



1. Project Data

Project ID P162033	Project Name Salvador Social		
Country Brazil	Practice Area(Lead) Social Protection & Jobs		
L/C/TF Number(s) IBRD-88180	Closing Date (Original) 30-Dec-2022	Total Project Cost (USD) 124,444,982.36	
Bank Approval Date 19-Dec-2017	Closing Date (Actual) 30-Jun-2023		
	IBRD/IDA (USD)	Grants (USD)	
Original Commitment	125,000,000.00	0.00	
Revised Commitment	125,000,000.00	0.00	
Actual	124,444,982.36	0.00	
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2. Project Objectives and Components

a. Objectives

The project development objective (PDO) as stated in the Loan Agreement was to improve social service delivery in the Borrower's territory, emphasizing improvement in health care system efficiency, education quality and social assistance effectiveness.

The PAD had a similar statement, except that it specified "in the Municipality of Salvador" instead of "in the Borrower's territory."



This ICRR agrees with the assessment in the ICR (p. 12) that the PDO included three objectives: (a) to improve health care system efficiency in the Municipality of Salvador, (b) to improve education quality in the Municipality of Salvador, and (c) to improve social assistance effectiveness in the Municipality of Salvador.

b. Were the project objectives/key associated outcome targets revised during implementation?
No

c. Will a split evaluation be undertaken?
No

d. Components

The project included two components:

Component 1: Support for Strategic Actions to Improve Social Service Delivery (appraisal: loan USD 120 million, counterpart USD 120 million, actual: USD 119.80 million, counterpart expenditures USD 314.4 million as per the last Interim Financial Report, IFR). This component aimed to support the achievement of social service results with a focus on efficiency of the health care system, quality services in education and effectiveness of social assistance. The component was designed to be results-based, subject to the achievement of specific targets under disbursement linked indicators (DLI). Disbursements would be against verification of Eligible Expenditure Programs (EEPs). A USD 25 million retroactive financing was included under this component for facilities already under construction for all three sub-components described below. These funds were mostly used for infrastructure under the social assistance (1.3) and the health (1.1) subcomponents.

Sub-component 1.1: Health would support activities to improve the efficiency of the health care delivery system through the strengthening of the primary and tertiary levels of health to alleviate the burden on the secondary level, the development of a referral and counter-referral system to regulate patient flows, and the introduction of an electronic medical records and a patient biometric registration system.

Sub-component 1.2: Education would support the enhancement of early childhood education (ECE) and fundamental education (grades 1 to 9). In the case of ECE, the project would support the quality assurance system through (i) the development and implementation of the ECE M&E system; and (ii) the establishment of an ECE quality assurance program. Fundamental education would be supported through improvement of the quality assurance of early grades such as: (i) strengthening the student assessment system (external and formative evaluation for grades 2, 3, and 5), (ii) expansion of scripted pedagogical materials for grades 1 through 3, (iii) implementation of a results-based management model for schools through training of school management staff, (iv) improving the certification program for candidates to school principal positions, and (v) creating a school rewards program.

Sub-component 1.3: Social Assistance would support (i) the strengthening of the basic social assistance network, which offered a range of social services, including the Integrated Family Support program and registration of the federal conditional cash transfer program *Bolsa Familia* and the social pension program, (ii) the improvement of the *Cadastro Unico's* (Single Registry) data quality to improve targeting of several



social programs within Salvador, and (iii) the enhancement of the Municipal Secretariat of Social Promotion and Poverty Reduction (SEMPS).

Component 2: Technical Assistance (appraisal: loan USD 4.7 million, counterpart USD 5 million, actual: USD 4.1 million, counterpart expenditures reported as an aggregate under Component 1). This component would provide technical assistance to strengthen the capacity of the municipal secretariats in charge of health, education and social assistance, as well as the project implementation unit, the *Casa Civil* (the institution responsible for policy advice, management of intersectoral projects, monitoring of the implementation of the Strategic Plan, and management of external financing). This component also included support for other cross-cutting priorities of the Municipality of Salvador (MoS) including the development of a protocol to identify and address family obstacles that affected their participation in the Bolsa Familia and Social Pensions programs. In addition, the component would support activities to strengthen the identification, analysis and actions toward the reduction of critical gender gaps in the MoS.

