



<b>1. Project Data:</b>		<b>Date Posted :</b> 06/23/2003	
<b>PROJ ID:</b> P046052		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Ceara Water Pilot Project	<b>Project Costs (US\$M)</b>	12.00	10.53
<b>Country:</b> Brazil	<b>Loan/Credit (US\$M)</b>	7.60	8.40
<b>Sector(s):</b> Board: RDV - General water sanitation and flood protection sec (85%), Central government administration (15%)	<b>Cofinancing (US\$M)</b>		
<b>L/C Number:</b> L4190			
	<b>Board Approval (FY)</b>		96
<b>Partners involved :</b>	<b>Closing Date</b>	06/30/2000	06/30/2002
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
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**2. Project Objectives and Components**

**a. Objectives**

1. Achieve a high quality at entry for the proposed Ceara Integrated Water Resources Management Project (PROGERIRH) including evaluation and refinement of rationale and project composition .
2. Develop and refine methodologies, institutional framework and strategies to be used in the implementation, and sustainable operation and maintenance of PROGERIRH .
3. Evaluate a new small trans-basin diversion project to be built as part of the ongoing Ceara Urban Development Project and refine participatory conflict resolution, and political, social, legal and water allocation mechanism for integrated basin management.
4. Evaluate an appropriate institutional framework for the development and operation of a hydro -meteoerological network and technical support for integrated water resources management in the State of Ceara .

**b. Components**

1. Institution building and policy for the Fortaleza Metropolitan Basin Study (planned \$3.5 million, actual \$2.93 million)
2. Institution building and policy for the Jaguaribe/Icapui Basin Project (planned \$0.8 million, actual \$ zero)
3. Ibiapaba/Acareu Inter-basin system (planned \$4.3 million, actual \$1.58 million)
4. Preparation of PROGERIRH (planned \$3.4 million, actual \$6.02 million)

**c. Comments on Project Cost, Financing and Dates**

Disbursement delays in the first year of the project due to macroeconomic problems, the priority given to the preparation of PROGERIRH, and a shift in the State's development priorities due to drought (2000-01), delayed the overall schedule and led to an extension of two years . The Jaguaribe/Icapui Basin project was financed out of the Ceara Urban Development Project. All saved funds were diverted to PROGERIRH project preparation . Even so, at completion, \$1.1 million remained undisbursed.

**3. Achievement of Relevant Objectives:**

All four project objectives were fully achieved with few shortcomings :

1. The Ceara Integrated Water Resources Management Project (PROGERIRH) was thoroughly prepared under this pilot and led to the early approval of the Ceara Integrated Water Resources Management Project (loan 4513-BR, January 2000).
2. Capacity building, studies and analysis indentified problems and contentious issues that were likely to impede implementation of PROGERIRH and project components were designed to address them .
3. The trans-basin diversion project to be built under the Ceara Urban Development Project was evaluated, highlighting viable development options, identifying aspects that needed additional work and areas for consensus building efforts among stakeholders .
4. An effective, state of the art, hydro-meteorological network was established and technical support built capacity

and strengthened water planning institutions which enabled integrated water resources management

#### 4. Significant Outcomes/Impacts:

- The Ceara Integrated Water Resource Management Project, if successfully implemented, will increase sustainable water supplies for multiple uses, and improve the efficiency of the State of Ceara's integrated water resources management system. This will decrease the vulnerability of poor populations to cyclical drought, promote soil and vegetation management in tributary watersheds, enhance water conservation, and minimize erosion.
- The Ceara Secretariat for Water Resources significantly increased its capability to manage and coordinate complex projects and effectively use technical assistance for feasibility studies .
- The project provided a framework to systematically learn lessons from evaluation of earlier Bank -supported water projects and identify areas for additional work, not least identifying the stakeholders and processes needed to reach agreement on ways to enable financially sustainable water resources allocation and management. More importantly, it showed that irrigation demand alone was inadequate to justify interbasin water transfers, financial sustainability only being ensured when higher value added urban and industrial uses were considered.
- Studies under the project indicated that more attention should be given to environmental issues and that current practice for participation of grassroots stakeholders was inadequate - these issues are now being addressed .

#### 5. Significant Shortcomings (including non-compliance with safeguard policies):

- Inadequate attention to project management in Ceara allowed the development of teams that had parallel and overlapping responsibilities for the several Bank -financed projects - it was only late in the project that the State of Ceara and Bank resolved this issue through centralization .
- Reliance on consultants led to a significant loss of institutional memory at the end of the project .
- The project was misclassified as a SIL when it was effectively a LIL ( the region thought of it as a TA loan).
- Counterpart funds were erratic and this adversely affected implementation .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome :</b>	Satisfactory	Satisfactory	
<b>Institutional Dev .:</b>	High	High	
<b>Sustainability :</b>	Likely	Likely	
<b>Bank Performance :</b>	Satisfactory	Satisfactory	
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR :</b>		Satisfactory	

**NOTE:** ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

#### 7. Lessons of Broad Applicability:

- Thorough evaluation of lessons learned for projects augmented by detailed study of the issues raised by integrated water resources management of a region significantly lowers the risk for subsequent investment projects. This is particularly true given the complexity of water resources management in the water short NE region of Brazil containing several river basins and states and the sometimes conflicting demands of several water-using sectors.
- Inclusion of all stakeholders requires systematic planning and establishment of a permanent core group to facilitate their involvement in project design and implementation .
- Analysis of options for financing operation and maintenance of multiple sector water supply facilities shows potential areas of conflict and highlights institutional development needs at local, state and national level .

**8. Assessment Recommended?**  Yes  No

#### 9. Comments on Quality of ICR:

Complex and somewhat difficult to read . It is almost overwhelmed by the complexity of the interwoven Bank projects supporting water development in Ceara . Achievements under each objective (section 4.1) are not systematically described - fortunately, Annex 1 gives a clearer picture .