



1. Project Data

Project ID P129342	Project Name BR Piaui Pillars of Growth and Soc Incl	
Country Brazil	Practice Area(Lead) Education	
L/C/TF Number(s) IBRD-85750	Closing Date (Original) 31-Dec-2020	Total Project Cost (USD) 116,144,067.51
Bank Approval Date 21-Dec-2015	Closing Date (Actual) 31-Dec-2021	
	IBRD/IDA (USD)	Grants (USD)
Original Commitment	120,000,000.00	0.00
Revised Commitment	116,144,067.51	0.00
Actual	116,144,067.51	0.00

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2. Project Objectives and Components

a. Objectives

The objectives of the project were to: (a) reduce dropout of students in public secondary education; (b) increase access to diagnosis and treatment for patients with chronic diseases; (c) expand the registration of groundwater users in rural areas and land tenure regularization; and (d) increase the participation of rural family farmers in rural productive value chains (Loan Agreement, April 27, 2016, p. 6).

On December 10, 2020, at which time 87 percent of the loan was disbursed, a level-2 restructuring revised the definition of three PDO-level indicators for accuracy purposes. One associated outcome target was



revised downward, and both original and revised targets were exceeded. Therefore, this ICR Review did not apply a split rating that would have been inconsequential.

b. Were the project objectives/key associated outcome targets revised during implementation?

Yes

Did the Board approve the revised objectives/key associated outcome targets?

No

c. Will a split evaluation be undertaken?

No

d. Components

The project was designed to co-finance multi-sector interventions based on the government's strategic priorities. It had two components: (a) a results-based approach under Component 1; and (b) a technical assistance investment approach under Component 2.

I. Provision of support for the implementation of Eligible Expenditure Programs (EEPs) in the following areas: (a) public secondary education, (b) health care for patients with non-communicable chronic diseases, (c) water resources management, (d) land management, and (e) rural productive chains (IBRD cost at Appraisal: US\$105.0 million; Actual IBRD cost: US\$104.9 million). The EEPs constituted a subset of existing programs under the government's Multi-year Plans (*Plano Plurianual*) selected as priority programs to be supported by this operation (PAD, pp. 9-10). The component had 15 disbursement-linked indicators (DLIs).

Subcomponent 1.1: Improving retention in public secondary education: carrying out activities aimed at improving retention in public secondary education through: (a) expanding the Youth Saving Program for public secondary education students in targeted municipalities; (b) expanding the full-time school model in secondary education; (c) expanding secondary technical education; (d) expanding distance learning for general secondary education; and (e) reestablishing a student assessment in the Borrower's public schools.

Subcomponent 1.2: Expanding access to health care for patients with chronic diseases: carrying out activities aimed at expanding access to diagnosis and treatment for patients with chronic diseases through, inter alia: (a) the setting up and operationalization of five Specialized Centers for Chronic Diseases (SCCDs); and (b) the elaboration and enforcement of State protocols and medical regulation.

Subcomponent 1.3: Expanding the registration of groundwater users: carrying out activities aimed at implementing the State Water Resources Users (CERH) by (a) elaborating and implementing information and communication campaigns for registering groundwater users in CERH; and (b) carrying out verification of registration of groundwater users.

Subcomponent 1.4: Strengthening real property rights: carrying out activities aimed at supporting the implementation of the Land Tenure Regulation Program and strengthening real property rights through (a) strengthening and modernizing the State Land Agency; (b) carrying out the identification, demarcation, and



registration of State land; (c) carrying out the Land Tenure Regularization Program; and (d) supporting the operationalization of the Land Tenure Regularization Center.

Subcomponent 1.5: Strengthening participation of rural family farmers in rural productive value chains: carrying out activities aimed at increasing participation of rural family farmers, including women and Quilombola communities in productive value chains by (a) financing Productive Investment Plans; and (b) building capacity on technical and managerial assistance, as well as on institutional organization and logistics.

II. Provision of technical assistance to strengthen the Borrower's public management (Estimated IBRD cost at Appraisal: US\$14.7 million; Actual IBRD cost: US\$10.9 million).

Subcomponent 2.1: Modernize expenditure and investment management in the public sector: provision of technical assistance to modernize expenditure and investment management practices in the public sector, including (a) strengthening the process of planning, monitoring, and evaluation of investment projects in a single results-based system; (b) carrying out a study on public expenditure and financial accountability, and strengthening capacity to implement streamlined financial management processes and an accrual accounting system in line with national accounting norms and International Public Accounting Standards; (c) provision of training on the adoption of standards of the International Organization of Supreme Audit Institutions; (d) modernization of procedures and processes to carry out internal audits; (e) designing and implementing a new procurement information and contract management system; and (f) supporting project management, including hiring of key project staff, independent verification, and operating costs.

Subcomponent 2.2: Build the Borrower's capacity for water resources management, land management, and rural development: provision of technical assistance to strengthen the capacity to carry out the water resources cadaster, land tenure regularization, and rural development, including (a) operationalization and maintenance of the State Land and Environmental Geotechnical Center; (b) piloting of an integrated real estate registration system for notaries; and (c) establishment of a computerized monitoring, information, and management system for the Program for Employment and Income Generation in Rural Areas.

