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The World Bank

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IMPLEMENTATION COMPLETION AND RESULTS REPORT  
(IBRD-82840)

ON A

LOAN

IN THE AMOUNT OF US\$550 MILLION

TO THE

STATE OF PERNAMBUCO

WITH A GUARANTEE OF THE FEDERATIVE REPUBLIC OF BRAZIL

FOR A

PERNAMBUCO EQUITY AND INCLUSIVE GROWTH DEVELOPMENT POLICY  
OPERATION

September 17, 2015

Social Protection and Labor Global Practice  
Brazil Country Management Unit  
Latin America and Caribbean Region

## CURRENCY EQUIVALENTS

(Exchange Rate Effective as of September 17, 2015)

Currency Unit = Brazilian Real (R\$)

R\$ 1.00 = US\$ 0.26

US\$ 1.00 = R\$ 3.83

FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

AD DIPER	State Development Agency ( <i>Agência de Desenvolvimento Econômico de Pernambuco</i> )
APEVISA	Pernambuco Health Surveillance Agency ( <i>Agência Pernambucana de Vigilância Sanitária</i> )
ATS	Automatic Transfer System
BCB	Central Bank of Brazil ( <i>Banco Central do Brasil</i> )
BNDES	National Economic and Social Development Bank ( <i>Banco Nacional de Desenvolvimento Econômico e Social</i> )
CAF	Andean Development Corporation
CEBRID	Brazilian Center of Information on Drugs ( <i>Centro Brasileiro de Informações sobre Drogas</i> )
CBMPE	Pernambucan Fire Services ( <i>Corpo de Bombeiros Militar de Pernambuco</i> )
CFAA	Country Financial Accountability Assessment
CIB	State and Municipal Health Committee
CIDE	Contribution on Household Budget Intervention ( <i>Contribuição de Intervenção no Domicílio Econômico</i> )
CPI	Consumer Price Index ( <i>Índice de preço ao Consumidor, IPCA in Brazil</i> )
CPRH	State Environmental Agency
CPS	Country Partnership Strategy
CVLI	Violent Lethal Intentional Crimes ( <i>Crimes Violentos Letais Intencionais</i> )
DPL	Development Policy Loan
ESW	Economic and Sector Work
FEAS	State Fund of Social Assistance
FGC	Credit Guarantee Fund
FMAS	Municipal Funds for Social Assistance ( <i>Fundos Municipais de Assistência Social</i> )
FPE	Project Structure Plan ( <i>Fundo de Estruturação de Projetos</i> )
FUNDEB	Development Fund for Basic Education ( <i>Fundo de Desenvolvimento da Educação Básica</i> )
GAP	Gender Action Plan
GBV	Gender-based violence
GDP	Gross Domestic Product
GFS	Government Finance Statistics

GOP	Government of Pernambuco
GSDP	Gross State Domestic Product
IBRD	International Bank for Reconstruction and Development
ICMS	Taxes on Goods and Services ( <i>Impostos sobre Circulação de Mercadorias e Prestação de Serviços</i> )
IFPES	Federal Technological Institutes of Pernambuco
ILOS	Institute of Logistics and Supply Chains
IGP	General Price Index ( <i>Índice Geral de Preços</i> )
IMF	International Monetary Fund
IOF	Taxes on financial transactions ( <i>Imposto sobre Operações Financeiras</i> )
IPCA	Consumer Price Index ( <i>Índice de Preços ao Consumidor</i> )
IPEA	Institute for Applied Economic Research ( <i>Instituto de Pesquisa Econômica Aplicada</i> )
IPI	Tax on Industrial Goods ( <i>Imposto sobre Produtos Industrializados</i> )
IR	Income Tax ( <i>Imposto de Renda</i> )
JUCEPE	Board of Commerce of Pernambuco ( <i>Junta Comercial de Pernambuco</i> )
LDO	Law of Budget Guidelines ( <i>Lei de Diretrizes Orçamentárias</i> )
LOA	Annual Budget Law ( <i>Lei de Orçamento Anual</i> )
LRF	Fiscal Responsibility Law ( <i>Lei de Responsabilidade Fiscal</i> )
M&E	Monitoring and Evaluation
MAR	Metropolitan Area of Recife
MDGs	Millennium Development Goals
MOH	Ministry of Health ( <i>Ministerio da Saúde</i> )
NCD	Non-communicable disease
NCR	Net Current Revenue
NLTA	Non-lending Technical Assistance
PAF	Fiscal Adjustment Program
PB	Pernambuco no Batente
PEFA	Public Expenditure Financial Assessment
PFM	Public Financial Management
PICs	Productive Inclusion Centers
PNAD	National Household Survey ( <i>Pesquisa Nacional por Amostra ao Domicílio</i> )
PPA	Multi-year Action Plan ( <i>Plano Plurianual de Ação</i> )
PPE	Education Pact ( <i>Pacto pela Educação</i> )
PPV	Pact for Life ( <i>Pacto pela Vida</i> )
PRODETUR	Tourism Development Program ( <i>Programa de Desenvolvimento do Turismo</i> )
PROINFRA	State Industrial Infrastructure Development Program
PRONATEC	National Program for Technical Education ( <i>Programa Nacional de Acesso ao Ensino Técnico</i> )
PSIA	Poverty and Social Impact Assessment
REDESIM	National Network for Simplifying Registration and Establishment of Businesses <i>Rede Nacional para a Simplificação do Registro e da Legalização de Empresas e Negócios</i>

SDS	State Secretariat for Social Defense ( <i>Secretaria de Defesa Social</i> )
SECGE	State Secretariat of the State Controller's Office ( <i>Secretaria Especial da Controladoria Geral do Estado</i> )
SECMULHER	Secretariat for Women ( <i>Secretaria da Mulher</i> )
SEDS DH	State Secretariat for Social Development and Human Rights ( <i>Secretaria de Desenvolvimento Social e Direitos Humanos</i> )
SEE	State Secretariat of Education ( <i>Secretaria de Educação</i> )
SEFAZ	State Secretariat of Finance ( <i>Secretaria da Fazenda</i> )
SELIC	Special System for Disposal and Custody ( <i>Sistema Especial de Liquidação e Custódia</i> )
SEM	State Economic Memorandum
SENAI	National Industrial Training Agency ( <i>Serviço Nacional de Aprendizagem Industrial</i> )
SENAR	National Rural Training Agency ( <i>Serviço Nacional de Aprendizagem Rural</i> )
SENARC	National Commercial Training Agency ( <i>Serviço Nacional de Aprendizagem Comercial</i> )
SEPLAG	State Secretariat of Planning and Management ( <i>Secretaria de Planejamento</i> )
STN	National Treasury Secretariat ( <i>Secretaria do Tesoro Nacional</i> )
STQE	State Secretariat of Labor, Qualification and Employment ( <i>Secretaria do Trabalho e Qualificação e Empreendedorismo</i> )
SUS	Unified Health System ( <i>Sistema Único de Saúde</i> )
SWAp	Sector Wide Approach
TA	Technical Assistance
TCE	State Court of Accounts
TVET	Technical and Vocational Education and Training
UPA-E	Urgent and Specialized Care Centers
UPP	Pacification Police Units
VAT	Value Added Tax

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**BRAZIL**  
**Pernambuco Equity and Inclusive Growth Development Policy Operation**

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A. Basic Information			
Country:	Brazil	Program Name:	Pernambuco Equity and Inclusive Growth DPL
Program ID:	P132768	L/C/TF Number(s):	IBRD-82840
ICR Date:	9/16/17/2015	ICR Type:	Core ICR
Lending Instrument:	DPL	Borrower:	STATE OF PERNAMBUCO
Original Total Commitment:	USD 550.00M	Disbursed Amount:	USD 550.00M
Revised Amount:	USD 550.00M		
<b>Implementing Agencies:</b> Secretary of Planning and Management			
<b>Cofinanciers and Other External Partners:</b>			

B. Key Dates				
Process	Date	Process	Original Date	Revised / Actual Date(s)
Concept Review:	12/18/2012	Effectiveness:		07/26/2013
Appraisal:	04/05/2013	Restructuring(s):		
Approval:	06/25/2013	Mid-term Review:	12/16/2013	
		Closing:	09/30/2014	09/30/2014

C. Ratings Summary	
C.1 Performance Rating by ICR	
Outcomes:	Satisfactory
Risk to Development Outcome:	Negligible
Bank Performance:	Highly Satisfactory
Borrower Performance:	Highly Satisfactory

C.2 Detailed Ratings of Bank and Borrower Performance (by ICR)			
Bank	Ratings	Borrower	Ratings
Quality at Entry:	Highly Satisfactory	Government:	Highly Satisfactory
Quality of Supervision:	Highly Satisfactory	Implementing Agency/Agencies:	Highly Satisfactory
<b>Overall Bank Performance:</b>	Highly Satisfactory	<b>Overall Borrower Performance:</b>	Highly Satisfactory

**C.3 Quality at Entry and Implementation Performance Indicators**

Implementation Performance	Indicators	QAG Assessments (if any)	Rating:
Potential Problem Program at any time (Yes/No):	No	Quality at Entry (QEA):	None
Problem Program at any time (Yes/No):	No	Quality of Supervision (QSA):	None
DO rating before Closing/Inactive status:	Satisfactory		

**D. Sector and Theme Codes**

	Original	Actual
<b>Sector Code (as % of total Bank financing)</b>		
General public administration sector	10	10
Health	15	15
Other social services	30	30
Sub-national government administration	30	30
Vocational training	15	15
<b>Theme Code (as % of total Bank financing)</b>		
Gender	10	10
Health system performance	20	20
Improving labor markets	20	20
Other public sector governance	30	30
Social safety nets	20	20

**E. Bank Staff**

Positions	At ICR	At Approval
Vice President:	Jorge Familiar	Hasan A. Tuluy
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## F. Results Framework Analysis

### Program Development Objectives (from Project Appraisal Document)

The Development Objective of the proposed operation is to support the Government of Pernambuco to strengthen the design, implementation, monitoring and evaluation of policies and programs aimed at promoting sustained growth and improved economic opportunities for the poor, consolidating public sector management innovations, preventing crime and violence, and reducing the burden associated with chronic disease.

