



1. Project Data

Operation ID P146981	Operation Name BR Piaui Productive and Social Inclusion
Country Brazil	Practice Area(Lead) Environment & Natural Resources

L/C/TF Number(s) IBRD-85670	Closing Date (Original) 31-Aug-2017	Total Financing (USD) 200,000,000.00
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Bank Approval Date 21-Dec-2015	Closing Date (Actual) 31-Aug-2017
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	IBRD/IDA (USD)	Co-financing (USD)
Original Commitment	200,000,000.00	0.00
Revised Commitment	200,000,000.00	0.00
Actual	200,000,000.00	0.00

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2. Project Objectives and Policy Areas

a. Objectives

According to the Program Document (pg. 15), the DPL's development objective was to support the Government of Piaui's (GoPi's) key policy reforms for: (i) improved performance of secondary education students in state public schools and expanded coverage of public health services; (ii) expanded access of targeted vulnerable groups to productive chains and natural resources management services; (iii) strengthened systematic monitoring of priority investments; and (iv) strengthened institutions for gender mainstreaming and channeling the citizens' voice in strategic programs.

Even though stated in the Program Document as if it were a single objective and grouped in four categories, in fact, this statement contains seven specific objectives.



1. Improved performance of secondary education students in state public schools;
2. Expanded coverage of public health services;
3. Expanded access of targeted vulnerable groups to productive chains;
4. Expanded access of targeted vulnerable groups to natural resources services;
5. Strengthened systematic monitoring of priority investments;
6. Strengthened institutions for gender mainstreaming in strategic programs;
7. Strengthened institutions for channeling the citizens' voice.

In addition to the above, the Program Document (pgs. 16-24) refers to a number of "Subpillars (pp. 16-24) or "subobjectives" (as they are identified by the ICR) associated with the program's four "Pillars" and their respective "Subpillars" which are listed in the next section. In relation to objectives 3 and 4 above, these "subobjectives" refer specifically to: (i) improved water resource management; (ii) improved access of family and small-scale farmers to public services associated with natural resources management, and (iii) enhanced productivity and economic, social and environmental sustainability of subsistence and small-scale farming. Because they are more specific and there is a better correspondence between the way they are stated and the respective outcome indicators (see Section 3 on the Relevance of Program Design below), these three "subobjectives" will be substituted for objectives 3 and 4 above, meaning that DPL achievements in relation to eight specific objectives will be assessed in Section 4 below.

To further clarify, the "targeted vulnerable groups" referred to in the statement of objectives refer to the poor, including small and subsistence farmers, women, youth, and *quilambolas* (i.e., the residents of officially recognized communities composed of the descendants of former runaway slaves). In addition, a number of the desired outcomes associated with the program refer to actions to be taken in the state's poorest municipalities, particularly in the education and health sectors. The "productive chains" appear to refer in practice to those in which small farmers and other beneficiaries of the state's Rural Poverty Reduction Program (PROGERE) are involved, and "natural resources services" presumably refer specifically to access to land and water resources.

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

c. Pillars/Policy Areas

The DPL had four Pillars and eight Subpillars, each of which is expressed as if it were a specific program objective. They were as follows:

Pillar 1. Improved performance of secondary education students in state public schools and expanded coverage of public health services.

Subpillar 1.1 Improved performance of secondary education students in state public schools.

Subpillar 1.2 Expand public health services to control and address neglected diseases.

Pillar 2. Expanded access of targeted vulnerable groups to productive chains and natural resources management services.

Subpillar 2.1 Improve water resources management.



Subpillar 2.2 Facilitate the access of family and small-scale farmers to public services associated with natural resources management.

Subpillar 2.3 Enhance productivity and economic, social, and environmental sustainability of subsistence and small-scale farming

Pillar 3. Strengthened systematic monitoring of priority investments.

Subpillar 3.1 Improving results-based public investment management.

Pillar 4. Strengthened institutions for gender mainstreaming and channeling citizens' voice into strategic programs.

Subpillar 4.1 Mainstreaming gender-smart policies.