Subcomponent 2.3: Generate evidence to support policy making and practice in education, health, gender, and citizen engagement: provision of technical assistance to generate evidence supporting policy making in education, health, gender, and citizen engagement, including (a) carrying out an impact evaluation and studies of secondary education; (b) elaborating a State Health Regulation Plan; (c) carrying out studies on gender in the Borrower's territory; and (d) capacity building for the Borrower's Ombudsman Office.

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

At appraisal, the cost share of the World Bank was estimated at US\$120 million consisting of an IBRD Loan that was processed as an Investment Project Financing (IPF) within a larger government program of US\$1.1 billion. The IPF complemented and leveraged policy and institutional reforms supported by a single-tranche US\$200 million Piauí Productive and Social Inclusion Development Policy Loan or DPL (P146981).



The broader program costs were calculated based on the EEP's budget amounts for 2015–20, including inflation forecasts (PAD, p. 10). By project closing, the actual World Bank cost was US\$116.1 million, including a front-end fee of US\$0.3 million.

3. Relevance of Objectives

Rationale

Three previous State operations were focused on rural development in Piauí, one of Brazil's poorest States, and included the Rural Poverty Alleviation Project (P043871), approved in 1996; Rural Poverty Reduction Project (P050881), approved in 2001; and the Green Growth and Inclusion DPL (P126449), approved in 2012 (ICR, p. 26).

The objectives of this multi-sectoral operation were focused on key identified challenges that included high student dropout in secondary education; low access to health services in rural areas; productive exclusion of the State's poorest groups living in semi-arid regions; non-formalized land tenure for small-scale farmers that hinders access to credit and subsidized financing lines; challenges in funding business initiatives and strengthening family farming and production chains, especially among the poorest and most vulnerable groups (women and Quilombola communities); and weaknesses in overall public sector management.

The project was prepared in conjunction with a DPL, and both adopted a common multi-sectoral approach to address the above-mentioned priorities. Both operations were prepared and approved in parallel to maximize intended impact. Development objectives were aligned with the objectives of State Programs that served as the design platform of both operations (PAD, p. 7). The project also aimed at strengthening institutional capacities and public sector management to plan and monitor key State Programs.

At project closing, development objectives continued to be in line with State Programs and with the World Bank Group Country Partnership Framework (CPF) for the Federative Republic of Brazil for the period FY18-FY23, which proposes a focus on Brazil's environmental and poverty reduction challenges, improving the efficiency of public spending, and coverage and quality of public services. Specifically, CPF Focus Area 1 on Fiscal Consolidation and Government Effectiveness aims to support a sustainable and equitable fiscal adjustment at both federal and subnational levels and to increase effectiveness of service delivery in both education and health. Focus Area 3 on Inclusive and Sustainable Development aims to support gains in social inclusion and sustainable natural resource management, with a particular focus on land use and the promotion of socio-economic development of small rural producers and vulnerable groups. The CPF specifically notes the need to address inclusion of the most vulnerable social groups, including small family farmers, indigenous peoples, and traditional communities. It intends to facilitate productive inclusion of family farmers at the subnational level by supporting investments that provide farmers with productive assets, improved access to services, and better connections to local, regional, and global markets. It also proposes to continue helping populations living in Brazil's semi-arid region to adapt to the growing risk of water scarcity through better water resources management, more efficient water service provision, and more resilient water infrastructure.



However, the overall strategic approach to address development objectives became less relevant at project closing. When the project was prepared, the World Bank was emphasizing the use of broad, multisectoral operations at the sub-national level in Brazil to help address a multiplicity of institutional issues and multidimensional development challenges (ICR, p. 6). But in view of complexity and implementation difficulties that were observed under such operations, future Bank assistance shifted to more focused operations that were prepared under stand-alone IPF instruments (ICR, p. 16) as opposed to a design that encompassed various priorities under a single multi-sectoral operation.

Rating

Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

Reduce dropout of students in public secondary education

Rationale

Background: The high dropout rate in secondary education (SE) resulted from a systemic failure of State schools to support students and to deliver quality SE effectively, thus contributing to social exclusion. The decision to drop out of school was motivated by several factors, including the need of students from poor families to earn an income, low quality of instruction, shortage of teachers in rural areas, and students' perceptions that general SE was not relevant for improving their future employment prospects since the schools were not providing skills demanded by the labor market.

The State's Secretariat of Education and Culture was expanding the following four programs aimed at reducing the dropout rate in SE and social exclusion: (a) full-time schools (FTS); (b) Secondary Technical Education (STE); (c) the Youth Savings Program (YSP) or *Poupança Jovem*; and (d) Education with Technological Intermediation (ETI), a computer-based distance learning program for SE (ICR, p. 7).

Explanatory note: The YSP is a program that aimed to incentivize extremely poor students to attend and complete secondary education. The program provided a bonus to students for every school year completed to reduce dropout and increase graduation to the next education level. Beneficiary students also had to participate in extracurricular activities, such as good citizenship, criminality prevention, and distance learning programs for SE.