### Revised Program Development Objectives (if any, as approved by original approving authority)

N/A

#### (a) PDO Indicator(s)

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
<b>Indicator 1:</b>	An M&E system for PROINFRA is established and generates annual reports, which are expected to provide the basis for decisions about adjustments of the Program.			
Value (quantitative or Qualitative)	No data available on the effects of the program.	2014: Evaluation system is operational and a first annual report available and disseminated through the Government website.		Evaluation system is operational and the first annual report is available and disseminated through the Government website.
Date achieved	05/23/2013	09/30/2014		12/31/2014
Comments (incl. % achievement)	Achieved.			
<b>Indicator 2:</b>	Percentage of new business registrations completed within 72 hours in the 25 municipalities participating in REDESIM.			
Value (quantitative or Qualitative)	2012: 0%	2014: 70%		90%
Date achieved	05/23/2013	09/30/2014		12/31/2014
Comments (incl. % achievement)	Achieved.			
<b>Indicator 3:</b>	An M&E System for state's TVET programs has been implemented and data on key indicators on inputs, efficiency and results are available for decision-making.			

Value (quantitative or Qualitative)	No data available on quality and efficiency of programs, beneficiaries' employability and satisfaction.	2014: Information on quality, efficiency and results of the TVET program consolidated in the M&E system and disseminated to stakeholders through the publication of report covering key indicators for each program.		System developed and operational.
Date achieved	05/23/2013	09/30/2014		12/31/2014
Comments (incl. % achievement)	Achieved.			
<b>Indicator 4:</b>	Number of municipalities that have signed adherence pacts with the state, thus benefitting from state financing for productive inclusion programs and committing to service delivery targets and performance reporting.			
Value (quantitative or Qualitative)	0 municipalities signed the Adherence PAC.	2014: 51 municipalities signed adherence pacts.		51 municipalities signed adherence pacts.
Date achieved	05/23/2013	09/30/2014		12/31/2014
Comments (incl. % achievement)	Achieved.			
<b>Indicator 5:</b>	The state's Results Based Management model, based on the approaches used in <i>Pacto Pela Vida</i> and including sectorial committees, is fully implemented in at least three sectors (security, health, and education).			
Value (quantitative or Qualitative)	2012: Full implementation in the area of public security ( <i>Pacto Pela Vida</i> ) and partial implementation in two others (health and education)	2014: 1) Results Based Management model implemented in three sectors (public security, health, and education; 2) Detailed regulations for the adoption of RBM published and mandatory for the majority of secretariats.		Results Based Management model implemented in three sectors (public security, health and education); a draft decree has been prepared for other secretariats, and staffing and training have begun
Date achieved	05/23/2013	09/30/2014		12/31/2014

Comments (incl. % achievement)	Achieved			
<b>Indicator 6:</b>	The number of beneficiaries of the " <i>Programa Atitude</i> ", which is focused on rehabilitating crack users.			
Value (quantitative or Qualitative)	2012: 2000 beneficiaries, of which 500 are women (Pilot)	2014: At least 6000 beneficiaries, of which at least 2000 are women.		6,842 beneficiaries, of which 2,252 are women
Date achieved	05/23/2013	09/30/2014		12/31/2014
Comments (incl. % achievement)	Exceeded			
<b>Indicator 7:</b>	Implementation of a M&E system to: (i) register the occurrence cases of gender-based violence in areas of the PPV (AIS); (ii) evaluate results of actions taken to address violence against women; and (iii) provide inputs for decision-making of new interventions and the adjustment of existing policy/programs as part of the PPV, under the auspices of the Technical Chamber to Combat Violence against Women			
Value (quantitative or Qualitative)	2012: There is no systematic data on Gender-based violence (occurrence of GBV cases and measures taken to address GBV).	2014: M&E system operational with reports available online, including: (i) data on cases of GBV in Pernambuco, and (ii) data on quality, efficiency, and outcomes of actions to combat gender-based violence.		M&E system is operational with reports available online including: (i) data on cases of GBV in Pernambuco; and (ii) data on quality, efficiency, and outcomes of actions to combat gender-based violence.
Date achieved	05/23/2013	09/30/2014		12/31/2014
Comments (incl. % achievement)	Achieved			
<b>Indicator 8:</b>	Percentage of hypertensive patients that are under active management in primary care.			
Value (quantitative or Qualitative)	2012: 39.45%	2014: 58%	44%	42.6%
Date achieved	07/23/2013	09/30/2014		06/30/2014
Comments (incl. % achievement)	Substantially achieved. The baseline and target for this indicator were revised to reflect changes in the collection of data which was affected by the federal Ministry of Health's transition from the <i>Sistema de Informação da Atenção Básica</i> (SIAB) to a new <i>Sistema de Informação em Saúde da Atenção Básica</i> (SISAB) that includes new data collection and entry methodologies, and new hardware as well.			

<b>Indicator 9:</b>	Percentage of diabetes patients that are under active management in primary care.			
Value (quantitative or Qualitative)	2012: 47.67%	2014: 66%	52%	53.6%
Date achieved	05/23/2013	09/30/2014		06/30/2014
Comments (incl. % achievement)	Exceeded. The baseline and target for this indicator were revised to 47.67% and 52%, respectively, to reflect changes in the calculation of the indicator by the State.			
<b>Indicator 10:</b>	Percentage of specialist consultation (cardiology and endocrinology) referred through the state referral system, reflecting improvements in the functioning of the state referral system.			
Value (quantitative or Qualitative)	2012: 0%	2014: 70%		69%
Date achieved	05/23/2013	09/30/2014		12/31/2014
Comments (incl. % achievement)	Substantially achieved.			

**(b) Intermediate Outcome Indicator(s)**

Indicator	Baseline Value	Original Target Values (from approval documents)	Formally Revised Target Values	Actual Value Achieved at Completion or Target Years
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**G. Ratings of Program Performance in ISRs**

No.	Date ISR Archived	DO	IP	Actual Disbursements (USD millions)
1	10/21/2013	Satisfactory	Satisfactory	548.63
2	05/09/2014	Satisfactory	Satisfactory	548.63

**H. Restructuring (if any)**

Not Applicable

## 1. Program Context, Development Objectives and Design

### 1.1 Context at Appraisal

#### *Socio-Economic Developments*

1. **At the time of appraisal in 2013, Brazil was showing signs of an improving economy and important advances in terms of economic and public sector management, poverty reduction and social indicators.** Between 2011 and 2012, the Brazilian economy had slowed significantly, growing only 0.9 percent in 2012 compared to 2.7 percent in 2011, driven largely by tighter monetary and fiscal policies. With some signs of recovery in 2012, monetary policy was eased aggressively and fiscal policy became more expansionary. All of these actions caused Brazil to take a closer look at its medium term macroeconomic framework, which in 2013 was deemed adequate to ensure that sub-national fiscal performance and policies were well managed. As a result of consistent growth in employment and labor incomes, as well as the implementation of targeted social assistance programs, such as *Bolsa Família*, the share of Brazilians living below the extreme poverty line of R\$70 a month dropped from 10.5 percent in the early 2000s to 4.7 percent in 2011. Inequality was also reduced, as reflected in the Gini coefficient that went from 0.59 to 0.53 during the same time period.

2. **Similar to Brazil, the State of Pernambuco was also experiencing positive economic growth and improvements.** In 2010, Pernambuco's economy was the second largest in northeast Brazil (and the tenth largest in the country) with a national GDP at 2.5 percent, largely attributed to sustained investment demand through increased capacity to invest in physical and social infrastructure, selective fiscal incentives and improvements in the overall business environment. Much of the development and economic growth between 2005 and 2011 was concentrated in the Port of Suape, located in the Metropolitan area of Recife. Additionally, Pernambuco's strong fiscal adjustment measures over the past decade -- namely improvements in tax collection efficacy and the reduction of debt levels -- combined with robust economic growth, were evident in the increase in revenue growth at the time of appraisal. These positive economic and fiscal factors had contributed to some reductions in poverty over the previous years; however, 2010 census data showed that improvements had been largely concentrated in the Metropolitan Area of Recife (MAR).