Subpillar 4.2 Enhancing citizen engagement and social accountability.

d. Comments on Program Cost, Financing, and Dates

The single tranche Bank loan of US\$ 200 million was fully disbursed upon effectiveness (May 19, 2016), five months after Board approval (December 21, 2015), and despite some implementation delays due primarily to national macroeconomic and fiscal problems the program closed as planned on August 31, 2017. The date of effectiveness was determined by the Brazilian Government's requirement that the GoPi present a financial report for the first quarter of 2016 as a condition for authorizing the pertinent loan and guarantee agreements. This report was submitted at the end of April 2016 and effectiveness was declared soon thereafter.

3. Relevance of Objectives & Design

a. Relevance of Objectives

The DPL's objectives were substantially relevant. They were based on policy priorities reflected in GoPi's multiyear plans (PPAs) for 2011-2015 and 2016-2019, which included a participatory development planning process involving three levels of stakeholder consultation: (i) municipal assemblies, which are open to all citizens; (ii) Territorial Councils of Sustainable Development; and (iii) the State Council of Sustainable Development, which consists of the Governor, state Secretaries, representatives of the state judicial and legislative branches, civil society organizations (CSOs), and representatives of the eleven state development territories. The objectives were likewise fully consistent with the World Bank Group's Country Partnership Strategy (CPS) for Brazil for 2012-2015, which had four key objectives: (i) increasing the efficiency of public and private investment; (ii) improving the provision of public services for low-income households; (iii) promoting regional economic development; and (iv) improving sustainable natural resources management and climate resilience. They continue to be relevant in terms of the Bank Group's current CPS for FY18-23, which similarly includes focusing on Brazil's environmental and poverty reduction challenges, improving the efficiency of public spending, and increasing the coverage and quality of public services. However, these objectives, which covered a number of sectors were also very ambitious, perhaps excessively so, given the range of challenges involved for one of the poorest -- if not the poorest -- states in Brazil, in which Government capacity had traditionally been among the weakest. In addition, some of the performance indicators (see the section on Achievement of Objectives below) refer more to outputs than to outcomes,



which according to the statement of objectives involve "key policy reforms." Despite these considerations given the importance of the sectors involved, the relevance of objectives is rated Substantial.

Rating

Substantial

b. Relevance of Design

The program design was substantially relevant but in some cases there was a discrepancy between the stated project objectives and "subobjectives" (to use the ICR's expression) and not all of the objectives and/or "subobjectives" had corresponding prior actions and/or outcome indicators in the Policy and Results Matrix (Annex 1 of the Program Document, pp. 31-33). As concerns the objective for example, the correspondence between the stated objectives of expanded access of targeted vulnerable groups to productive chains and the most closely associated more specific "subjective" -- "enhance productivity and economic, social, and environmental sustainability of subsistence and small-scale farming" is unclear and there is no corresponding outcome indicator. Similarly, the logical relation between "improved water resource management" for which there are two outcome indicators -- (i) increase the number of groundwater users whose information is registered in the State Water Users Registry; and (ii) quarterly update and public disclosure of a list of state groundwater users not complying with the legislation related to the state water users registry and the granting of water use rights -- and "expanded access of targeted vulnerable groups to natural resources management services" is ambiguous as measures taken to improve water resource management could potentially lead to restricted rather than increased access to such resources.

The prior actions, many of them policy actions, which were completed by December 2015 and on the basis of which the loan was disbursed upon effectiveness in May 2016, on the other hand, were relevant, specifically:

1. The State has created a financial incentive program ("Poupanca Joven," or YSP) for students enrolled in state public schools in the poorest municipalities to complete secondary education (SE) and participate in extracurricular activities through a state law and state decree, both approved in 2015.
2. The State has established a program to implement strategic actions to prevent, control and respond to neglected diseases -- particularly Chagas disease, hanseniasis, tuberculosis, leishmaniasis, and geohelminthiasis -- that mostly affect the poorest groups through an ordinance of the State Secretariat of Health (SESAPI) and rules of procedure for the State Center of for Responding to and Controlling Neglected Diseases (NECEDN) in 2015.
3. The State has established the legal basis to implement a water users registry in order to improve water resources management by gathering information on water resources use in the state through a law approved in 2013 and an ordinance by the state Secretariat for Environment and Water Resources (SEMAR) in 2015.
4. The State has adopted the legal basis to facilitate access of small-scale and subsistence farmers to public services associated with natural resources management through state decrees in 2014 and 2015 and a joint ordinance by SEMAR and the Piauí State Land Institute (INTERPI) in 2015.
5. The State has reformed the Rural Poverty Reduction Program (PROGERE) in order to prioritize women and extremely poor producers as beneficiaries and to improve transparency of the program's processes through a state Decree in 2014 and a Secretariat of Rural Development (SDR) in 2015.