The remaining USD 0.3 million of the loan was allocated to finance the front-end fee.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

The total project cost at appraisal was USD 250 million, of which USD 125 million was financed through an IBRD loan and the remainder by MoS. In terms of World Bank commitment, a total of USD 124.82 million was disbursed, that is 99.9 percent of the loan. As reported by the task team, the latest IFR indicated that the MoS spent a total of USD 314.3 million in counterpart financing. It should be noted that the Borrower for this loan was the Municipality of Salvador, with an unconditional guarantee from the Government of Brazil.

The project was approved on December 19, 2017, and became effective on August 13, 2018. The midterm review was carried out on August 23, 2021.

The project had two Level 2 restructurings. On May 25, 2022, a restructuring addressed delays in implementation due to slower than expected procurement processes and the COVID-19 epidemic. The targets, corresponding disbursement amounts and timelines were modified for two DLIs and their corresponding intermediate results indicators (IRIs). The implementation timeline of one DLI and its corresponding IRI were adjusted. Finally, several IRIs were modified and the disbursement schedule was revised to reflect the revised implementation plan for the three DLIs.

On December 22, 2022, the loan closing date was extended by six months from December 30, 2022, to June 30, 2023. The purpose of this extension was to allow for the validation of two DLI and complete the implementation of the Technical Assistance component activities.

3. Relevance of Objectives

Rationale

At the time of appraisal, the Municipality of Salvador, the third most populous municipality (estimated at 2.9 million people in 2017) in Brazil, had a poverty rate of 6.6 percent in 2015, higher than other state capital cities such as Belo Horizonte or Sao Paulo which had a poverty rate of 3.9 percent. Salvador, as per



Brazilian legislation, was responsible for the delivery of social services entailing pre-primary and fundamental education (grades 1-9), primary health care, as well as some higher-complexity health services, and face-to-face social assistance services. Municipalities were also responsible for their implementation of federal government programs such as the conditional cash transfers program, *Programa Bolsa Familia* (PBF), and the social pension program, *Beneficios Prestacao Continuada* (BPC), as well as the maintenance of the social registry (*Cadastro Unico*).

During the period between 2013 and 2017, the municipal government had made significant efforts to increase investments in social services achieving important results, but still lagging behind comparable cities. At the time of appraisal, Salvador's Index of Development of Basic Education (IDEB) was 4.7, lower than that of Fortaleza which was 5.4. Infant mortality was 16 per 1000 live births as compared to Fortaleza which had 11.5 per 1000 live births and Recife 12 per 1000 live births. With respect to health, Salvador was undergoing a demographic and epidemiologic transition where there was an increase in non-communicable diseases (NCD), with 70 percent of deaths attributable to cardiovascular diseases, chronic respiratory diseases, diabetes, cancer, etc. In the social services sector, Salvador had fallen behind in updating of the *Cadastro Unico*, with a rate of 66 percent, as compared to Fortaleza (75 percent) and Recife (70 percent).

The project intended to improve social service delivery in the MOS by improving the efficiency of the health care delivery system, improving the quality of the education at the ECE and fundamental education levels, and by enhancing the effectiveness of social assistance services. The design was aligned with the Salvador Strategic Plan 2017-2020 which addressed social services through two pillars, Social Development and Quality of Life, and Human Development. Specifically, the project would aim to contribute by closing coverage gaps while improving service delivery quality, efficiency and cost-effectiveness.

The objectives were relevant to the Country Partnership Framework (CPF) for FY 2018-2023 which was valid both at the time of appraisal and closing. The Focus Area 1 "Fiscal consolidation and government effectiveness for sustainable, inclusive and efficient service delivery" included three specific objectives supported by this project: (a) Increase in fiscal sustainability and fairness of pension system and effectiveness of social protection system, (b) Increase effectiveness of service delivery in education, and (c) Increase effectiveness of service delivery in health.

This was the first operation with the MoS in the social sectors, however the Bank had extensive prior experience in working with subnational and federal governments in Brazil in the three social sectors covered under this project, including support to the PBF. The Bank had also carried out several results-based investment projects which had shown to be successful in the country, both at the federal and subnational levels.