3. **Notwithstanding these advances, Pernambuco faced significant economic and social challenges that threatened potential gains in equity and inclusive growth.** In 2010, gross domestic product (GDP) per capita was R\$10,822, about half the national average (R\$19,766), and the share of the population living in extreme poverty in 2011 was just over 10 percent, nearly double the national average. Poverty rates and social inequalities were also more acute in the interior of the State, with household income registering at nearly half of that of the population living in the MAR, and poverty incidence among afro-descendent and indigenous groups in the interior of the state was four times that of the white population in the MAR.

4. **Weak skills foundations and high levels of unemployment and informality were also threatening equity and growth.** The 2010 Census showed that nearly 11.1 percent of the economically active population was out of work due to poor skills sets, lack of new investment,

and limited private sector opportunities. Additionally, among those 10 years or older, 57.8 percent had a schooling level below the primary level and only 5.7 percent of the population had completed a college education. Citizen security continued to pose a risk to sustainable growth, and drug crime (namely related to crack cocaine) and gender-based violence remained high. The Government of Pernambuco (GOP) estimated that about 40 percent of intentional lethal crimes in the State were related to conflict over debts with drug traffickers, dispute over territories for trafficking, or violent drug users. Finally, rising mortality rates from non-communicable diseases, namely diabetes and hypertension, accounted for the single largest share of deaths in the State, putting strains on the health system.

### *Political Developments*

5. **In the midst of these growing challenges, the State of Pernambuco was going through an important political process.** In 2010, the Governor of the State was re-elected for a four-year term with 82 percent of the popular vote. Running on the success of his previous term, particularly his work in active results management and service delivery improvement, the Governor and his team set out in 2010 to develop, in a highly consultative process, an implementation strategy for the *Todos por Pernambuco* Program (2012-2015) that was aimed at meeting the needs of the state's most vulnerable population by introducing improvements in and an expansion of social programs, consolidating progress through promoting inclusive growth, and developing the interior of the State through targeted investment. The aim was to foster a dialogue between the general population and key sectoral secretariats including Health, Education, Economic Development, Social Development, Infrastructure and Security.

6. **The GOP responded proactively to the challenges with the development of a Strategy Map for the *Todos por Pernambuco* Program, which was comprised of three broad components:** (i) *New Economy- Opportunities for All Pernambucans*. Promoting sustainable and inclusive growth through a dynamic private sector, creation of employment opportunities and investment in infrastructure; (ii) *Action-Driven State- Capacity to Generate Results*. Establishing conditions for improving public administration, service delivery and public investment through the establishment of processes and routines focused on results and problem solving; and (iii) *Quality of Life- A Better Life for All Pernambucans*. Improving the quality of life of the citizens of Pernambuco by improving public services, namely, education, health and citizen security, with a secondary focus on water, sanitation, sports and leisure and urban mobility.

7. **The GOP had achieved success in some areas of its strategy, though it lacked financing and technical support for the institutionalization and expansion of its key policies and programs.** Since 2008, the GOP had made important advances in implementing key areas of the strategy including the expansion of full-day schools in the state, institutional reforms to strengthen water management and disaster risk management, the expansion of technical and vocational schools, the establishment of a permanent Women's Secretariat, and improvements in tax and budget management procedures, among others. While many of these changes led to critical improvements in the state, the GOP was determined to consolidate the progress it had made and ensure that some of the medium- to longer-term goals of its strategy were achieved. Within this context, it solicited the World Bank Group's financial and technical support.

*Equity and Inclusive Growth Development Policy Operation*

8. **At the time of appraisal, the World Bank had already approved a US\$500 million single-tranche Development Policy Loan (DPL), Expanding Opportunities, Enhancing Equity in the State of Pernambuco DPL (Report No. 62869-BR) which became effective in April 2012 and disbursed in full on May 4, 2012.** This DPL aimed to strengthen public policies that expanded economic opportunities and enhanced equity of access to quality services for the citizens of Pernambuco. The operation focused specifically on promoting a more equitable, sustainable and competitive Pernambuco by supporting the State's implementation of the *Todos por Pernambuco* program's integration of the interior of the State and ensuring that its development was more in line with the development already achieved in the MAR. More specifically, the Program supported the establishment of a policy and regulatory framework in the State to comprehensively address issues of social inequity and gender inclusion, with emphasis on non-metropolitan areas.

9. **With poverty and inequality challenges remaining, though, the Government requested a second stand-alone operation, the Equity and Inclusive Growth Development Policy Loan (EIG DPL) for US\$550 million, and the subject of this ICR.** The EIG DPL was designed to serve as a bridge between the previous DPL and ongoing Bank operations in the State of Pernambuco as many of the policies and programs the previous DPL was supporting were still a priority for the Government. Some of these programs were being supported through ongoing World Bank-financed operations, including the Pernambuco Sustainable Water Project (P108654), the Pernambuco Education Results and Accountability SWAp (Sector Wide Approach) (P106208), and the Pernambuco Rural Economic Inclusion Project (P120139). Nevertheless the EIG DPL was considered important for sustaining and further developing policies in the Government's program that were being supported under the previous DPL, while both expanding and better monitoring and evaluating the State's programs, including those that were being financed under existing World Bank-financed operations. The deep and wide WB engagement in Pernambuco has greatly facilitates the dialogue and the contributions to results.

10. **The EIG DPL built on the success of the earlier DPL through supporting continued policy actions and developments in key strategic areas in the State's program, including economic development, technical and vocational education and training, gender, and public sector management, and synergies across components were achieved through a common theme: Monitoring and Evaluation (M&E).** The specific components of the DPL were selected as they were the key strategic areas in the State's program to deal with the challenge of inclusive growth and better employment outcomes. While these components involved a diverse set of sectors, they were linked by a common theme: M&E. The EIG DPL also extended policy dialogue into new areas that the State had indicated as priority, including health and citizen security. In each of these areas, the DPL aimed to institutionalize and expand key Government policies and programs, or establish monitoring and evaluation systems to strengthen evidence-based and performance-oriented policy-making.

11. **The EIG DPL was in line with the overarching goal of the Brazil Country Partnership Strategy (CPS) 2012-2015 (November 1, 2011, Report No. 63731-BR).** The primary goal of the 2012-2015 CPS is to contribute to faster, more inclusive, and more environmentally sustainable

growth, with macroeconomic stability. The EIG DPL shared many of its guiding principles including: (i) increasing the efficiency of public and private investments; (ii) improving the quality and expanding the provision of public services for low-income households; and (iii) promoting regional economic development through improved policies, strategic infrastructure investments, and support for the private sector in frontier areas.

## 1.2 Original Program Development Objectives (PDO) and Key Indicators (as approved)

12. The Program Development Objective (PDO) was to support the Government of Pernambuco to strengthen the design, implementation, monitoring and evaluation of policies and programs aimed at promoting sustained growth and improved economic opportunities for the poor, consolidating public sector management innovations, preventing crime and violence, and reducing the burden associated with chronic disease. The key outcome indicators are listed in Table 2 under Program Performance.

## 1.3 Revised PDO (as approved by original approving authority) and Key Indicators, and Reasons/Justification

13. Neither the PDO nor the core indicators were changed, but the baselines and target values for the two health indicators (Indicators 8 and 9) were revised to reflect the federal Ministry of Health’s transition to two information systems and consequently changes in the calculation of the indicator by the State (see Basic Data Sheet, Section F).

## 1.4 Original Policy Areas Supported by the Program (as approved)

14. Policy Areas supported by the Program (Table 1) to achieve the DPL’s objectives were grouped into three components, aligned with the three main components of the GOP’s Strategy *Todos por Pernambuco*, and under each component supported key policy areas, as described in Table 1 below.

**Table 1: Supported Policy Areas**

OBJECTIVES	STRATEGY	POLICY ACTIONS	EXPECTED RESULTS
<b>COMPONENT 1: NEW ECONOMY—OPPORTUNITIES FOR ALL PERNAMBUCANS</b>			
<b>1.1 REGIONAL ECONOMIC DEVELOPMENT</b>	To strengthen the state’s Industrial Development Program (PROINFRA) through the development of a monitoring and evaluation system that will provide information for evidence-based policy making	<p><b>Policy Action 1.1</b> The Borrower has created the legal basis for the establishment of a monitoring and evaluation system for the PROINFRA Program that will provide information for evidence-based policy making, as evidenced by:</p> <p>(i) The Borrower’s Decree No 38.971, dated December 19, 2012, published in the Borrower’s Official Gazette on December 20, 2012, establishing the requirement for monitoring and evaluation of the effects of PROINFRA program on participating municipalities;</p> <p>(ii) <i>Portaria</i> No. 19 of the Borrower’s Secretariat of Economic Development (<i>Secretaria de Desenvolvimento Econ6mico</i>), dated March 9, 2013, published in the Borrower’s Official Gazette on April 11, 2013, specifying the details of the monitoring and evaluation system, including an outline of the evaluation approach, a list of indicators, the implementation schedule, data collection and management procedures,</p>	Improved capacity to evaluate the impact of regional development programs that work by providing incentives for private investment and the ability to adjust strategy accordingly. Over time, the M&E system is expected to make PROINFRA, and Government policy more broadly, more effective in achieving sustainable economic development in the interior of the state, which will