6. The State has established: (i) the legal basis for implementing a results-based Integrated System of Planning, Monitoring, and Evaluation for investment programs; (ii) the rules and procedures for executing, monitoring, and evaluating investment projects and programs; and (iii) the decentralization of monitoring responsibilities to line secretariats through a State decree in 2014, an ordinance of the State Secretariat of Planning (SEPLAN) in 2014, and a normative instruction of CGE (?) in 2013.

7. The State has established the legal basis and procedures for implementing systematic monitoring of agreements (*convenios*) for targeted activities financed through federal grants through a state decree in 2015.

8. The State has adopted the legal basis to operationalize the State Coordination Agency for Policies on Women (CEPM) in order to mainstream a gender perspective into the design, implementation, and supervision of state public policies through a state decree of 2015.

9. The State has adopted the legal basis to facilitate the access of poor citizens to the state Ombudsperson Office (OGE) services and to expedite the response from targeted sectoral agencies to complaints associated with social and productive inclusion services through two state decrees in 2015.

In summary, the prior actions covered most of the specific objectives of the program identified in Section 2 above, with two (Nos. 6 and 7 above) for the objective of strengthened monitoring of priority public investments) and one (No. 3) to the subobjective of increasing the number of groundwater users whose information is registered in the State Water Users Registry (CERH).

The outcome indicators, in turn, largely, but as indicated above, do not completely cover the specific objectives with there being two indicators for that related to expanded access to public health services with a specific focus on the control of neglected diseases -- i.e.; (i) increased proportion of cured patients against tuberculosis and hanseniasis in priority targeted municipalities; and (ii) increased proportion of captured vectors tested for parasite of Chagas disease. It also contained two indicators for the "subobjective" of improving water resources management. As stated above, it is not clear whether these latter two indicators directly correspond to the stated objective of "expanded access of targeted vulnerable groups to natural resources services," for which, there is, however, a pertinent indicator in relation to access to land (i.e., "percentage of new applications submitted by small-scale and subsistence farmers that are jointly processed by INTERPI and SEMAR").

Despite the discrepancies cited above, the relevance of program design is nonetheless rated Substantial.

Rating

Substantial

4. Achievement of Objectives (Efficacy)

Objective 1
Objective



Support the government of Piauí's key policy reforms for improved performance of secondary education students -- Modest

Rationale

The desired outcome indicator target associated with this objective -- increase the positive difference (measured by percentage points) between pass rate in the municipalities targeted by the "Poupanca Jovem" Program (YSP) and the average pass rate of state public secondary education (SE) schools -- was not achieved during the program implementation period, although performance has reportedly improved subsequently. The target increase by December 31, 2016 was 3% but the actual increase recorded by December 2017 was just 0.1 percent, in fact decreasing from the baseline in 2014 of 0.4 percent. According to the ICR (pg. v) this very significant shortfall was "mainly due to implementation difficulties in 2015." More specifically, this program had "only a short time to produce results and be effective and was impacted by obstacles in the program's implementation leading to the low results" (pg. 16) and during its first year of implementation it was "marked by shortcomings such as (a) difficulties in registering students in the program because they presented incomplete documentation for enrollment and opening bank accounts; (b) limited dissemination of YSP benefits and rules of procedures at schools, particularly in units that are distant from the capital Teresina; and (c) delays in award payments due to problems in opening bank accounts, debit card distributions, definition of budget lines, and financial disbursements" (pg. 17). However, according to both the ICR and IEG's subsequent meeting with the program TTL, performance in this regard has subsequently improved as initial administrative problems have now been largely resolved. However, on balance, achievement of this objective is rated Modest

Rating
Modest

Objective 2

Objective

Support the Government of Piauí's key policy reforms to expand coverage of public health services -- Modest