Rating

High

4. Achievement of Objectives (Efficacy)



OBJECTIVE 1

Objective

To improve health care system efficiency in the Municipality of Salvador.

Rationale

The theory of change for this objective stated that efficiency of the health care delivery system would be improved by ensuring pertinent access to primary, secondary, and tertiary health services. This would be achieved through two lines of activities. First, the project would support the expansion of primary health care through (i) construction and renovation of primary health care facilities, (ii) consolidation of the secondary and tertiary care through the construction of multi-centers, (iii) the refurbishment of the local emergency care network, and (iv) in-service training of health professionals on health service management. A second group of activities would comprise the development and implementation of information technology and management tools, including the introduction of a referral system, and training of health professionals on M&E and health facilities management.

Outputs

The coverage of primary health care (DLI 1) achieved in October 2023 was 57.12 percent, exceeding the target of 54.10 percent, and above the baseline of 45.50 percent.

The number of municipal health facilities with electronic record management systems installed and operation (DLI 2) in October 2023 was 175, exceeding the target of 126 facilities. The electronic records included a biometrics module, allowing for improved data accuracy, enhanced access control to authorized personnel only, and streamlining of processes by reducing paperwork.

129 percent of Health Units were able to provide health services within the Municipal Regulation System in October 2023, above the 100 percent target, where the baseline had been 22 percent (DLI 3). This result reflected an increase of seven new Basic Health Units which were not part of the original baseline estimate.

The percentage of patients cared for in the Emergency Care Units (UPAs) with low-risk (green) or no-risk (blue) was 77.23 percent in October 2023, meeting the target of 77 percent, as compared to the baseline of 85 percent. It should be noted that, in this case, a lower number indicates improvement in the efficient use of UPA because these facilities should not be providing low- or no-risk patient care.

The percentage of out-patient procedures (high complexity) in relation to the resident population was 1.99 percent in May 2023, below the target of 2.91 percent, and below the baseline of 2.84 percent. Failure to achieve this indicator was attributed to the COVID-19 pandemic.

The percentage of diagnostic and therapeutic health services provided by the multi-centers was 56.12 in October 2023 percent below the target of 90 percent, and slightly above the baseline of 50 percent. The underachievement of this indicator was also attributed to the COVID-19 pandemic.

By December 2022, 163 municipal health facilities registered patient identities with biometric data, below the target of 196 facilities.



By December 2022, 175 municipal primary care units had installed the financial management system, above the target of 136 units, as compared to a baseline of 30 units.

Outcomes

At the outcome level, the achievement for this objective was measured by the rate of hospital admissions for Ambulatory Care Sensitive Conditions (ACSC) which are acute or chronic health issues that lead to potentially preventable hospitalizations when not treated in the outpatient primary care setting. The rate showed some improvement by decreasing from a baseline of 23.50 to 21.70 percent in May 2023, and by moving below the target of 23.03 percent.

While the results showed moderate efficiency improvements in hospital admissions of ACSC, the indicator, on its own, could not understandably be fully reflective of efficiency of the health care system as a whole in the Municipality of Salvador.

Rating

Substantial

OBJECTIVE 2

Objective

To improve education quality in the Municipality of Salvador.

Rationale

The Theory of Change stated that the quality of early grades of fundamental education would be improved through the implementation of integrated actions, including: (a) an external assessment system that would measure literacy and numeracy skills (*Programa Salvador Avalia, PROSA*) for 2nd, 3rd, 5th, and 9th grade students, (b) formative assessment of literacy and numeracy skills for students in 2nd, 3rd, and 5th grades, (c) expansion of scripted pedagogical materials, (d) implementation of a results-based management model for schools, and (e) implementation of a certification system of candidates for school leadership positions.

At the ECE level, an outcome indicator was not envisaged by the project. It was noted that quality assurance of early childhood education would be achieved through: (a) institutionalization and implementation of the M&E system for ECE, (b) training of the Municipal Secretariat of Education (SMED) personnel in the use of the new M&E system for ECE, and (c) creating an ECE quality assurance program.