OBJECTIVES	STRATEGY	POLICY ACTIONS	EXPECTED RESULTS
		and mandatory issuance and public disclosure of annual reports.	disproportionately benefit the poorer segments of the population and reduce spatial inequalities.
<b>1.2 PRIVATE SECTOR DEVELOPMENT</b>	To reduce administrative barriers to firm entry and ensure that firms can complete the state registration process within 72 hours	<p><b>Policy Action 1.2</b> The Borrower's Business Registration Agency (<i>Junta Comercial de Pernambuco - JUCEPE</i>) has signed agreements with concerned Borrower's agencies and municipalities to implement REDESIM/PE and establish a "single window" for the Borrower's business registration process, thus reducing administrative barriers to firm entry:</p> <ul style="list-style-type: none"> <li>(i) Agreement between JUCEPE and the Borrower's Environment Agency (<i>Agencia Estadual de Meio Ambiente</i>), dated June 29, 2012;</li> <li>(ii) Agreement between JUCEPE and the Borrower's Agency of Health Surveillance (<i>Agencia Pernambucana de Vigilancia Sanitaria - APEVISA</i>), dated December 3, 2012;</li> <li>(iii) Agreement between JUCEPE and the Borrower's Fire Protection Agency (<i>Corpo de Bombeiros Militar de Pernambuco - CBMPE</i>), dated December 26, 2012;</li> <li>(iv) Agreement between JUCEPE and the Borrower's Finance Secretariat (<i>Secretaria da Fazenda</i>), dated July 1, 2012;</li> <li>(v) Agreement between JUCEPE and the Borrower's Secretariat of Federal Revenue (<i>Secretaria da Receita Federal do Brasil</i>), dated September 29, 2011; and,</li> <li>(vi) Separate Agreement between JUCEPE and each of the Borrower's Participating Municipalities.</li> </ul>	Increased speed and agility, with which potential entrants can establish or close companies in response to volatile market circumstances. Barriers that constrain the growth of small enterprises, restrict the extent of internal competition and dampen productivity growth. Attracted much needed investment to connect to existing and emergent clusters
<b>1.3 TECHNICAL VOCATIONAL EDUCATION AND TRAINING</b>	To strengthen Technical Vocational Education and Training (TVET) programs through the development of a monitoring and evaluation (M&E) system that will support policy development and program management and, over time, enhance employment outcomes for the target populations of the programs.	<p><b>Policy Action 1.3</b> The Borrower has created the legal basis for the establishment of a monitoring and evaluation system for the TVET Programs in the Borrower's territory that will support policy development and program management, as evidenced by:</p> <ul style="list-style-type: none"> <li>(i) The Borrower's Decree 38.086, dated April 18, 2012, published in the Borrower's Official Gazette on April 19, 2012, that creates the TVET Programs and details its goals, creates inter-sectorial committees for its implementation and management, and establishes the responsibilities and modalities for preparation of annual evaluation reports of program results to support next years' activity planning.</li> <li>(ii) The Borrower's Decree No. 38.426, dated July 11, 2012, published in the Borrower's Official Gazette on July 12, 2012, which includes the Borrower's Secretary of Education in the scope of the TVET Programs.</li> <li>(iii) The Borrower's Decree No. 39.299, dated April 15, 2013, published in the Borrower's Official Gazette on April 16, 2013, that modifies Decree 38.086 of April 18, 2012, to define the guidelines for the implementation of the monitoring and evaluation system and for the use of monitoring and evaluation data produced by the system.</li> </ul>	Improved information on TVET programs (quality and efficiency, beneficiaries' employability and client satisfaction) can be used in program planning thereby enhancing the quality and relevance of TVET programs in the state.
<b>1.4 PRODUCTIVE INCLUSION</b>	To strengthen and expand the state's productive inclusion program, <i>Pernambuco no</i>	<b>Policy Action 1.4</b> The Borrower has created a financing mechanism for the implementation of the Productive Inclusion Program by municipalities within its territory, linked to results-based agreements that establish results	Expanded coverage to productive inclusion program among the poor, as well as upgraded productive

OBJECTIVES	STRATEGY	POLICY ACTIONS	EXPECTED RESULTS
	<p><i>Batente</i>, that promotes employability and/or income earning opportunities for the poorest segments of the population.</p>	<p>monitoring arrangements and annual targets on service provision, as evidenced by:</p> <p>(i) The Borrower's Decree 38.929, dated December 7, 2012, published in the Borrower's Official Gazette on December 8, 2012, that establishes an Automatic Transfer System (ATS) for the Productive Inclusion Program, transferring resources from the Borrower's Fund for Social Assistance ("<i>Sistema de Transferência Automática e Regular de Recursos Financeiros do Fundo Estadual de Assistência Social</i>") (FEAS) to the Municipal Funds for Social Assistance ("<i>Fundos Municipais de Assistência Social</i>") (FMAS)).</p> <p>(ii) Resolution CIB No. 01 dated April 26, 2013, published in the Borrower's Official Gazette on April 27, 2013, which approves the criteria for regular and automatic transfer of funds using the ATS in the Productive Inclusion Program and establishes the targets for service provision and amounts and regulates the use of funds.</p> <p>(iii) Resolution No. 296 of the Borrower's Social Assistance Council ("<i>Conselho Estadual de Assistência Social</i>"), dated April 29, 2013, published in the Borrower's Official Gazette on May 3, 2013, that registers the approval of the Resolution CB No. 01 of April 26, 2013.</p> <p>(iv) Portaria No. 58 from SEDSDH, of March 22, 2013, published in the Borrower's Official Gazette on March 26, 2013, that establishes the administrative procedures for eligible municipalities to adhere to the ATS, which includes a draft of the Adherence Pact ("<i>Termo de Adesão</i>") to the ATS and Acceptance Pact ("<i>Termo de Aceite</i>") of the targets and monitoring requirements specific to the productive inclusion programs to be signed by eligible municipalities, including an annual report, the annual targets for service provision and the details of the evaluation report to be completed by the municipalities.</p>	<p>inclusion programs through strengthening role of the state's municipalities, ensuring stability of funding for sustainable policy implementation and increasing the focus on results.</p>
<b>COMPONENT 2: ACTION DRIVEN STATE---CAPACITY TO GENERATE RESULTS</b>			
<p><b>2.1 PUBLIC SECTOR MANAGEMENT</b></p>	<p>To strengthen and extend the Results Based Management model of the state by adopting the approaches used in the <i>Pacto pela Vida</i> in the Secretariats of Health and Education and progressively in other Secretariats.</p>	<p><b>Policy Action 2.1</b> The Borrower has established the legal basis for the Results-based Management Model and extended its application throughout the Borrower's executive branch, as evidenced by the Borrower's Decree No. 39.336, dated April 25, 2013, published in the Borrower's Official Gazette on April 26, 2013, that formalizes the Results-based Management Model and requires the adoption of specific results-based management tools and approaches in all Borrower's secretariats.</p>	<p>At least 50 percent of the line secretariats have adopted results based management methodology as an integral part of the planning and HR tools.</p>
<b>COMPONENT 3: QUALITY OF LIFE—A BETTER LIFE FOR ALL PERNAMBUCANS</b>			
<p><b>3.1 CRIME AND VIOLENCE PREVENTION</b></p>	<p>To strengthen violence prevention programs in the state with a focus on rehabilitation of crack users, gender-based violence and monitoring capacity.</p>	<p><b>3.1</b> The Borrower has strengthen violence prevention programs in the Borrower's territory with a focus on the rehabilitation of crack users, gender inclusion and monitoring capacity, through:</p> <p><b>Policy Action 3.1.1.</b> The creation of an operational framework for the expansion of the "<i>Programa Atitude</i>" as a form of social prevention to combat drug-related violence and rehabilitate drug users, as evidenced by the</p>	<p>Enhanced capacity of the Government to respond to the demand from crack users at risk of victimization, and to the Program's overall goal of reducing the number of homicides related to crack use.</p>