Rationale

Outcomes: The indicator targets for this objective were partly achieved. The target for the increased percentage of cured patients against tuberculosis (73 percent from a baseline of 68 percent) was met and that for hanseniasis was nearly met (81.6 percent versus the target of 83 percent from a baseline of 77 percent). According to the ICR (pg. v), the latter part of this indicator was "not fully achieved because the Zica and Chikungunya epidemics drained human and financial resources from neglected tropical diseases (NTDs)." The second indicator target -- increased proportion of captured vectors examined to detect the parasite of Chagas -- was not achieved. Only 64 percent of the captured vectors were tested for the Chagas parasite compared with a target of 82 percent and a 2014 baseline of 70 percent. The reason presented by the ICR (pg. v) for the failure to achieve this target was the same as that for the previous indicator and added



that, as a result, the state Secretariat of Health "had to prioritize diagnosis/treatment of patients who sought health care facilities -- in detriment of prevention measures, such as vector testing." In view of these shortfalls, performance in relation to this objective is rated Modest.

Rating
Modest

Objective 3

Objective

Support the Government of Piauí's key policy reforms for improved water resource management -- Substantial

Rationale

Outcomes: The indicator target for the increase in the number of groundwater users whose information is registered in the State Water Users Registry (CERH) was largely (97.7 percent) achieved. According to the ICR (pg. vi), information from this Registry "has been important to inform decision-making' in SEMAR, particularly for increasing efficiency in analyzing requests for water grant rights" and the number of grants increased from 407 in 2015 to 482 in 2017 and 274 in the first semester of 2018. The indicator target for the quarterly update and public disclosure of a list of the state groundwater users not complying with the legislation related to the State Water Users Registry and the grant of water use rights, was updated on a quarterly basis starting in May 2017 and SEMAR disclosed lists of users with water right grants expired from 2014 to June 2017 in May and August 2017. In addition this list was updated and disclosed for the period from July 2017 to March 2018 in April 2018 and from April to June 2018 in July 2018. According to the ICR (pg. vi), "the public disclosure of expired grants has gradually led users to regularize their situation at SEMAR, which increased the database at CERH and provided key data for better informing decision-making in water resources management. Achievements in relation to this objective were Substantial.

Rating
Substantial

Objective 4

Objective

Support the Government of Piauí's key policy reforms to facilitate the access of family and small-scale farmers to public services associated with natural resource management -- Substantial

Rationale



The state adopted the legal basis to facilitate access of small-scale and subsistence farmers to public services associated with natural resources management. The outcome indicator that most closely corresponds to this objective refers to the percentage of new applications for land and environmental regularization submitted by small-scale and subsistence farmers that are jointly processed by INTERPI, the State Land Institute, and SEMAR. This indicator target (100 percent of new applications jointly processed by these two agencies, against a 2014 baseline of zero) was fully achieved. According to the ICR (pg. vii), "it shows more equitable access for small-scale and subsistence farmers by streamlining the public services associated with such resources and facilitating compliance of requirements for credit and other social programs." Achievements of this objective are rated Substantial.

Rating
Substantial

Objective 5

Objective

Support the Government of Piauí's key policy reforms to enhance productivity and economic, social, and environmental sustainability of subsistence and small-scale farming -- Modest

Rationale

The outcome indicator that most closely refers to this objective is increased percentage of selection and implementation process of PROGERE-financed projects through a computerized management system and public disclosure of relevant information, the target for which (100 percent) was fully achieved. However, this is an intermediate outcome indicator. According to the ICR (pg. vii), the state Secretariat of Rural Development (SDR) had received and processed 68 applications for productive investment projects through PROGERE's information system (SIGMA) and relevant information had been disclosed on the Secretariat's website and the state official gazette. Presumably this represents increased access of the targeted vulnerable groups (i.e., small and subsistence farmers) to productive chains since they have become eligible for support from PROGERE. The assumption here is that enhanced productivity and economic, social, and environmental sustainability of subsistence and small-scale farming" has occurred and that this, in turn, would enhance access to the aforementioned "productive chains." However, this desired outcome ultimately depends on the efficiency and effectiveness of the 68 specific PROGERE-supported productive subprojects, not just the efficiency of their processing for inclusion, and this is presently unknown and will be the outcome of the implementation of PROGERE investments. Thus the eventual achievement of this objective remains uncertain and cannot be attributed to the DPL alone. This objective is rated Modest.