The theory of change main thrust for reducing dropout of students in public SE consisted of the provision of incentives to encourage students in State schools to complete SE, and the enhancement of opportunities to enroll in SE through FTS, STE, and ETI. The theory of change held that expanding:



- YSP Incentive Program for secondary school students in the poorest municipalities, as well as training of school directors, pedagogical advisors, and teachers to identify at-risk students, visit parents, closely monitor school attendance, and offer academic tutoring and socio-emotional support;
- full time secondary education, allowing extended instructional time, more diverse and enriched curriculum, more laboratory hours to apply classroom learning, and extracurricular activities to enhance the learning experience, with teachers at FTS exclusively dedicated to a particular school to foster motivation and efficacy, while concurrently improving school facilities in terms of infrastructure and provision of pedagogical material and equipment, as well as in-service training for teachers and principals;
- secondary technical education as an appealing alternative to general SE;
- distance learning for general secondary education with a focus on remote rural areas and provision of broadcast equipment, improvements to electronic networks in teaching facilities and local substations, provision of instructional materials, and pre-service and in-service training for local tutors; and
- reestablishment of the standardized student assessment in State schools in Piauí, including testing students at the end of each education cycle every year to assess student performance and provision of critical inputs to the design and implementation of education policies at the State level that would contribute to student retention;

would be expected to result in more YSP students passing to the next grade, certification of full-time schools, increased enrollment of students, STE school engagement in consultations on content and modalities of training with the private sector, and carrying out and dissemination of learning assessments.

All of the above intermediate results would plausibly contribute to reducing student dropout from public SE.

Outputs and intermediate results

Students enrolled in YSP who passed to the next grade increased from an annual baseline of 8,900 students in 2014 to 82,270 students in 2022, exceeding the target of 65,000 students.

Tutoring activities and monitoring of attendance of students enrolled in YSP were undertaken as planned, and three State learning assessment tests were carried out.

Secondary FTS that were certified increased from a baseline of 33 schools in 2014 to 79 schools in 2022, exceeding the original target of 57 schools and achieving the revised target of 79 schools.

Students enrolled in STE increased from an annual baseline of 20,000 students in 2014 to 181,788 students in 2022, exceeding the original target of 113,000 students and the revised target of 180,000 students.

The number of STE schools that have engaged in consultations on content and modalities of training with private sector representatives increased from a baseline of zero in 2014 to 25 STE schools in 2022, exceeding the original target of 20 schools and substantially achieving the revised target of 30 schools.

During 2020 and 2021, the education sector was greatly impacted by the COVID-19 pandemic, and all schools closed by March 2020. In addition to the four main SE programs described in the rationale section above, the State government, supported by the Federal Government, introduced additional measures to bring



back students to school and expanded distance learning with project support to reach all State municipalities through five transmission studios, and provided classes in three sessions (morning, noon, and night) to students at all levels. The Federal Government also expanded the number of beneficiaries and the amount of social protection transfers distributed as Emergency Help.

Outcomes

The intended outcome was fully achieved and was supported by the intermediate steps described in the theory of change. The dropout rate in public secondary schools declined steadily over the implementation period, from an initial 2014 baseline of 16 percent annually to 8 percent in 2019, and to 6 percent in 2020, exceeding the target of 14.5 percent.

According to the ICR (p. 17), data of the 2021 school census indicated continued improvement in dropout, but data were not yet published.

Rating

High

OBJECTIVE 2

Objective

Increase access to diagnosis and treatment of patients with chronic diseases

Rationale

Background: Access to diagnosis and specialized care in non-communicable chronic diseases, a leading cause of death in Piauí, was available almost exclusively in the capital city of Teresina. Also, Piauí's State health system lacked established protocols for diagnosis, treatment, and management of patients with chronic diseases (PAD, p. 33).

The theory of change envisaged a two-pronged approach with two main activities: (a) setting up and operating five Specialized Centers for Chronic Diseases (SCCDs) to be located in five municipalities across the State and with adequate transportation accessibility; and (b) establishing State protocols and medical regulations that would seek to optimize the use of SCCD resources, including doctors, laboratories, imaging tests, and treatment. Implementation of the new protocols would be supported by a centralized medical regulation unit.

The above activities would be reasonably expected to result in SCCDs being operational to receive and treat patients, clinical protocols being developed, and family health teams and health specialists being trained in the use of such protocols. These intermediate steps would plausibly contribute to increased access to diagnosis and treatment of patients with chronic diseases.



Outputs and intermediate results

Five SCCDs were established, equipped, and staffed to serve patients in underprivileged rural areas. They became operational at variable times (see below under Outcomes).

The State Health Regulation Plan was developed.

The number of access protocols to outpatient procedures increased from a baseline of zero in 2014 to 18 protocols in 2022 (against an original target of 17 and a revised target of 20 protocols).

The proportion of family health teams and health specialists trained to use protocols for outpatient procedures in chronic diseases increased from a baseline of zero in 2014 to 100 percent in 2022, exceeding the target of 95 percent.

Outcomes

The ICR (p. 19) reported that, despite implementation delays, the five planned SCCDs were developed to benefit underserved rural areas. Three SCCDs were operational by the closing date of December 31, 2021, and two others became operational by April 2022, four months after closing (ICR, p. 44). Patients under diagnosis or treatment for chronic diseases in SCCDs increased from a baseline of zero in 2014 to 41,960 in 2022, achieving the annual target of 40,000 patients. Nevertheless, there was no information on the relative increase in meeting access needs.