OBJECTIVES	STRATEGY	POLICY ACTIONS	EXPECTED RESULTS
		<p>Borrower's Decree 39.201 dated March 18, 2013, published in the Borrower's Official Gazette on March 19, 2013, which formally establishes "<i>Programa Atitude</i>" as part of "<i>Pacto pela Vida</i> Program" and defines its objectives and operational framework.</p> <p><b>Policy Action 3.1.2</b> The establishment of institutional mechanisms for addressing violence against women, as evidenced by:</p> <p>(i) the Borrower's Decree 38.576 of August 27, 2012, published in the Borrower's Official Gazette on August 28, 2012, which creates the Technical Chamber to Combat Violence Against Women (<i>Cdmara para Enfrentamento da Violncia de Gnero contra a Mulher</i>) as a multisectoral forum for policy coordination and implementation of strategic actions to address violence against women as part of the broader "<i>Pacto pela Vida</i> Program."</p> <p>(ii) the execution of a Technical Cooperation Agreement (<i>Acordo de Cooperaqdo T&amp;nica</i>) between the Secretariat of Women's Affairs (<i>Secretaria da Mulher</i>) and the Secretariat of Social Defense (<i>Secretaria da Defesa Social</i>), dated March 18, 2013, which establishes the objectives and modalities for coordination and collaboration between the two secretariats, including in the area of data sharing and joint monitoring and evaluation arrangements.</p>	<p>Strengthened interventions focused on the prevention of violence against women, through availability of much needed data and a mechanism for cross-sectoral cooperation.</p>
<p><b>3.2 HEALTH</b></p>	<p>To strengthen policies, programs and approaches in the state aimed at attending to the needs of patients with chronic conditions, with an emphasis on diabetes and hypertension.</p>	<p><b>3.2.</b> The Borrower has strengthened its policies, programs and approaches aimed at attending the needs of patients with chronic conditions, with an emphasis on diabetes and hypertension, through:</p> <p><b>Policy Action 3.2.1.</b> The approval of the Borrower's plan to address chronic non-communicable disease and establishment of measures to support its implementation, as evidenced by:</p> <p>(i) CB Resolution No. 2.212 dated February 18, 2013, published in the Borrower's Official Gazette on February 19, 2013, that approves the Borrower's Plan to Address Chronic Non-communicable Disease.</p> <p>(ii) Decision of the Municipal Secretariats of Health Council (<i>Conselho de Secretarias Municipais de SaMde - COSEMS</i>), dated March 25, 2013, that includes municipal activities and a revised monitoring framework in the Borrower's Plan to Address Chronic Non-communicable Disease.</p> <p>(iii) <i>Portaria</i> No. 157 of the Borrower's Secretariat of Health published in the Borrower's Official Gazette on March 28, 2013, and <i>Portaria</i> No. 256 of Borrower's Secretariat of Health, dated May 7, 2013, published in the Borrower's Official Gazette on May 8, 2013, that establishes a working group to revise the Borrower's Policy to Strengthen Primary Care based on the Borrower's Plan to Address Chronic Non-communicable Disease, thus taking concrete steps towards implementation of said Plan.</p> <p><b>Policy Action 3.2.2</b> The approval of new clinical protocols and simplified clinical pathways focused on chronic non-communicable diseases, as evidenced by:</p>	<p>Expanded percentage of patients with diabetes and hypertension that are diagnosed and managed by primary care providers in the state.</p> <p>Improved performance of the health system, both in terms of the quality and safety of care, and management of the flow of patients through a strengthened referral and counter-referral systems.</p>

OBJECTIVES	STRATEGY	POLICY ACTIONS	EXPECTED RESULTS
		<p>(i) CIB Resolution No. 2.213, dated February 18, 2013, published in the Borrower's Official Gazette on February 19, 2013 that approves clinical protocols for chronic non-communicable diseases, with a particular focus on hypertension and diabetes.</p> <p>(ii) CB Resolution No. 2.214, dated February 18, 2013, published in the Borrower's Official Gazette on February 19, 2013, that approves simplified clinical guidelines for chronic non-communicable diseases.</p> <p>(iii) <i>Portaria</i> No. 157 of the Borrower's Secretariat of Health published in the Borrower's Official Gazette on March 28, 2013, and <i>Portaria</i> No. 256 of Borrower's Secretariat of Health, dated May 7, 2013, published in the Borrower's Official Gazette on May 8, 2013, that establishes a working group to revise the Borrower's Policy to Strengthen Primary Care based on the Borrower's Plan to Address Chronic Non-communicable Disease, with the aim of enhancing the organization of primary care and primary care interventions, including through the incorporation of new monitoring indicators and the introduction of clinical protocols and simplified clinical guidelines.</p>	

### 1.5 Revised Policy Areas

15. Not applicable.

### 1.6 Other significant changes

16. There were no significant changes to the DPL.

## 2. Key Factors Affecting Implementation and Outcomes

### 2.1 Program Performance

17. The Pernambuco Equity and Inclusive Growth DPL was a single tranche, stand-alone operation that was disbursed shortly after effectiveness. It was approved on June 25, 2013 and became effective on July 26, 2013. All of the Policy Actions (Table 1) were met as planned and the funds were released on August 2, 2013. Implementation Status and Results Reports were prepared on October 21, 2013, and May 9, 2014. The loan closed on September 30, 2014.

18. The Program's performance, in terms of achievement of expected results, is summarized in Table 2, and described in detail in Section 3.2.

**Table 2: Results Indicators Matrix**

OBJECTIVES	RESULTS INDICATORS	BASELINE	TARGET 2014	ACTUAL (12/31/2014)
COMPONENT 1: NEW ECONOMY – OPPORTUNITIES FOR ALL PERNAMBUCANS				
<p><b>Sub-component 1.1: Regional economic development</b></p> <p>To strengthen the state’s Industrial Infrastructure Development Program (PROINFRA) through the development of a monitoring and evaluation system that will provide information for evidence-based policy making.</p>	<p>An M&amp;E system for PROINFRA is established and generates annual reports, which are expected to provide the basis for decisions about adjustments of the Program.</p>	<p>No data available on the effects of the Program.</p>	<p>Evaluation system is operational and a first annual report available and disseminated through the Government website.</p>	<p><b>ACHIEVED:</b> Evaluation system is operational and the first annual report is available and disseminated through the Government website.</p>
<p><b>Sub-component 1.2: Private sector development</b></p> <p>To reduce administrative barriers to firm entry and ensure that firms can complete the state registration process within 72 hours</p>	<p>Percentage of new business registrations completed within 72 hours in the 25 municipalities participating in REDESIM.</p>	<p>0%</p>	<p>70%</p>	<p><b>EXCEEDED:</b> 90%</p>
<p><b>Sub-component 1.3: Technical and vocational education and training</b></p> <p>To strengthen Technical and Vocational Education and Training (TVET) programs through the development of a monitoring and evaluation system (M&amp;E) that will support policy development and program management and, over time, enhance employment outcomes for the target populations of the programs.</p>	<p>An M&amp;E system for state’s TVET programs has been implemented and data on key indicators on inputs, efficiency and results are available for decision making.</p>	<p>No data available on quality and efficiency of programs, beneficiaries’ employability and satisfaction.</p>	<p>Information on quality, efficiency and results of the TVET program consolidated in the M&amp;E system and disseminated to stakeholders through the publication of report covering key indicators for each program.</p>	<p><b>ACHIEVED:</b> System developed and operational</p>
<p><b>Sub-component 1.4: Productive inclusion</b></p> <p>To strengthen and expand the state’s productive inclusion program, <i>Pernambuco no Batente</i>, that promotes employability and/or income earning opportunities for the</p>	<p>Number of municipalities that have signed adherence pacts with the state, thus benefiting from state financing for productive inclusion programs and committing to service delivery targets and performance reporting.</p>	<p>0 municipalities signed the Adherence Pact.</p>	<p>51 municipalities signed Adherence Pacts.</p>	<p><b>ACHIEVED:</b> 51 municipalities signed Adherence Pacts</p>

OBJECTIVES	RESULTS INDICATORS	BASELINE	TARGET 2014	ACTUAL (12/31/2014)
poorest segments of the population.				
<b>COMPONENT 2: ACTION DRIVEN STATE – CAPACITY TO GENERATE RESULTS</b>				
<b>Sub-component 2.1: Public management</b>	The state's Results Based Management model, based on the approaches used in <i>Pacto pela Vida</i> and including sectorial committees, is fully implemented in at least three sectors (security, health, and education), and key elements of the model established in other secretariats.	Full implementation in the area of public security ( <i>Pacto pela Vida</i> ) and partial implementation in two others (health and education).	1) Results Based Management model implemented in three sectors (public security, health and education) 2) Detailed regulations for the adoption of RBM published and mandatory for the majority of secretariats.	<b>ACHIEVED:</b> Results Based Management model implemented in three sectors (public security, health and education); a draft decree has been prepared for other secretariats, and staffing and training have begun
<b>COMPONENT 3: QUALITY OF LIFE – A BETTER LIFE FOR ALL PERNAMBUCANS</b>				
<b>Sub-component 3.1: Crime and violence prevention</b>  To strengthen violence prevention programs in the state with a focus on rehabilitation of crack users, gender inclusion and monitoring capacity.	The number of beneficiaries of the “ <i>Programa Atitude</i> ” program, which is focused on rehabilitating crack users.	2,000 beneficiaries, of which 500 are women (Pilot).	At least 6,000 beneficiaries, of which at least 2,000 are women	<b>EXCEEDED:</b> 6,842 beneficiaries, of which 2,252 are women
	Implementation of an M&E system to: (i) register the occurrence cases of gender-based violence in the geographic areas of the PPV (AIS); (ii) evaluate the results of the actions taken to address violence against women; and (iii) provide inputs for decision-making regarding new interventions and the adjustment of existing policy/programs as part of the PPV, under the auspices of the Technical Chamber to Combat Violence against Women.	There is no systematic data on gender-based violence (occurrence of GBV cases and measure taken to address GBV).	M&E system operational with reports available online, including (i) data on cases of GBV in Pernambuco, and (ii) data on quality, efficiency and outcomes of actions to combat gender-based violence.	<b>ACHIEVED:</b> M&E system is operational with reports available online including: (i) data on cases of GBV in Pernambuco and (ii) data on quality, efficiency, and outcomes of actions to combat gender-based violence
<b>Sub-component 3.2: Health</b>  To strengthen policies, programs and approaches in the state aimed at attending the needs of	Percentage of hypertensive patients that are under active management in primary care.	50.7% (Baseline was modified to 39.45% to reflect changes in the calculation of the indicator by the State)	44% (58% original) (Target was modified to 44% to reflect changes in the calculation of the indicator by the State)	<b>SUBSTANTIALLY ACHIEVED:</b> 42.6% (06/30/2014)