Outputs

As of October 2023, the number of students benefiting from direct interventions to enhance learning was 62,496, exceeding the target of 35,937, as compared to the baseline of 20,764 students. Of these, the number of female beneficiaries were 29,600, also above the target of 17,318, as compared to a baseline of 10,006 female students.



92 percent of Fundamental Education schools had a minimum of 80 percent of students taking the PROSA exam in October 2023, compared to a target of 72 percent, as compared to a baseline of 32.8 percent (DLI 6).

By September 2022, the M&E system for ECE had been institutionalized and implemented.

100 percent of the SMED personnel were trained in the use of the ECE M&E system, exceeding the target of 62 percent.

15.86 percent of ECE units were offering adequate services following quality assurance standards in December 2022, below the target of 25 percent. The ICR noted that this indicator is monitored on a biannual basis, and the next data point would be released at the end of 2024.

The certification system of candidates for school leadership positions was not implemented.

100 percent of schools moved to the new results-based management model by September 2022, above the target of 43 percent.

61.86 percent of municipal and covenant ECE centers were monitored in September 2022 by SMED exceeding the target of 40 percent (DLI 4).

61.86 percent of ECE centers received regular monitoring and evaluation feedback by SMED by September 2022, above the target of 40 percent (DLI 5).

75 percent of teachers received in-service training by October 2023, below the target of 94.2 as compared to a target of 54.2 percent.

Outcomes

The proportion of students at an adequate level of literacy and numeracy at the end of the second grade in municipal schools increased from a baseline of 26.32 percent in 2017 to 43.7 percent in July 2023, slightly short of the target of 45 percent, reflecting an almost fully achieved intended outcome.

The timeline presented in the ICR (p15) showed that there was a sharp increase in student levels of adequate literacy and numeracy between the start of the project and 2019. However, it fell to 35.4 percent, coinciding with the COVID-19 pandemic and full school closures in 2020 and partial closures in 2021, then rising to 42.8 percent in 2022 and 43.7 percent in July 2023. The task team reported that, six months after project closing in June 2023, the rate increased to 49 percent in December 2023. In addition, the ICR analyzed the project's effectiveness through a synthetic control estimation, where Bahia was compared to municipalities from 12 other states in Brazil. The analysis concluded that, in the absence of the project, the literacy rate achieved would have been 79.8 percent as opposed to the actual literacy rate of 86.8 percent, that is a 7.1 percent difference. The ICR reiterated that this is not direct causal evidence of the achievement of the project, but only a contribution to the analysis around this outcome.

Rating
Substantial



OBJECTIVE 3

Objective

To improve social assistance effectiveness in the Municipality of Salvador.

Rationale

This objective aimed to enhance effectiveness of social assistance services through (a) strengthening the basic social assistance network, (b) expanding the coverage and quality of the Family Support Program (PAIF), (c) improving data quality of the *Cadastro Unico*, and (d) enhancing SEMPS' organizational capacity. In turn, these would be achieved through the provision of equipment, internet connectivity, protocols, and professional staff to the CRAS, the addition of new registration points as well as expansion of household outreach and hiring new staff and training all staff to manage the systems within SEMPS.

Outputs

The total number of beneficiaries of social safety program PBF was 253,048, as of November 2022, above the original target of 191,593. Of these 203,662 were female above the target of 187,761. The ICR noted that this indicator was included as a corporate indicator, and that changes in the number of beneficiaries were mainly dependent on the economic context and not on project interventions. Therefore, the baseline and targets were the same.

The number of CRAS units that met SEMPS' minimum standard of operation functionality was 17 in September 2022, meeting the original target (DLI 7).

The number of household visits performed by the *Cadastro Unico* team to update socio-economic information was 22,461, in October 2023, exceeding the target of 20,000, as compared to a baseline of 993 (DLI 8).

The SEMPS management capacity was enhanced through the recruitment of 150 new staff in September 2022, meeting the original target (DLI 9).

The number of training sessions held for SEMPS workers were 906 sessions in October 2023, somewhat below the target of 1,000 training sessions.

81 percent of the registry was updated for extremely poor families in November 2022, exceeding the target of 73 percent as compared to the baseline of 68 percent.

4 new mobile registration units of *Cadastro Unico* were in operation in November 2022, meeting the original target.