Rating
Modest



Objective 6

Objective

Support the Government of Piauí's key policy reforms to strengthen monitoring of priority investments -- Modest

Rationale

Outcome -- The target for increased percentage of agreements for targeted activities financed through federal grants monitored (40 percent) was exceeded (68.4 percent). This occurred as the result of GoPI's development and use of SIAPO, an electronic system to monitor results indicators of the multiyear plan (PPA) and to complement the existing SIMO system to monitor strategic actions. According to the ICR (pg. viii), this resulted in "more effective and efficient use of budgetary resources transferred from the federal government." However, it can be questioned whether the target of just 40% to be monitored may have been less ambitious than it could have been as ideally all activities financed through federal grants should be monitored. In addition this objective refers more to an output than an outcome and thus is a weak indicator of "key policy reforms" to strengthen the monitoring of priority investments.

Rating

Modest

Objective 7

Objective

Support the Government of Piauí's key policy reforms to strengthen institutions for gender mainstreaming in strategic programs -- Substantial

Rationale

Outcome: The target for an increased number of strategic thematic programs included in the PPA for 2016-2019 with gender-based indicators (30 percent) was met. This PPA also included a specific thematic program to support and monitor public policies for women and, according to the ICR (pg. viii) increased "opportunities for social and productive inclusion of women by promoting public policies for closing gender gaps in key sectors" such as rural development, health, and education, as well as employment. This is rated Substantial.

Rating

Substantial

Objective 8



Objective

Support the Government of Piauí's key policy reforms to strengthen institutions for channeling citizens' voice
-- Modest

Rationale

Outcome. The target for the increase in the number of priority sectors of the state government with an Ombudsman (Ouvidoria Geral) was met and, according to the ICR (pg. ix) exceeded (6 agencies and 14 units across sectoral agencies). This reportedly also contributed to strengthened institutions for gender mainstreaming. However, as in the case of objective, 6 the indicator refers more to an output than an outcome in relation to "key policy reforms to strengthen institutions for channeling citizens' voice." Achievement is rated Modest

Rating

Modest

5. Outcome

Relevance of the program's objectives and that of its design are rated Substantial. Among the eight objectives (or "subobjectives") that are reflected in the program document and assessed in the ICR and in this review, achievement of three is considered Substantial and that of five is rated Modest. The overall rating is thus Moderately Satisfactory as the number of objectives for which achievements were Modest outweighs that for which they were Substantial, although the Modest ratings in two cases were due primarily to the fact that the associated results indicator referred more to an output than an outcome. The project had moderate shortcomings.

a. Outcome Rating

Moderately Satisfactory

6. Rationale for Risk to Development Outcome Rating

Strong continuing political commitment to the objectives and achievements of the DPL is reflected in the current state multiyear plan (PPA for 2016-2019) and the Bank's ongoing investment loan to the state, which is expected to close in December 2020, will continue to strengthen government capacity and support the same sectors featured in the present loan. This US\$ 120 million loan for the Piauí Pillars of Growth and Social Inclusion Project, which was approved on the same day as the present DPL (December 21, 2015) has as its objectives to: (i) reduce the dropout of students in public secondary education; (ii) increase access to diagnosis and treatment for patients with chronic diseases; (iii) expand the registration of groundwater users in rural areas



and land tenure regularization; and (iv) increase the participation of rural family farmers in rural productive value chains. It is thus closely aligned with and provides investment support for a number of the policy actions supported by the DPL. It also includes a US\$ 15 million technical assistance component to: (i) modernize expenditure and investment management in the public sector; (ii) build the Borrower's capacity for water resources management, land management, and rural development; and (iii) generate evidence to support policy-making and practice in education, health, gender and citizen engagement. The other components will finance eligible expenditure programs (EEPs) in key sectors, specifically public secondary education, health care for patients with chronic diseases, water resources management, land management, and rural productive chains through PROGERE. Thus, it directly complements and supports the Pillars and policy areas included in the present DPL. In addition, the Bank's Umbrella Facility for Gender Equality (UFGE) has financed a grant to strengthen subnational government capacity to promote economic empowerment and prevent violence against women which seeks to strengthen the capacity of the state and municipal governments in Piauí -- and particularly the State Coordination Agency for Policies on Women (CEPM) and newly established municipal organizations of Policies for Women (OPMs) -- to design, implement, and evaluate policies aimed at: (i) increasing women empowerment and agency and (ii) preventing violence against women (ICR, pg 14). As a result, the risk to the development outcome rating of the DPL is considered Modest.