OBJECTIVES	RESULTS INDICATORS	BASELINE	TARGET 2014	ACTUAL (12/31/2014)
patients with chronic conditions, with an emphasis on diabetes and hypertension.	Percentage of diabetes patients that are under active management in primary care.	58% (Baseline was modified to 47.67% to reflect changes in the monitoring and evaluation systems in the calculation of the indicator by the State)	66% (Target was modified to 52% to reflect changes in the calculation of the indicator by the State)	<b>EXCEEDED:</b> 53.6% (06/30/2014)
	Percentage of specialist consultation (cardiology and endocrinology) referred through the state referral system, reflecting improvements in the functioning of the state referral system.	0%	70%	<b>SUBSTANTIALLY ACHIEVED:</b> 69%

## 2.2 Major Factors Affecting Implementation:

19. **Government Ownership, Commitment and Stability.** The EIG DPL supported improvements and expansion of key elements of the State Government’s *Todos por Pernambuco* program, a program that had thus far produced promising results, and to which the Government was fully committed. This commitment was unwavering throughout implementation, and continues to this day (despite a change in administration in early 2015), resulting in a virtuous cycle of results, popular support, stability, continuity and a constant push to improve, expand and perfect. The EIG DPL was aligned fully with the Government’s priorities, and its Results Framework was developed, in the words of one official, “based on priorities for both the Government and the World Bank, with indicators that were not superimposed, but rather selected from among those of the Government.” This positive policy environment led to a remarkable stability in the staffing of the State’s secretariats (despite changes in staffing in some of the autonomous implementing agencies, e.g., *Junta Comercial do Estado de Pernambuco*) and especially in the staffing of the *Secretaria de Planejamento e Gestão* (SEPLAG) that was responsible for overall coordination of the EIG DPL’s implementation. The staff of SEPLAG that participated in implementation of the EIG DPL was largely the same that had participated in its preparation, and also in the preparation and implementation of the earlier DPL and several other ongoing World Bank-financed operations, and are still mostly in their positions to this day. Moreover, a large part of the Government’s ownership is due to the institutionalization of the public sector in the reform agenda, creating structures and processes to ensure the functionality and sustainability of robust, integrated M&E systems. Also critical for the effectiveness of the policy reforms was the inter-institutional coordination with groups, like the technical chamber of women demonstrating ability to bring together different stakeholders to advance common goals.

20. **Analytical Underpinnings.** An extensive portfolio of the World Bank’s analytical work in the Brazil country program, regional and global World Bank studies, as well as broader research, underpinned the policy areas of the EIG DPL. Additionally, the sustained dialogue with the GOP

through the first DPL and the ongoing process of the second DPL provided the basis for the preparation of a State Economic Memorandum (P132324), which has served to deepen the partnership with the GOP on key strategic issues. The soundness of the background analysis contributed to a strong technical design of the operation. The primary reports prepared by the World Bank that influenced the design included: (i) the Independent Evaluation Group's 2010 review of World Bank engagement at the State level in Brazil; (ii) "The World Bank's Approach to Public Sector Management 2011-2012"; (iii) "Better Results from Public Sector Institutions" (World Bank 2012); (iv) "Minas-Gerais-World Bank Partnership: Building on a Strong Foundation and Leading to Next Steps", Report No. 40036-BR; (v) Making Brazilians Safer: Analyzing the Dynamics of Violent Crime" (World Bank, 2011); (vi) World Development Report on Gender Equality (World Bank, 2012); and (vii) "Brazil's Sistema Único de Saúde After 20 Years: Achievements, Challenges and Unresolved Issues (Gragnotati et al, Forthcoming). The design of the EIG DPL also counted on experience under various ongoing World Bank-financed operations in Pernambuco, as well as experience in the design and implementation of similar programs in other Brazilian states.

21. ***Appropriateness of Risks and Mitigation Measures.*** The operation identified three moderate risks: (i) economic and fiscal: macroeconomic fluctuations in Brazil and partner countries causing changes in tax revenues and the demand in Pernambuco's economy; (ii) social: possible ineffectiveness of horizontal and vertical coordination within and between the Government Secretariats and agencies leading to delays in the implementation of key policies and programs; (iii) institutional and implementation: limited technical capacity to develop and implement new M&E systems and other reforms, challenges in inter-sectoral coordination and lack of shared responsibility between state and municipal governments causing the implementation of the policies and programs to not have the desired impact. The first of these materialized during implementation, but not in sufficient magnitude to have an impact on the Program's outcome. To mitigate the third risk, the World Bank's implementation support team developed a strong partnership with the State's team in SEPLAG and each implementing agency, and worked side-by-side until the definition of the various systems designs were perfected. The team also promoted a number of knowledge exchanges with other states in Brazil and countries (on M&E systems) through non-lending technical assistance.

22. ***Implementation in a Federal Structure of Government.*** Implementation of the Program in Brazil's federal environment, with often shared responsibilities, different information systems and reporting requirements, and multiple layers of legislation among the federal, state and municipal levels of government (in addition to legislation of autonomous agencies such as the *Corpo de Bombeiros Militar de Pernambuco*, - CBM- among others) presented a challenge, although not an obstacle.

23. ***Economic Downturn.*** In part as the result of prudent policies, including innovative programs aimed at attracting private investment, Pernambuco's economy has grown at consistently higher rates than the national one since 2008. From 2007 through 2013, Pernambuco's GDP grew 39.4 percent, whereas the country grew only 27.2 percent. Nevertheless, a declining trend in growth, both at the national and state levels, began in 2011. This downturn mainly impacted Sub-component 1.1 in that only three new, albeit large, investments benefitted from the incentives offered through the state's Industrial Infrastructure Development Program (PROINFRA). In



addition, expectations of a more restrictive fiscal scenario, lower growth in general, higher interest rates, and projections of consequent reductions in the State's income, led the new Administration in February 2015 to issue a decree, *Plano de Contingenciamento de Gastos* (PCG, an expenditure allocation plan), that constrains public expenses by R\$320 million in 2015 and rationalizes the State's administration (for example, the staff responsible for the program's coordination in SEPLAG was transferred to the resource mobilization unit in the Finance Secretariat).

### **2.3 Monitoring and Evaluation (M&E) Design, Implementation and Utilization**

24. Developing new systems for Monitoring and Evaluation (M&E) was very much at the center of the State's Program and the EIG DPL's objectives. Progress in these areas is described in Section 3.2, while this section addresses M&E for the EIG DPL's implementation.

25. **Design.** Progress towards the achievement of the EIG DPL's expected outcomes was to be monitored according to the results matrix presented in the Program Document. An outcome indicator, baseline values, and a target were assigned to each of the policy areas defined under the Policy Matrix. The outcome indicators were selected from among the Government's outcome indicators for its program, and monitoring was to be carried out as per SEPLAG's established procedures that involved assessing progress, analyzing advances towards outcomes, and identifying obstacles and budgetary implications.

26. **Implementation and Utilization.** SEPLAG routinely collected data from the Program's executing agencies,<sup>1</sup> and submitted quarterly reports on progress towards outcome indicator targets to the World Bank. SEPLAG collected the data more frequently than required, and used the information to focus on the identification of possible risks and issues that could affect the executing agencies' ability to achieve expected outcomes.

27. Issues surfaced with respect to monitoring the following two indicators: a) percentage of hypertensive patients that are under active management in primary care, and b) percentage of diabetes patients that are under active management in primary care. First, the baseline and consequently the targets for both indicators were adjusted due to changes in the methodology for calculating the relevant indices. Then, collection of data for these two indicators was affected by the federal Ministry of Health's transition from the *Sistema de Informação da Atenção Básica* (SIAB) to a new *Sistema de Informação em Saúde da Atenção Básica* (SISAB) that includes new data collection and entry methodologies, and new hardware as well (as primary health is a municipal responsibility, financed by the federal, state and local governments, the Federal Government requires reporting according to its mandated systems.) Installation of the new system is still ongoing. As a result, data reported for both indicators is as of June 2014.

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<sup>1</sup> The executing agencies, in addition to SEPLAG, included: *Junta Comercial do Estado de Pernambuco* (JUCEPE), *Secretaria de Desenvolvimento Econômico*, *Secretaria de Trabalho, Qualificação e Emprego*, *Secretaria de Educação*, *Secretaria de Desenvolvimento Social, Criança e Juventude* (formally, *Secretaria de Desenvolvimento Social e Direitos Humanos*), *Secretaria da Mulher*, *Secretaria Estadual de Saúde*.