5,442 families were attended by the CRAS mobile teams by October 2023 above the target of 2,400 families.

The management of the information system of SEMPS was fully developed and implemented by November 2022.

85 percent of complaints on the project received by the Grievance Redress Mechanism were addressed within 30 days, as reported in October 2023, meeting the target.



Tools were developed and adopted to address gender-based violence by October 2023.

Outcomes

A total of 54,321 families were supported by the Integrated Family Support Program (PAIF) at CRAS by June 2023, significantly exceeding the target of 28,500 families, while the baseline was 0 families. The ICR attributes this result to the expansion of CRAS that met the minimum service standards in the municipality and the increase in poverty rate due to the COVID-19 pandemic which increased the demand for social services and benefits.

Rating

High

OVERALL EFFICACY

Rationale

The first and second objectives (to improve health care system efficiency in the Municipality of Salvador, and to improve education quality in the Municipality of Salvador) were almost fully achieved and rated Substantial. The third objective (to improve social assistance effectiveness in the Municipality of Salvador) was fully achieved and exceeded, and was rated High. The aggregation of achievements is indicative of a Substantial rating for overall efficacy.

Overall Efficacy Rating

Substantial

5. Efficiency

The PAD presented an economic analysis for all three objectives under the project. The NPV and IRR were calculated for the education objective, estimated savings were calculated for the health component, and a qualitative description of the economic benefits was done for the social assistance objective. Therefore, the IRR included in the table below only refers to the education objective.

The economic analysis for the Education Objective assessed both the ECE and the fundamental education interventions. In the case of ECE, the analysis was based on literature evidence that demonstrated that it contributes to the development of cognitive skills, better school readiness, higher primary school completion rates, lower repetition rates, and better academic performance. At the primary school level, the analysis used literature evidence showing that strengthening the management model, including school principals district superintendents, and other systems managers, were important determinants of student outcomes. Based on this evidence, the economic analysis estimated that the total improvement in education quality resulting from the project activities would result in an increase of 0.10 to 0.19 standard deviations at the primary school level, with



an additional improvement in at the primary level of 0.13 standard deviations for those children benefiting from ECE. Taking into account literature estimates that showed that a one-standard deviation increase in numeracy skills is associated with an 18 percent wage increase among workers, the net present value (NPV) was estimated as USD 113 million with an internal rate of return of 16 percent, at a discount rate of 10 percent. In an alternative scenario where student outcomes at the primary level increased by 0.10 standard deviations and the effect of the improved ECE monitoring was 0.065 standard deviations, the NPV was USD 93 million and the IRR was 14 percent.

The total economic benefits of the health objective were estimated based on the savings in administrative efficiencies, resulting from the referral system. The assessment used the results from a comparable system implemented in the state of Minas Gerais, Brazil, and concluded that the annual savings would be about USD 7.2 million. The PAD also indicated that cost savings could be greater if the cost savings from optimal assignment of patient cases across the health care system were considered.

The economic benefits for the social assistance objective were not calculated. The PAD indicated that there would be benefits resulting from the organizational improvements and cost efficiencies resulting from better targeting of service delivery to the poor.

The ex-post analysis presented in the ICR (Annex 4, p 54) for the Education Objective used a similar analysis as the PAD. The resulting NPV was USD 98 million with an IRR of 14 percent. Taking into account that the COVID-19 pandemic affected the education sector, the ICR included a sensitivity analysis using an alternative scenario whereby only the minimum improvement in outcomes were achieved, resulting in an NPV of USD 85 million and an IRR of 12 percent, with a cost-benefit ratio of 2.4. This estimate did not include other positive impacts from education such as increased productivity of workers, or the additional time available to mothers resulting from ECE services.

The analysis for the Health Objective in the ICR estimated a savings of USD 7.9 million per year, similar to those estimated in the PAD. Additionally, the NPV was estimated at USD 4.8 million, the IRR at 18 percent, and a cost benefit ratio of 1.81. These estimates did not include potential savings from the optimal assignment of patients to the different levels of the health care system.

The ICR provided a qualitative analysis of the efficiency of the Social Assistance Objective. This analysis included the improvement in the data quality of the Cadastro Unico, the strengthened quality assurance of the CRAS network activities, and the fact that the number of families supported by PAIF exceeded the target.