Rating

Substantial

OBJECTIVE 3

Objective

Expand the registration of groundwater users in rural areas

Rationale

Background: Water Resources Management was inadequate and insufficient. The State Secretariat of Environment and Water Resources (SEMAR) lacked the institutional capacity to enforce water resources regulations and implement interventions envisaged in the State Water Resources Plan. This contributed to productive exclusion of the poorest groups living in the semi-arid region who depended on rain-fed agriculture. During severe droughts, small farmers would lose crops and herds, and were hesitant to request funding from subsidized credit lines due to their perceived risk of not being able to produce and, consequently, repay loans if the droughts continued (PAD, p. 4). Limited access to water impaired rural production by small-scale and subsistence farmers. SEMAR maintained a registry of groundwater right applications since 2006, when the registry was established. Available data did not allow a thorough analysis of water resources demand and supply in specific water basins. As of August 2015, SEMAR had issued



permanent water use rights to less than 10 percent of the 28,391 deep wells installed in the State. For surface water, SEMAR has limited information on the number of users because no research had been done.

The theory of change envisaged that enhancing registration of groundwater users through information dissemination, registration campaigns, and enhanced registration capacities, supported by verification of registration, would lead to increased registration of groundwater users, including self-registration, in the CERH electronic database, and with registrations being verified by SEMAR through field visits. These outputs would plausibly contribute to expanded registration of groundwater users in rural areas.

Ultimately, and in the long-run, formal registration of water usage would enable farmers to secure rights and improve productive use of water resources.

Outputs and intermediate results

Nine registration campaigns to register groundwater users were undertaken.

Per agreement with the National Water Authority, SEMAR used the National Water Resources Users Registry of the Water Authority as the electronic platform for the new State Registry.

The project financed related equipment, including flow meters and global positioning systems necessary for the verification process.

Outcomes

The number of groundwater users registered in the CERH and verified by SEMAR increased from a baseline of zero in 2014 to 8,537 users in 2022, exceeding both the original target of 2,000 users and the revised target of 8,100 groundwater users. The results in absolute numbers were noteworthy, but there was no information on estimated proportions.

Rating

Substantial

OBJECTIVE 4

Objective

Expand land tenure regularization

Rationale

Background: Project activities built on the legal basis established by the State through laws and decrees issued in 2011 on the regularization of land tenure of small scale and subsistence farmers, medium and large claimants who have been producing on the land for at least five years, and on land tenure regularization of Quilombola communities. The project identified land tenure regularization conferring real property rights as an



instrument through which the poorest and most vulnerable farmers could access benefits associated with formal land ownership, including social safety nets, access to credit, and a sustainable means for income generation.

The State Land Agency (INTERPI) did not have an automated system to manage the thousands of land tenure regularization and land purchase requests it received, and it lacked the resources to send its technical experts to the field to execute surveys. INTERPI had a large backlog of State land demarcation and registration requests due to the lack of resources, conflicting claims, and difficulties in coordinating with the judiciary.

The theory of change envisaged that the following activities: (a) strengthening and modernization of INTERPI; (b) State land identification demarcation and registration; (c) land tenure regularization of INTERPI's land reform settlements; (d) regularization of Quilombola Territories; and (e) operationalization of the Land Tenure Regularization Center would result in teams being in place to execute land tenure regularization activities, requests filed by small-scale farmers for land titles through the State Land Tenure Regularization Program, women registered as beneficiaries or co-beneficiaries in land titles, and Quilombola communities receiving land titles. All of these would plausibly contribute to increased land tenure regularization.

Outputs and intermediate results

The project strengthened and modernized INTERPI through the rehabilitation of its headquarters; provision of technical, legal, and administrative support; purchase of equipment and vehicles; development of a Service Request Management System; scanning and indexing of archives; and staff training on land tenure. Project support included notarial research and cadastral fieldwork, issuance of notary public certificates, and creation of a State land inventory.

Teams that were put in place to execute land tenure regularization activities increased from a baseline of two teams in 2014 to 13 teams in 2022, exceeding the target of 10 teams.

The number of requests for land tenure regularization through donation filed by small-scale farmers through the State Land Tenure Regularization Program increased from a baseline of 4,151 requests annually in 2014 to 16,497 requests in 2022, exceeding both the original target of 11,000 requests and the revised target of 12,000 requests.

When applicable, women were registered as beneficiaries or co-beneficiaries in land titles through donation.

Land titles for Quilombola Community Queimada Grande were issued and submitted to the notary for registration.

Land titling software e-Títulos was developed and adopted by INTERPI.

The project supported the operationalization of the Land Tenure Regularization Center that was established in 2014 through consultant services; staffing; support to the court responsible for controlling registry offices for



the realization of inspections and the instruction of judiciary and administrative processes related to real estate registries; and training on related competencies.

In response to concerns about property rights of traditional communities, the World Bank provided additional support to help INTERPI address arising allegations, and to further strengthen the justice system, including the prosecutor offices. There was a Request to the Inspection Panel for an investigation, but the latter was not recommended because there was no plausible link between the alleged land grabbing and project activities that did not cause or were likely to cause harm. The concerns raised in the Request to the Inspection Panel represented unfulfilled expectations, such as complaints about alleged non-inclusion in the project of traditional communities from the Cerrado region of Piauí, and the perceived slow pace of land regularization processes. Management concluded that the World Bank followed the operational policies and procedures applicable to the matters raised by the Request (Management Response, Annex II, February 20, 2020, pp v-vi – Document provided to IEG Review by the Task Team on January 9, 2023).