a. Risk to Development Outcome Rating

Modest

7. Assessment of Bank Performance

a. Quality-at-Entry

While there were a few discrepancies between the program objectives (and "subobjectives") and the results indicators, in general quality at entry was Satisfactory. The loan was prepared in tandem with the Piauí Pillars of Growth and Social Inclusion investment project by the same cross-sectoral team and incorporated lessons learned from previous Bank lending operations in the state as well as from similar projects elsewhere in Northeast Brazil. It likewise benefited from prior analytical work, including both a PSIA (Poverty and Social Impact Analysis), a Social Accounting Matrix (SAM), and a PSEA (Policy-level Strategic Environmental Analysis).

Quality-at-Entry Rating

Satisfactory

b. Quality of supervision

The program was supervised jointly with the parallel investment loan and the multi-disciplinary Bank team reportedly (ICR, pg. 29) "played a catalytic role in fostering coordination among stakeholders, while its involvement helped ensure that key government agencies cooperate effectively to carry out sector reforms."



Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Satisfactory

8. Assessment of Borrower Performance

a. Government Performance

The state government displayed strong commitment to the program's objectives and design, which, as mentioned above were based on its multiyear plan (PPA) and, as detailed in Annex 3 of the ICR, were highly complementary with those of the parallel Bank investment loan, which was similarly based on the PPA. The ICR (pg. 30) also highlights the fact that the state House of Representatives "analyzed and discussed the draft laws proposed the Governor and enacted the legal instruments needed to adopt the prior actions supported by the DPL."

Government Performance Rating

Satisfactory

b. Implementing Agency Performance

Implementing agency performance was mixed. Those responsible for education, health, and water resources management performed poorly in the initial years of project implementation, which is reflected in the less than fully satisfactory achievements in relation to the program's education and health objectives. On the other hand, the performance of the Secretariat of Planning (SEPLAN), which was responsible for overall program coordination and, according to the ICR, "provided a critical link between the World Bank and the line agencies" was good. This uneven performance is attributed to the combination of an insufficient number of civil servants and technical specialists in some areas and delays in required investments for equipment and information technology systems, among other factors. Implementing agency performance is therefore rated Moderately Satisfactory.

Implementing Agency Performance Rating

Moderately Satisfactory

Overall Borrower Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The M&E design was generally good although there was not a complete one-to-one correspondence between all of the program's actual objectives and subobjectives and its results indicators and, in one case,



the indicator was a poor reflection of the objective and corresponding subobjective as stated. According to the ICR (pg. 13), moreover, some of the indicator targets (i.e., those for secondary education and increased attention to neglected diseases proved to be "too ambitious" given the short (i.e., one-year) time frame of the program. The DPL design, however, included a specific Pillar and objective for the improved monitoring of priority investments by the state government.

b. M&E Implementation

M&E implementation was satisfactory, particularly that in relation to the objective specifically concerned with improved monitoring of priority investments which was fully achieved. According to the ICR (pg. 23), this has resulted in the establishment of an integrated system of planning, monitoring, and evaluation by the state government, which is a significant accomplishment.

c. M&E Utilization

The state government used information generated by the program-supported Monitoring System for Strategic Actions (SIMO) and the existing Monitoring System for Planning and Budget Monitoring (SIAPO) to undertake the mid-term review of its multiyear plan (PPA) for 2016-2019. According to the ICR (pg. 14), moreover, it also used these systems to rank the state's 11 development territories on the basis of the number of actions and amount of resources received by the state government and made programming and budgetary adjustments as a result. Beyond this, it observed that the government is now working with the United Nations Development Program (UNDP) to use these two systems in order to monitor progress toward achievement of the Sustainable Development Goals (SDGs).

M&E Quality Rating

Substantial

10. Other Issues

a. Environmental and Social Effects

As concerns the environment, the program has contributed to improved management of the state's water resources by increasing the coverage of the State Water User's Registry (CERH). It has also facilitated access of small-scale farmer access to public services associated with natural resource management by integrating processes and protocols for applications received by the Piauí Land Institute (INTERPI) and Secretariat of Environment and Water Resources (SEMAR) for land tenure regularization, the Rural Environmental Registry (CAR), which are necessary for those seeking land regularization to be able to register their land titles in notary offices and apply for subsidized programs for poor and family farmers, and the grant of water use rights. It also supported creation of the state's Land and Environmental Geo-Technology Center (CGEO).