In terms of implementation efficiency, the ICR reported some shortcomings in implementation aspects that moderately reduced overall project efficiency. The project was under the responsibility of the *Casa Civil* and was implemented by the specific areas responsible for health, education, and social assistance within the structure of the Municipality of Salvador. The project design posed challenges in coordination, and enhancing the intersectoral coordination was highlighted by the counterpart team as a critical area for improvement, with a pressing need to establish a more seamless and effective dialogue mechanism among the three sectors (ICR, p. 25). Effectiveness was achieved only after nine months, also delaying the launching of the project. During the initial phase of project implementation, procurement processes were delayed due to the counterparts' limited understanding of procurement processes. These issues were partially addressed by institutional strengthening efforts as part of project activities. For TA consultancies, the social assistance sector did not receive the anticipated TA due to procurement-related issues, such as weak proposals and unsuccessful bidding, significantly hindering the contracting process. Consequently, the expected support was not fully realized, emphasizing the need for more robust and efficient procurement mechanisms to integrate technical support



within the project framework successfully (ICR, p. 26). The COVID-19 pandemic affected implementation due to closure of services, but the 6-month extension allowed the completion of activities and overall achievement of targets. The loan was essentially fully disbursed.

Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal	✓	16.00	25.00 <input type="checkbox"/> Not Applicable
ICR Estimate	✓	14.00	59.00 <input type="checkbox"/> Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

Relevance of objectives is rated High, as objectives were fully consistent with the context of the Municipality of Salvador, and were framed within the local government’s strategy, as well as with the World Bank CPF. Efficacy is rated Substantial as aggregated objectives were almost fully achieved. Efficiency is rated substantial in view of considerable expected returns, but with some aspects of implementation having moderately reduced overall project efficiency. These ratings are consistent with an overall outcome rating of Satisfactory.

a. Outcome Rating

Satisfactory

7. Risk to Development Outcome

The main risk that the development outcome may not be maintained is linked to the political context of the Municipality of Salvador. The project was subject to changes in officials which often implied changes in staff. This resulted in the loss of institutional memory and changing priorities with respect to public policies. As explained in the ICR, this risk was expected to be mitigated by the continued support of the World Bank through the new Salvador Social Multi-Sector Service Delivery Project II (P172605).



8. Assessment of Bank Performance

a. Quality-at-Entry

The project design aimed to support the Municipality of Salvador to improve social services that were within the jurisdiction of the local government. As such, the project worked in three sectors, health, education and social assistance. The project design benefited from availability of data for key indicators that allowed prioritization of activities for each sector. The project also built on prior successes achieved by the Municipality of Salvador, indicating that there was potential institutional capacity to implement the project. The results-based approach provided clear incentives to counterpart institutions to focus on outcomes.

A theory of change was prepared separately for each of the three objectives, although the latter were illustrated as impacts under the theories of change. There were moderate weaknesses related to the M&E design, as discussed in section 9.

At the operational level, this was the first experience for the MoS with any international finance institution, including the World Bank. Thus, the preparation team had to invest a significant amount of time in supporting counterparts so that they could meet the Bank's financial management, procurement, and safeguard policy requirements.

Project implementation was coordinated by the Casa Civil, the institution responsible for policy advice, management of intersectoral projects, monitoring of the implementation of the Strategic Plan and management of external financing. A Project Management Unit (PMU) was created within the Casa Civil with the exclusive purpose of coordinating project implementation. Component 1 was implemented by the respective municipal secretariats, while Component 2 (technical assistance activities and project management) was implemented by the PMU. Financial management was coordinated by the Casa Civil. Each secretariat was responsible for procurement for its specific subcomponent. Monitoring and evaluation was carried out using MoS' systems. Citizen engagement was the responsibility of specific municipal agencies such as the Municipal General Ombudsman, the Municipal Health Commission, and the Municipal School Boards.

The ICR reported in its lessons section (p. 30) that it was crucial to identify areas of integration within the project to truly highlight its multisectoral nature. The ICR noted that the project lacked commonality between sectors (Health, Education and Social Assistance), and that this should be considered when planning future operations. To enhance effectiveness, future projects can explore opportunities for integration among sectors to maximize positive synergies and to amplify the impact of social interventions.