28. A word of caution is in order with respect to the outcome indicators. Several of these refer to the putting in place of systems, e.g., the implementation of an M&E system to register the occurrence cases of gender-based violence in Pernambuco, as opposed to final outcomes, e.g., reduction of gender-based violence. There are other such examples in the Results Framework. This was reasonable for a DPL operation with a naturally short duration. However, it begs, the question of whether the EIG DPL had a measurable impact on final outcomes. In some cases, these are difficult to measure, as further time is needed to assess the final impact of the programs on the State's progress and resource allocation policies. Nevertheless, measureable outcomes have been recorded in certain policy areas, as discussed in Section 3.2, as the respective programs have been in place for some time already, and the DPL only supported their institutionalization, through formal, established systems that allow better monitoring and evaluation (but also making attribution difficult.) More importantly, the State has in place a formal process through which programs, their financing, progress and issues are monitored routinely, often in committees chaired by the State Governor. The outcomes supported under the EIG DPL, as measured through progress towards indicator targets in the Results Framework, will allow for a more quantifiable, measureable and definitive evaluation of the Programs' effectiveness and efficiency in the future.

#### **2.4 Expected Next Phase/Follow-up Operation (if any):**

29. **The State's *Todos por Pernambuco* Program was initiated in 2007 through a highly consultative process, and institutionalizing a dynamic results- based management model integrating planning, budgeting, and implementation.** This Program was carried out in two stages (2007-2010 and 2011-2014), each supported by a World Bank financed DPL in a 'quasi-programmatic' logic. In June 2013, the State Government initiated another highly consultative process, aimed at defining a long-term strategy for Pernambuco (until 2035). The Pernambuco 2035 plan – Strategic Plan for Long-Term Development was finalized in April 2015, and counted on the inputs of almost 18,000 residents throughout the State. Pernambuco 2035 is structured along five priority pillars (Education and Knowledge, Quality Institutions, Prosperity, Social Cohesion, and Quality of Life), with 15 concrete objectives and 35 quantified and ambitious targets aimed at improving the quality of life through the promotion of economic development. It builds on the achievements of the *Todos por Pernambuco* Program, including those policies and programs supported by the EIG DPL. The State Government demonstrated interest in continuing its partnership with the World Bank, in support of the Pernambuco 2035 goals.

### **3. Assessment of Outcomes**

#### **3.1 Relevance of Objectives, Design and Implementation**

30. **The EIG DPL's objectives, policy areas and design were relevant when it was prepared since they were selected from among priority strategies, policies and programs within the State's *Todos por Pernambuco* program.** They maintained their relevance during implementation given the continuity in the State Government's commitment to its program. More importantly, the objectives and design remain extremely relevant to the State's priorities today as the new Pernambuco 2035 Program is a natural continuation of the *Pernambuco for All*, with a very ingrained results focus. The institutionalization of policies, targeted programs and, especially, monitoring and evaluation systems put in place formally under the EIG DPL will be of utmost relevance to the State in the implementation of the next phase of its strategic vision. These will also be of great value in view of the expected fiscally constrained environment, especially

at the federal level, over the next couple of years. The EIG DPL's objectives and design continue to be extremely relevant to the implementation of the Brazil Country Partnership Strategy 2012-2015, especially to three of its strategic objectives that are to: (i) increase the efficiency of public and private investments, thus boosting growth capacity with job and income generation, (especially in Brazil's poorer regions, with a special emphasis in the Northeast); (ii) improve the quality of public services for low income households, and expand their provision through public and private channels, and (iii) promote regional economic development through improved policies, strategic infrastructure investments, and support for private sector actors in frontier regions (with a renewed emphasis in supporting the Northeastern region).

### **3.2 Achievement of Program Development Objectives**

31. Since the *Todos por Pernambuco* Program was introduced in 2007, Pernambuco has achieved notable progress and outcomes. In education, Pernambuco's ranking among Brazilian states jumped from sixteenth place in 2011 to fourth place by 2013 (behind only Santa Catarina, Minas Gerais and Rio de Janeiro), according to the *Índice de Desenvolvimento da Educação Básica* (IDEB).<sup>2</sup> At the secondary level (secondary schooling is a state level responsibility), this indicator grew by slightly over 16 percent from 2011 to 2013, exceeding the target established by the federal Ministry of Education and Culture. In eight years, since the *Pacto pela Vida* was launched, the rate of violent, lethal and intentional crimes dropped by 32 percent, resulting in almost 10,000 lives saved. In health, the infant mortality rate dropped dramatically by 47.5 percent from 2006 to 2011 (IBGE). Pernambuco achieved similar impressive results in terms of economic growth, both in absolute and comparative terms with the national results in part through tax incentive and other programs aimed at attracting investments to the State. These are but a few of the extraordinary results that the State has achieved in slightly over seven years. Realistically, however, these results cannot be attributed to the EIG DPL alone, although the operation, together with the earlier DPL and ongoing World Bank-financed sectoral investment projects, and technical assistance (both formal and hands-one support), as well as others at the federal level, invariably has made a contribution. What the EIG DPL did accomplish was a fundamental change in the institutional culture in Pernambuco's public administration to one based on results that was central to the achievement of its PDO: to support the Government of Pernambuco to strengthen the design, implementation, monitoring and evaluation of policies and programs aimed at promoting sustained growth and improved economic opportunities for the poor, consolidating public sector management innovations, preventing crime and violence, and reducing the burden associated with chronic disease. Progress and outcomes towards each of these areas, corresponding to each of the EIG DPL's three components, is described below.

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<sup>2</sup> The *Índice de Desenvolvimento da Educação Básica* (IDEB) is a national indicator of educational quality that combines information on performance on standardized tests (*Prova Brasil* and *Sistema de Avaliação da Educação Básica*) by students in the final stages of schooling (4<sup>th</sup> and 8<sup>th</sup> grades of fundamental school and 3<sup>rd</sup> grade of secondary), with information on students' grades.

## **Component 1: NEW ECONOMY – OPPORTUNITIES FOR ALL PERNAMBUCANS**

### **Promoting Sustained Growth and Improved Economic Opportunities for the Poor**

Policy Area 1.1 Regional economic development: To strengthen the state's Industrial Infrastructure Development Program (PROINFRA) through the development of a monitoring and evaluation system that will provide information for evidence-based policy making.

32. The objective of this policy area was to improve the State's capacity to evaluate the impact of regional development programs that work by providing incentives for private investment and the ability to adjust strategy accordingly. Specifically, the State, through Policy Actions, created the legal basis for the establishment of a monitoring and evaluation system for the PROINFRA Program that would provide information for evidence-based policy making.

33. This monitoring and evaluation system was developed and is operational, and the first annual report is available on the website. According to the summary report (Annex 6), the State has so far attracted three investments (in three separate municipalities) under the PROINFRA<sup>3</sup> Program totaling R\$567 million, and provided fiscal incentives of almost R\$17.5 million. The three investments are expected to create about 1,060 jobs. An additional four investments totaling approximately R\$957 million are expected in 2015, and should result in the creation of about 1,400 additional jobs.

34. It is still too early to permit an evaluation of the economic and social benefits of the investments made thus far for two reasons. First, some of these investments have only recently been completed and become operational (it takes on average between two and three years for industrial plants to become operational after approval, and fiscal benefits only accrue when the company begins production). Second, some of the information required for an evaluation is still being compiled (e.g., GDP, employment, illiteracy, infant mortality) as there is a lag in obtaining the official data for these indicators. For example, the state level GDP is measured with the same annual periodicity as the *Instituto Brasileiro de Geografia e Estatística* (IBGE) measures Brazil's GDP, but municipal GDP is only measured every other year. Nevertheless, once a more complete data series becomes available, the Government intends to use the information provided by this system to conduct an evaluation of the indicators over time before and after the operation comes on stream, and on this basis make decisions as to whether to continue the PROINFRA program (which runs through 2018), adjust the incentives provided, or otherwise amend it so that more municipalities can benefit.

Policy Area 1.2 Private sector development: To reduce administrative barriers to firm entry and ensure that firms can complete the state registration process within 72 hours.

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<sup>3</sup> The PROINFRA Program, backed by the Federal Government, partially or fully subsidizes the cost of small infrastructure projects (either by financing the works directly or providing future tax credits) as a means of attracting investments by private firms.

35. The objective of this Policy Area was to reduce administrative barriers to firm registration to increase the speed and agility with which potential firms could complete the state registration process by implementing REDESIM, an information system that collects data from state commercial registries (in Pernambuco, the *Junta Comercial de Pernambuco*, JUCEPE), aggregates them and issues State, Municipal and Federal registrations and tax ID numbers.<sup>4</sup> As Policy Actions, JUCEPE had signed agreements with the Secretariat of Finance, the *Secretaria da Receita Federal do Brasil* (RFB, the Federal Tax Authority), the *Corpo de Bombeiros Militar de Pernambuco* (CBM, the state level fire department), the *Agência Estadual do Meio Ambiente* (CPRH, the state level environmental agency), the *Agência de Vigilância Sanitária* (APEVISA, the state sanitary surveillance agency) and with 24 municipalities in the State of Pernambuco.<sup>5</sup> The Municipality of Olinda has not yet signed the REDESIM Agreement (but is considered a participating municipality).