Outcomes

The number of beneficiaries who received land titles through the State Land Tenure Regularization Program increased from a baseline of zero in 2014 to 15,054 beneficiaries in 2022, exceeding the annual target of 5,000 beneficiaries. Information on the relative change would have helped in assessing the extent of the achievement.

Rating

Substantial

OBJECTIVE 5

Objective

Increase the participation of rural family farmers in rural productive value chains

Rationale

The theory of change envisaged that market-driven diversification in agricultural and non-agricultural productive chains, and capacity development on technical and managerial aspects, institutional organization, and logistics, would result in Productive Investment Plans (PIPs) proposed by producer organizations led by and mostly comprised of poor rural women or Quilombola communities, and in PIPs being monitored using the new information management system of the Program for Employment and Income Generation in Rural Areas. In turn, these outputs would plausibly contribute to increased participation in productive value chains. Essentially, the project envisaged that the provision of financial and technical support would improve small farmers' productivity, including through a more adequate and efficient use of natural resources.

Outputs and intermediate results



The number of PIPs implemented and monitored using the monitoring system of the Program for Employment and Income Generation in Rural Areas reached 53 PIPs, short of the original target of 120 and the revised target of 80 PIPs.

The number of PIPs proposed by women-led organizations increased from a baseline of 9 PIPs to 39 PIPs in 2022, exceeding the target of 36 PIPs.

The proportion of PIPs under implementation benefiting poor rural women; families from Quilombola or traditional communities, and/or families from land regularization settlements increased from a baseline of zero to 100 percent, exceeding the original target of 60 percent and achieving the revised target of 100 percent.

Notes: Examples of pre-identified productive chains included bee-keeping, cashew production, artisan crafts, sheep and goat farming, cassava production, and the production of grains and vegetables. Business plans would be proposed for investments by the cooperatives and community organizations that represented the beneficiaries (women and Quilombola small-scale farmers and non-agricultural producers).

According to the PAD (p. 40), selected beneficiaries would be required to contribute at least 30 percent of the total cost of the investment, in cash or in kind, through materials or labor, to promote ownership of the PIPs and ensure their sustainability and long-term potential for income generation.

Outcomes

Poor rural women and/or families from Quilombola or traditional communities and/or from land regularization settlements participating in PIPs as direct beneficiaries increased from a baseline of zero in 2014 to 907 beneficiaries in 2022, exceeding the original annual target of 600 participants and the revised target of 500 participants.

Rating

Substantial

OVERALL EFFICACY

Rationale

The objective to reduce dropout of students in public secondary education was fully achieved; and the other four objectives to increase access to diagnosis and treatment of patients with chronic diseases, expand the registration of groundwater users in rural areas, expand land tenure regularization, and increase the participation of rural family farmers in rural productive value chains were almost fully achieved. The aggregation of achievements is consistent with a substantial rating for overall efficacy. The achievements were facilitated by broad institutional strengthening across several agencies of the State government and by policy actions that were supported by the DPL (ICR, p. 16).



Additional notes on strengthened institutional capacities supported by the project technical assistance:

- The use of the Integrated Monitoring System by State secretariats and agencies increased from a baseline of 23 percent to 49 percent, exceeding the target of 40 percent.
- The proportion of Councils of Sustainable Territorial Development using the Integrated Monitoring System to monitor investments in their jurisdictions increased from a baseline of zero to 100 percent, exceeding the target of 40 percent.
- The Public Expenditure Observatory was implemented in the office of Comptroller General of the State of Piauí.
- A public procurement system was developed, customized, and installed at the State Secretariat of Administration.
- The State Land and Environmental Geotechnical Center was established and made fully operational.
- The State Health Regulation Plan was elaborated and published in the Official Gazette.
- The proportion of complaints that were registered and processed in a timely manner by the State Ombudsman's Office reached 100 percent, exceeding the target of 90 percent.

Additional notes reflecting the project's efforts to mainstream a gender perspective into the design, implementation, and supervision of public policies in the State:

Beyond the project's added focus on women in key activities, the project contributed to advancing gender aspects at the institutional level by supporting the State Coordination of Policies for Women (CEPM) in the preparation, disclosure, and dissemination of the State Plan of Policies for Women, an activity that was monitored under the intermediate results indicators. The project supported the establishment and strengthening of the Organizations for Women's Policies in 19 municipalities. It supported CEPM in carrying out some of its important activities and in strengthening its outreach to women, including for the prevention of violence against women (ICR, p. 23). Project support was facilitated by the State's adoption of the legal basis to operationalize CEPM to mainstream a gender perspective into the design, implementation, and supervision of State public policies (a DPL Prior Action).

Overall Efficacy Rating

Substantial

5. Efficiency



The PAD carried out a cost-benefit analysis using education and health programs that represented 78 percent of the investment. It also included the cost of technical assistance given its importance to the implementation of activities and achievement of outcomes. The cost-benefit analysis made reasonable assumptions on unemployment rates, foregone income, higher possibility of getting a job, and wages. In health, the economic analysis used diabetes and hypertension data from the Brazilian National Household Sample Surveys and benchmarks from the American Heart Association and the American Diabetes Association, and it compared scenarios with and without project interventions. It used a discount rate of 3 percent. Net benefits in health were estimated at R\$725.5 million with an economic rate of return (ERR) of 18 percent, and in education, net benefits were estimated at R\$957.8 million with an ERR of 15 percent. The results remained robust under different sensitivity calculations.