The risk rating for the project was appropriately assessed as substantial. At the operational level, the design was complex, as it included one coordination agency plus three implementation agencies within the MoS. Furthermore, the lack of prior experience with the World Bank meant that there was a steep learning curve ahead for all four agencies. In addition, there were upcoming state elections in November 2018, with the potential risk of changes in senior managers in the MoS. Mitigation measures for these risks were addressed through the proposed hiring of additional staff, both at the coordination and implementation levels to improve fiduciary management capacity. The project design also relied on the commitment of the MoS to the implementation of the Salvador Strategic Plan 2017-2020 within which the project was embedded.



Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

The World Bank team carried out regular implementation support missions twice a year in person and, during the COVID-19 lockdown, virtually. Missions included both technical and fiduciary support.

The ICR (p. 25) reported that, over its four-year duration, the project experienced a turnover of six task team leaders, significantly affecting the project's dynamics. New task team leaders had to familiarize themselves with the project, leading to disruptions and delays. The ICR (p. 25) also noted that this issue was highlighted by the counterpart, and reflected the challenges posed by frequent changes in leadership and the necessity to maintain project continuity despite personnel transitions. In this context, another section of the ICR (p. 29) provided different information about this aspect.

In addition, and according to the ICR (p. 29), the client found that large missions were disruptive to the municipality's operation and would have valued smaller and more focused missions, as there was a desire for more handholding and for individualized missions tailored to specific sectors.

Quality of Supervision Rating

Moderately Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

The M&E for the Project was designed to use MoS' systems for monitoring and evaluation within the Department of Strategic Planning, relying on sectoral secretariats for reporting on their specific activities. Therefore, M&E arrangements were well-embedded institutionally.

Objectives were clearly stated and reflected by the indicators, although outcome indicators for the efficiency and quality objectives were not reflective of the full extent of the stated objectives. The ICR (p. 25) reported some weaknesses undermining project performance (and which were subsequently addressed), including for not anticipating changes in education indicators, leading to challenges in achieving comparability due to the variance in the baseline measurement methodology, distinct from that of PROSA (ICR, p. 25). The project was gender tagged and included a gender-based violence (GBV) indicator that had not been thoroughly discussed with the client. This posed a challenge because the monitoring systems within MoS were not prepared to report on this indicator, and it presented



measurement difficulties. As originally defined in the PAD, the indicator measured an outcome that was beyond what the project was intended to achieve.

The results framework was well integrated with each of the objectives' theory of change. The DLIs were an integral part of the results framework and targets were defined on an annual basis so that project implementation could be traced over time (PAD Annex 2). The calculation methodology and verification protocols for the DLIs were clear and detailed and had the corresponding responsible area and verification timeline. The Project Implementation Unit (PIU) was responsible for aggregating all the information for reporting to the Bank.

b. M&E Implementation

The implementation of M&E processes was the responsibility of the PIU team. The PIU integrated data from the monitoring systems from all three technical sectors. The PIU held monthly meetings with the relevant teams in each secretariat, to identify and address challenges, and agree on solutions. However, over the implementation period, there were changes in formulas, in the use of reference years, and in measurement methodologies. This was especially the case in the health and education indicators, making it difficult to compare data, from baseline through implementation and completion. Also, gender indicators were modified so that monitoring would be feasible.

c. M&E Utilization

According to the ICR (p. 27), data utilization played a key role in the decision-making process both for the project and the MoS. In particular, the focus on results through the DLIs, the M&E system and the overall focus on evaluation in the Education Secretariat fostered a new culture of tracking the delivery of services, and enhancing evaluation strategies.

