive environmental effects in terms of enhanced air quality and reduced carbon emissions”.

b. Fiduciary Compliance

No fiduciary issues arose from this operation.

c. Unintended impacts (Positive or Negative)

d. Other

11. Ratings

| Ratings | ICR | IEG | Reason for Disagreements/Comment |
|-----------------------------|----------------|----------------|----------------------------------|
| Outcome | Unsatisfactory | Unsatisfactory | --- |
| Risk to Development Outcome | High | High | --- |



| | | | |
|----------------------|---------------------------|---------------------------|-----|
| Bank Performance | Moderately Unsatisfactory | Moderately Unsatisfactory | --- |
| Borrower Performance | Unsatisfactory | Unsatisfactory | --- |
| Quality of ICR | | Substantial | --- |

Note

When insufficient information is provided by the Bank for IEG to arrive at a clear rating, IEG will downgrade the relevant ratings as warranted beginning July 1, 2006.

The "Reason for Disagreement/Comments" column could cross-reference other sections of the ICR Review, as appropriate.

12. Lessons

The following lessons are adapted from the ICR (paras 81- 86):

- When the full extent of reforms cannot be achieved upfront, it is important to include in the operation sequential disbursements based on the gradual achievement of pre-conditions, which could provide continuous incentives to maintain government commitment.
- In a fragmented implementation scenario where a number of diverse agencies are involved, a strong and committed leading and coordinating agency with sufficient authority over the implementing agencies is needed. Also, it is important to provide incentives for each agency to maintain commitment throughout project implementation.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR provides a detailed overview of the project and implementation challenges. The narrative supports the ratings and available evidence. The lessons are well crafted.

a. Quality of ICR Rating

Substantial