The ICR's ex-post economic analysis was conducted following the same methodology used at appraisal. Education programs were estimated to have an internal rate of return (IRR) of 16 percent and a net present value (NPV) of R\$666 million. These estimates were considered to be more realistic than those at appraisal, as the analysis used more accurate data about the number of project beneficiaries. For example, it used the actual number of students graduating in STE and the number of beneficiaries in YSP rather than predicted numbers. Also, the cost-benefit analysis considered a rigorous ex-post impact evaluation of the YSP program that showed a positive impact on dropout rates. The IRR of the health component was estimated to be 6 percent with an NPV of R\$30.6 million. The economic analysis did not consider gains from other activities.

In view of its multisectoral design, the project was implemented by 12 different agencies, understandably raising complexity. Some delays in implementation were encountered, including in safeguard compliance. Staffing and capacity issues impacted the contracting of technical assistance (ICR, p. 28). Nevertheless, the impact on disbursements was limited to Component 2, and about 40 percent of the loan was disbursed during the first 18 months of implementation.

The Mid-Term Review (MTR), which was carried out in two visits (June 4-14 and July 23-27, 2018), concluded that the project was largely on track with most targets already achieved, but that some project changes were required, and a project restructuring was agreed in principle to address challenges in health and land regularization activities, introduce modifications to the results framework and DLI Matrix, and improve procurement. The MTR expected that restructuring would be processed around October 2018 (ICR, p. 30), but approval was delayed mostly by continuous modifications to the proposal and by lengthy approval processes at different levels.

The surge of the COVID-19 pandemic in early 2020 presented another challenge to overall project implementation. Project activities and Infrastructure work on two remaining SCCDs were impacted to variable degrees. Since in-person training could not be conducted per the State's social distancing legislation, distance learning was promoted and expanded. Project restructuring extended the loan's closing date by one year, including for reallocating US\$4 million in savings (resulting mostly from the devaluation of the Brazilian Real vs. the US Dollar) to the State's response to the pandemic.

The above implementation challenges had a moderate impact on overall efficiency, and disbursements reflected a steady progress pattern, as shown by the ICR (p. 3). Only a one-year extension of the closing date was needed. Also, project management costs were limited to one percent of total project costs.

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		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate		0	0 <input type="checkbox"/> Not Applicable

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

6. Outcome

Relevance of objectives was rated substantial in view of alignment with Piaui State and Bank strategies, but with diminished relevance at project closing as there was a shift in pursuing such objectives through Bank engagement under complex multi-sectoral operations. Efficacy is rated substantial, as project objectives were almost fully achieved. Efficiency is rated substantial in view of high economic returns suggested by the economic analysis, but with some negative aspects of implementation that moderately reduced overall efficiency. These findings are consistent with a satisfactory overall outcome rating, reflecting only minor shortcomings in the project's preparation, implementation, and achievement.

a. Outcome Rating
Satisfactory

7. Risk to Development Outcome

The risk that development outcomes may not be maintained appears to be limited. The project strengthened institutions through the development of systems, processes, procedures, and staff capacities. The State Secretariat of Planning has evolved into a strong coordinating institution with notable capabilities to support planning, programming, monitoring, and evaluation of State programs. Importantly, institutional strengthening was grounded in legislation.

The World Bank is currently working with the State government to prepare follow-on projects in human development, natural resources management, small-scale agriculture, and public sector management. Together, these projects would provide continuity to some key activities (with the exclusion of the education sector that would continue to be supported through the federal project "Recovering Learning Losses from Covid-19 Pandemic in Brazil Program for Results, P178563").

According to the ICR (p. 36), the State's economic situation appears to be strong despite the economic impact of the COVID-19 pandemic. The State is in compliance with the Federal Government's Fiscal



Responsibility Law, and its payroll is within established limits. The currently planned operations would continue to invest in programs that were supported by this project. Also, it is unlikely that future administrations would not support and build upon project objectives and achievements, as these pertain to programs fully owned by the State, regardless of Bank engagement.

8. Assessment of Bank Performance

a. Quality-at-Entry

At entry, the Task Team approach was consistent with the World Bank Country Partnership Strategy FY12-FY15 in designing single operations that encompassed multiple and various sectoral activities to help address multidimensional development challenges at the sub-national level while concurrently strengthening State institutions to implement them (ICR, p. 6 and p. 35). The project was prepared in full coordination with the DPL and both were processed simultaneously. The Task Team Leader was also a co-Task Leader for the DPL (ICR, p. 35). Sectors supported by the project were associated with actions also supported by the DPL. The latter sought to ensure that the legislative framework needed for project implementation was in place. The project design was informed by lessons learned from previous projects in Piauí, other Brazilian States, and other countries, and from analytical work. The project was planned to cover activities across ten sectors or subsectors: (a) education; (b) health; (c) water resources management; (d) land tenure regularization; (e) rural productive chains; (f) public sector management; (g) public finance management; (h) procurement management; (i) gender; and (j) citizen engagement. Twelve implementing agencies would be involved (see Section 4).