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

The project was rated as Category B, with partial Environmental Assessment. Five safeguards were triggered: (a) Environmental Assessment, OP/BP 4.01, (b) Natural Habitats, OP/BP 4.04; (c) Pest Management OP/BP 4.09; (d) Physical Cultural Resources, OP/BP 4.11; and (e) Involuntary Resettlement OP/BP 4.12. The main reason for the Category B rating, and the triggering of the specific safeguards, was that the project involved construction, rehabilitation, expansion or repair of small buildings including education centers, health units and social assistance centers. The MoS prepared an Environmental and Social Management Framework (ESMF) and Environmental Management Plans were to be prepared for each infrastructure work, specifying guidelines and procedures to be followed by contractors. At appraisal, the possibility for the need to acquire private properties was identified, thus the Involuntary Resettlement policy was triggered. The MoS prepared a Resettlement Policy Framework (RPF) which was to be used in



any future constructions under the project, as well as to be a filter to determine eligibility under the retroactive financing allocation of the project. There were no safeguards issues reported during implementation and ratings were Satisfactory throughout the life of the project.

b. Fiduciary Compliance

Procurement processes were carried out by the specific secretariats responsible for the implementation of the project, under the overall coordination of the PIU which would keep a procurement coordinator responsible for assisting project implementation. A Procurement Action Plan was prepared. The main challenges faced by the project were the poor understanding of Bank processes and procedures and, consequently, the difficulty in managing processes which were not aligned with local legislation. The Bank team provided training to a selected group of municipal staff deemed relevant for the project. Counterparts indicated that they would have preferred a wider coverage in the training so as to facilitate the flow of procurement processes throughout the municipality. During most of the implementation period, procurement performance was rated as moderately satisfactory, but subsequent to the training, implementation improved and was upgraded to satisfactory.

Financial management was implemented using the MoS administrative, budgetary, and financial management systems. Financial management arrangements were adequate throughout implementation and no major issues were identified. The Bank team also collaborated with the Comptroller General of the Municipality (CGM) and the external auditor, the Municipal Court of Auditors. This collaboration facilitated the control and monitoring of the financial management processes, ensuring greater transparency.

c. Unintended impacts (Positive or Negative)

None

d. Other

N/A

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Moderately Satisfactory	Moderate shortcomings in both quality-at-entry and supervision, as reported by the ICR.



Quality of M&E	Substantial	Substantial
Quality of ICR	---	Substantial

12. Lessons

The ICR included several lessons (p30), the most salient are summarized below.

A multi-sector project opens the opportunity to work in an integrated manner in support of the client’s strategic plan, but there were difficulties that needed to be addressed. The project worked with all three sectors successfully but could not achieve synergies between them due to the lack of interoperability and coordination systems. The ICR highlighted that it would have been useful to have standardized protocols and frameworks to facilitate the exchange of data, in order to achieve more efficient and effective social services. Furthermore, the ICR identified that even at the health sector level, there was room for coordination among the three levels of care through the better integration of the *Sistema Vida+* (the health information management system).

While it is desirable to include specific gender indicators in an investment project, measuring them can be challenging. This project was gender-tagged and included an intermediate indicator: “Proportion of injuries due to external causes among females.” As part of the first restructuring, this indicator had to be replaced as it presented difficulties in being measured and went beyond what the project could support through the technical assistance component (Component 2). The indicator was modified to “Design and adoption of tools to combat gender-based violence.”

When a project is the first one with the counterpart government, particularly a local government, extended operational support is vital to ensure successful implementation. In a federal country, such as Brazil, work at the subnational level can ensure greater focus on responding to local needs. However, the assessment of local capacity during the design phase and intensive support during project implementation is important for successful delivery of results. A particular example was the technical assistance provided to counterpart institution to strengthen the oversight of municipal institutions, including the General Controller of the Municipality and the Municipal Court of Auditing accounts. Furthermore, the ICR stressed the client’s request to have more specialized and smaller missions that would not stretch the relatively small group of counterpart staff.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR was results-oriented and well written, providing a clear analysis of the project’s achievements and challenges. The theory of change (TOC) was based on those of the PAD, having been revised to include the contributions from the technical assistance component. The TOC could have included the critical assumptions underlying the results chain. The ICR included feedback from the client, providing information on the



implementation process and contributing to a substantive Lessons and Recommendations section. The quality of evidence was largely adequate with some limitations. The ICR provided additional analysis of how the outcome indicators performed over the project implementation period, enriching the overall assessment of the project. It was consistent with the guidelines, and internally consistent with occasional lapses. The ICR was sufficiently concise.

a. Quality of ICR Rating
Substantial