On the social side, the DPL has helped to facilitate the access of the targeted vulnerable groups, including women and *quilambolas*, to state programs such as PROGERE for rural development. It has likewise promoted the mainstreaming of gender considerations in and monitoring of gender-related results of state programs in various sectors.

b. Fiduciary Compliance

c. Unintended impacts (Positive or Negative)

d. Other

The DPL, together with the parallel Bank investment loan, have provided relevant support in terms of institutional capacity building of the state government, particularly with respect to its ability to plan, monitor, and evaluate priority investments. More specifically, as the ICR (pg. 27) points out, the capacity of SEPLAN was "strengthened by improvements in SIMO (which, combined with SIAPO, became a key tool for M&E of the state's program's and activities beyond those in the DPO results indicators. Moreover, SIMO will allow representatives of the 11 development territories to follow up on the PPA;s actions to strengthen social control of public policies and programs."

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Moderately Satisfactory	Achievements with regard to five of the objectives is rated Modest although in two cases this was partly due to the fact that the associated performance indicator referred more to an output than to an outcome.
Risk to Development Outcome	Modest	Modest	---
Bank Performance	Satisfactory	Satisfactory	---
Borrower Performance	Satisfactory	Moderately Satisfactory	Even though overall government commitment was



		strong, there was uneven performance among the sectoral agencies which led to the failure to achieve certain program objectives
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 most important lessons drawn by the ICR (1-3) to which IEG adds a fourth are:

1. Robust analytical work and participatory processes during preparation are essential for designing successful policies. This was reportedly especially the case with respect to the two areas -- gender mainstreaming and citizen engagement -- that were not part of the original policy matrix.
2. Capacity building activities and knowledge sharing are essential for ensuring improvements in the public sector. Program preparation and Bank support permitted state officials in key Secretariats (i.e., Planning, Environment, and Rural Development) to learn from positive experiences in other Brazilian states and the parallel investment loan includes considerable resources to further strengthen public sector capacity.
3. The combination of policy and investment operations, including technical assistance, is important, especially in countries or states with low institutional capacity. In addition, an important factor not mentioned by the ICR, the parallel investment and/or technical assistance operations also provide an incentive for sectoral agencies to undertake policy and/or institutional reforms, which might otherwise meet resistance in the face of the transfer of resources for general budget support though a DPL alone.
4. The Bank's engagement in key sectors, including education, health, and rural development, over the longer term rather than through intermittent one-off interventions, can build important on-going partnerships (in the present case with a state government) that allows the Bank to develop and maintain a broad productive relationship and continuing policy dialogue including sustained technical and financial support to institutional stakeholders at the strategic (i.e., planning and finance) and sector-specific levels.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR is comprehensive and of good quality although some of its ratings (e.g., for Implementing Agency performance) seem to high based on the accompanying text. In addition, while it correctly assesses each of



the program's "subobjectives" (which were referred to as "Subpillars" in the program document -- PD), it does not rate them individually, but instead rates the larger objectives referred to in the PD. This somewhat overstates actual program achievements. The ICR likewise fails to comment on the extent to which one of the outcome indicators -- increased percentage of selection and implementation of PROGERE-financed projects through a computerized management system and public disclosure of relevant information -- is not in and of itself an adequate indicator for either the "subobjective" of "enhanced productivity and economic, social, and environmental sustainability of subsistence and small-scale farmer" or the larger objective of "expanded access of targeted vulnerable groups to productive chains." Achievement of both of the latter depends on increased investments for this purpose and not just the use of a "computerized management system." In addition, the ICR presents no evidence in relation the program's contribution to: (i) enhanced productivity and economic, social, and environmental sustainability or subsistence and small-scale farmers; and/or (ii) expanded access of targeted vulnerable groups (presumably poor farmers, women, and quilambolas) to productive chains, which themselves are never defined. This is more a problem with DPL design, including that of its M&E framework, than of the ICR itself however.

a. Quality of ICR Rating
Substantial