The State Secretariat of Planning (SEPLAN) was assigned as the overall coordinating agency and as the World Bank's main interlocutor (PAD, p. 12). SEPLAN would establish a Project Implementation Unit (PIU) to manage day-to-day work. SEPLAN would liaise with the State Secretariat of Finance for all matters related to financial management, disbursement, and auditing. A Project Management Committee led by SEPLAN would review strategic priorities and project performance. The PIU would liaise with technical focal points in each associated agency. Focal points would oversee monitoring activities in their respective sectors. Project reports would be submitted to the Bank twice a year before disbursement requests. DLI achievement would be independently verified. The results framework was extensive given the project's multisectoral nature. The DLI Matrix overlapped with Intermediate Results Indicators in several areas to stimulate the achievement of critical outputs. The project was in an adequate state of readiness in terms of implementation arrangements through existing staff and structures, and a detailed Project Operational Manual was prepared by SEPLAN. However, there were weaknesses in M&E design (ICR, p. 31-32); these are discussed in Section 9a.

The project carried numerous risks, many of which were adequately identified and mitigated, including financial management risks involving several budget executors and a large volume of transactions. A comprehensive technical assistance program was planned under Component 2. But there were risk identification gaps that were not explicitly addressed, such as risks related to the multisectoral design and that different implementing agencies may proceed at different paces (ICR, p. 28 and p. 35). The ICR also indicated that a wider and early engagement with all interested communities on land regularization would have expanded the understanding of the Bank's approach, potentially reducing the risk of complaints inappropriately associated with the project.



Quality-at-Entry Rating

Moderately Satisfactory

b. Quality of supervision

The Bank Task Team reportedly maintained an open and continuous dialogue with its main counterparts at SEPLAN and in implementing agencies (ICR, p. 35). The Team included seven sectoral specialists, two safeguards specialists, and three fiduciary specialists. Implementation support benefited from continuity within the Bank Team and the PIU. The Task Team was reportedly results focused, pragmatic, effective, and constantly on top of emerging issues (ICR, p. 36). The Team provided quality reporting, and the Implementation Status and Results Reports were timely and clear, and provided a strong basis for understanding arising issues that could affect progress toward the achievement of objectives.

The Team organized an effective Mid-Term Review that was carried out in two visits during June and July 2018. The Mid-Term Review concluded that progress was adequate, that objectives were achievable, but that some design and results framework changes were required. Project restructuring was delayed due to continuous modifications to the proposal and lengthy approval procedures among State and Federal governments, all of which were beyond the Bank's control. The Task Team was pro-active in responding to complaints related to land tenure regularization and in facilitating Management's response to the Request for Inspection received by the Inspection Panel.

A final supervision mission brought together representatives of all implementing agencies with the World Bank staff involved in implementation support. SEPLAN representatives and the Task Team were present in all of the meetings.

Quality of Supervision Rating

Satisfactory

Overall Bank Performance Rating

Moderately Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design

Objectives were clearly specified and were reflected by selected indicators, but most of the latter were output-oriented. This was explained by the time required for institutional strengthening (ICR, p. 31). The PDO indicator concerning registered land titles was beyond the control of INTERPI, as registration was governed by Public Notaries (the indicator was subsequently amended during implementation to reflect only title donation). The indicator on registration of groundwater users was initially limited to self-registration (the indicator was subsequently amended to broaden registration options). The ICR (p. 31) stated that the project did not include an objective related to improving public management, which was cross-cutting across project activities and seemed to be the "glue" that held objectives together toward higher-level



outcomes. This ICR Review considers that institutional strengthening under this project was part of the intermediate steps of the theory of change, and that it contributed to the achievement of stated objectives.

Target setting was based on available information, implementation capacities, and the project's time frame. For patients with chronic diseases treated at SCCDs, target setting was facilitated by the plan of care for patients and by the Piauí Regionalization Master Plan that encompassed the role of five facilities, network of diagnostic support services, capacity of specialized physicians, and capacity to finance the production of services (Task Team clarifications, January 9, 2023).

In terms of gender, the ICR conveyed that there was a strong focus on women, including support provided to the State Coordination of Policies for Women and Gender-Smart Public Policies. But the results framework had a large gap in gender-disaggregated data that could have provided a glimpse of the progress made in the areas of secondary education, groundwater registration, land tenure registration, and health services access for chronic non-communicable diseases.

b. M&E Implementation

M&E implementation was adequate and was coordinated by the PIU. Data were provided by focal points in each of the implementing agencies. Initially, information was provided in the form of printed reports, emails, and follow up communications. Starting in 2019, information was provided electronically, and this facilitated the exchange of monitoring data. According to the ICR, there was significant progress in using improved electronic systems. An impact evaluation of YSP Youth Program was completed and its results were disseminated. An evaluation was also carried out for the Full-Time School Program. Results were favorable and reflected in Section 4.

c. M&E Utilization

M&E findings were used for regular monitoring and evaluation purposes. Achievement of DLIs informed disbursements. M&E findings are expected to feed into future implementation of related programs (ICR, p. 32).

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

Based on consultations with key stakeholders during preparation, the project triggered six safeguard policies, four of which were triggered on a precautionary basis:

- i. OP/BP 4.01 on Environmental Assessment: The project was classified as Category B given potential impacts that could be associated with project activities in areas such as health, regularization of rural land tenure, water resources, and civil works. The State government prepared a comprehensive



Environmental and Social Management Framework (ESMF), an environmental management plan, guidance for the construction of health facilities, a simplified pest management plan, and a Health Waste Management Plan.

- ii. OP/BP 4.04 on Natural Habitats was triggered because the project encompassed a land regularization program. The policy defined criteria and management procedures to avoid potential impacts on sensitive biodiversity areas and protected areas.

The remaining four were triggered only as a precautionary measure:

- i. OP/BP 4.09 on Pest Management: the project would not support the purchase of pesticides and other agricultural chemicals.
- ii. OP/BP 4.11 on Physical Cultural Resources: the project would not support activities in areas with known physical cultural resources.
- iii. OP/BP 4.36 on Forests: the project would not support any activity that may cause negative impacts on forests. The ESMF would consider safeguard requirements if restoration and plantation activities were planned.
- iv. OP/BP 4.12 on Involuntary Resettlement.

During implementation, OP/BP 4.10 on Indigenous Peoples was also considered based on the Client's request. However, the policy was not triggered as the three social groups claiming recognition of their indigenous identity did not fulfill the criteria set by OP 4.10 for identifying indigenous people. These groups faced high degrees of vulnerability, but they did not differ from other poor rural communities in the State in accessing public programs and did not require distinct treatment for the purpose of social inclusion (ICR, p. 33).

SEMAR was responsible for the overall enforcement of project-related safeguards and had a designated safeguard specialist to liaise and coordinate with all relevant secretariats and agencies. The project faced issues with respect to staffing of safeguards personnel in implementing agencies. Staffing varied by implementing agency, since some agencies used dedicated staff as focal points for safeguards while others used consultants. In some cases, assigned staff had multiple other functions and lacked full understanding of safeguards issues. The overall safeguards rating reported in the Operations Portal was moderately satisfactory.

b. Fiduciary Compliance

At entry, financial management was assessed as adequate, but with substantial risks in view of the involvement of multiple implementing agencies and the large volume of transactions. During implementation, financial management performance was mixed. Most Interim Financial Reports were considered acceptable, but delayed. The internal control environment was weak. Disbursements claimed against health-related EEPs were based on transfers to municipalities as opposed to actual expenditures. Audits were submitted on time. Two audit reports had qualified opinions due to inconsistencies and non-reconciliation of balances brought from previous years. The World Bank worked closely with SEPLAN to



address related issues and agreed with the State government on an action plan for improvement. There were no pending financial management issues at project completion (ICR, p. 34).

Procurement functions faced difficulties, including from the lack of expertise in preparing technical specifications and the large number of executing agencies. Procurement functions were decentralized for agencies deemed to have adequate capacity, while SEPLAN carried out procurement for other agencies that did not have such capacity, and the Mid-Term Review agreed upon a series of actions to improve procurement. SEPLAN’s performance was strong and proved to be instrumental in supporting other implementing agencies’ procurement functions. The implementation of a new system to manage procurement in the State, including project procurement, was delayed as a result of several changes in senior staff. According to the ICR, the installation of a functioning packaged system for procurement is currently being processed with State funding.

c. Unintended impacts (Positive or Negative)

None reported.

d. Other

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11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Moderately Satisfactory	There is no disagreement on the sub-ratings of the two dimensions of Bank Performance (Moderately Satisfactory Quality-at-Entry, and Satisfactory Quality of Supervision). Had the ICR correctly aggregated its two sub-ratings as per guidelines, its overall Bank Performance rating would also have been Moderately Satisfactory.



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

12. Lessons

The ICR (pp. 37-38) offered some lessons and recommendations, including the following lessons re-stated by IEG Review:

Intense land disputes arising from land tenure regularization programs can be minimized by close and continuous communications with all interested population groups. The project strengthened the capacity of the State Land Agency and judiciary mechanisms and started working with two groups (agrarian settlements and Quilombola communities). As a result, other groups felt that they were left out, triggering complaints. The project could have expanded its consultations and engagement by reaching out to all interested groups to seek their feedback and to clarify its approach to land regularization.

The concomitant utilization of a Development Policy Loan with a parallel Investment Project Financing, both prepared in close coordination, provides a powerful approach to support reforms. The structure of the DPL supported the IPF objectives and set in motion prior actions needed to put in place the legislative and institutional framework for the implementation of investments under the IPF and for improving public sector management. Areas of alignment and complementarity included secondary education, access to chronic disease services, registration of groundwater, land tenure regularization, and participation in rural productive value chains.

13. Assessment Recommended?

No

14. Comments on Quality of ICR

Despite the wide range of developmental topics that were addressed by this operation, the ICR provided an adequate overview of the project experience and a coherent discussion that was anchored in multiple theories of change in different sectors. The evidence was output-oriented but sufficiently reflective of intended results and development changes. It was candid and aligned to stated objectives. Lessons were derived from project experience. The ICR followed established guidelines. The overall quality of the ICR was high with occasional minor lapses in clarity.

a. Quality of ICR Rating

High