36. REDESIM is currently in full operation in 21 municipalities, in full coordination with the Secretariat of Finance, the RFB and with APEVISA. Three additional municipalities have signed agreements and are in the process of implementing the system. Staff of all municipalities has been trained, including the Municipality of Olinda. More than 71 percent of the firms in Pernambuco are registered in the municipalities that have adhered to REDESIM. In 2014 alone, approximately 12,000 new companies were registered in the 25 participating municipalities (including Olinda), out of a total of about 16,000 in the entire state. At the same time, almost 55 percent of companies registered in the State's 25 municipalities (including the municipality of Olinda) have used or are using REDESIM to obtain licenses and/or permits, or modify their registrations. Over 90 percent of the 12,000 companies in participating municipalities were registered by JUCEPE in less than 72 hours.<sup>6</sup>

*Policy Area 1.3 Technical Vocational Education and Training. To strengthen Technical Vocational Education and Training (TVET) programs through the development of a monitoring and evaluation system (M&E) that will support policy development and program management and, over time, enhance employment outcomes for the target populations of the programs.*

37. The objective of this Policy Area was to support the development of an integrated monitoring and evaluation system for Technical and Vocational Education and Training (TVET) programs implemented in the State, adopted by the *Secretaria de Educação* (SEE) and the *Secretaria de Trabalho, Qualificação e Emprego* (STQE), and make key indicators on inputs,

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<sup>4</sup> REDESIM also alters firms' registrations and registers closures.

<sup>5</sup> These municipalities include: Abreu e Lima, Araripina, Arcoverde, Cabo de Santo Agostinho, Camaragibe, Carpina, Caruaru, Garanhuns, Goiana, Igarassu, Ipojuca, Itamaracá, Gravatá, Jaboatão dos Guararapes, Moreno, Palmares, Paulista, Petrolândia, Petrolina, Recife, Salgueiro, Santa Cruz do Capibaribe, São Lourenço da Mata, and Serra Talhada. The Municipality of Olinda has not yet signed the REDESIM Agreement.

<sup>6</sup> The 72 hours is calculated on the basis of working days, excluding Saturdays, Sundays and holidays. Of the 12,030 companies established in participating municipalities (including Olinda) in 2014, 1,841 were registered in 0 days, 4,128 were registered in 1 day, 3,810 were registered in 2 days, and 1,209 were registered in 3 days. These calculations are based on the number of days required for state level licensing and registration by JUCEPE as the State does not have authority to modify any specific requirements in the legislation of its municipalities.

efficiency and results available for decision making. In compliance of the Policy Action, the State had created the legal basis for the establishment of this system, which included not only the SEE in the scope of TVET programs, but also defined the guidelines for use of the system and monitoring and evaluation of relevant data.

38. STQE, in partnership with SEE, developed the *Sistema Informatizado de Monitoramento e Avaliação* (SIMA) for all TVET programs in the State – a first in Brazil and an example from an international perspective -, with relevant manuals and staff training, and has piloted the system in use for the students enrolled in the Program *Novos Talentos* in 2014 to test the system's functionality. Following this pilot, STQE has utilized SIMA to register all students enrolled in this Program in March 2015 with information on the number of places for each course, the number of students actually enrolled, and students' progress, for all schools in all municipalities. SIMA can provide data aggregated or disaggregated by municipality, program, student, region, institution, and identify actions for follow up. The system also monitors inputs by course, school, etc. (lunches, materials, transport) to allow for an evaluation of efficiency and outcomes in the future. Historic data on STQE's programs has also been included for the *Cahpeu de Palha* and *Mãe Coruja* programs. The system is also systematically tracing results in terms of earnings increases and employability. STQE has developed surveys that have been automatically sent and results automatically computed to *Novos Talentos*' students by electronic mail in the form of simple questionnaires using numerical or yes/no responses, to monitor students' opinions, and provide follow up information regarding employability, employment, relevance of the training they received for employment and income after completion.

39. Next steps include inputting data for all of the State's remaining TVET programs, notably those delivered by SEE. Once data for all of the programs is entered and tracked in SIMA, the State will have the tool to monitor the quality and efficiency of TVET programs in terms of their pedagogical focus and in terms of labor market insertion.

*Policy Area 1.4 Productive inclusion. To strengthen and expand the state's productive inclusion program, Pernambuco no Batente, that promotes employability and/or income earning opportunities for the poorest segments of the population.*

40. This Policy Area aimed to put in place a financing mechanism for the municipal implementation of its productive inclusion program, *Pernambuco no Batente*, which offers training and technical assistance for business development to poor and vulnerable families registered as extremely poor in the national targeting registry, the *Cadastro Único*. The financing mechanism would be linked to Results Based Agreements that established results monitoring arrangements and annual targets on service. The decrees, resolutions and other legislative and administrative regulations needed to create and operate the financing mechanism were fulfilled as Policy Actions.

41. By July 2014, 51 municipalities in all of Pernambuco's 12 regions had signed the *Termo de Aceite* (Terms of Acceptance) formally adhering to the *Pernambuco no Batente* program thereby becoming eligible to receive funding from SEDSDH through a formally established automatic transfer system in exchange for offering quality social and productive inclusion program, *Pernambuco no Batente*, and to establish and maintain a *Centro de Inclusão Produtiva* (Productive Inclusion Center, CIP, the facility where training is delivered) for this purpose.

Funding is now transferred automatically from the *Fundo Estadual de Assistência Social* to each participating municipality's *Fundo Municipal de Assistência Social* to implement the *Pernambuco no Batente* program according to its policies, and with specific results targets. Participating municipalities have some flexibility and autonomy in developing the Program tailored to their constituents' needs, but have certain constraints. First, they need to follow the Program's basic design of three modules of 60 hours instruction each: Social Qualification, Professional Qualification and Productive Qualification.<sup>7</sup> Second, the municipalities need to co-finance the Program, by offering space for construction of their CIPs. In 2014, ten additional CIPs were established (either rehabilitated spaces or new construction, per the criteria of each municipality), in addition to the 41 that had been functioning. The Program caters to on average 100 individuals per training session of three modules. The State provided funding for equipping the CIPs with materials needed to conduct training, as well as periodic visits to supervise progress, provide technical assistance, collect information to monitor results and promote an exchange of experience and information among different municipalities. Once the Program is established and operational, municipalities receive R\$6,000 per month to operate and maintain the CIP, and conduct additional training. As of 2014, 1,147 of *Pernambuco no Batente's* beneficiaries have engaged in productive employment, mostly in the textile industry and agroindustry. Municipalities have considerable flexibility in running the Program, and several have adopted innovative practices to help beneficiaries apply their new skills, by, for example, assisting them in establishing cooperatives.

42. Now that this successful Program has been established formally, the challenge is to ensure continued operation in the 51 municipalities that have signed *Termos de Aceite*, while expanding the Program to other disadvantaged municipalities in the State. The Government plans to extend the Program to another 43 municipalities in 2015 (although this may be ambitious), and the budget has been secured. In addition, it plans to strengthen linkages with the STQE, the *Serviço Nacioanl de Aprendizagem Industrial* (SENAI, the federal Agency for Industrial Learning), the *Serviço Nacioanl de Aprendizagem Comercial* (SENAC, the federal Agency for Commercial Learning), the *Agência de Fomento de PE* (AGEFEPE, the Pernambuco Development Agency), and private sector enterprises.

## **Component 2: ACTION DRIVEN STATE – CAPACITY TO GENERATE RESULTS**

### **Consolidating Public Sector Management Innovations**

*Policy Area 2.1 Public sector management: To strengthen and extend the Results Based Management model of the state by adopting the approaches used in the Pacto pela Vida in the Secretariats of Health and Education and progressively in other Secretariats.*

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<sup>7</sup> The Program can follow any of eight productive areas: (a) textile; (b) industrial embroidery; (c) agroindustry for the primary processing of fruit; (d) family agriculture; (e) recycling of solid wastes (for production of brooms, recycling plastic containers; (f) plaster; (g) fishing and aquiculture, and (h) dairy production.

43. This Policy Area aimed to institutionalize the State Government's Results Based Management, and to expand it to other secretariats. As Policy Actions, the State had put in place the legal basis to make this possible.

44. The Results Based Management Model was introduced in the *Pacto pela Educação* and the *Pacto pela Saúde* in 2014.<sup>8</sup> For each of these sectors and as part of the DPL action, a team of planning, budgeting and implementation analysts in SEPLAG were responsible for: (a) preparing results reports; (b) organizing meetings to define and agree upon targets; (c) conducting monitoring meetings at three levels, and (d) developing a new automated information system for reporting results.

45. For education, the *Pacto pela Educação* focuses on improving the quality of education with equity by improving the quality of teaching, learning and the school environment. As part of the DPL, the SEPLAG team helped define the criteria to establish targets for each school based on the *Índice de Desenvolvimento da Educação Básica de Pernambuco*,<sup>9</sup> and participates with SEE staff in meetings to agree upon targets with all state schools, represented by their directors, in each of the SEE's regional education offices (12). The school directors commit to targets and, if at least 50 percent of the targets are achieved, those schools become eligible for the (Bonus for Education Performance). Periodic monitoring meetings are held at three levels: strategic, tactical and operational. Strategic meetings are held quarterly, chaired by the State Governor, to review results, address pending issues in other areas of government that may be affecting results, redefine and establish revised targets if needed, and motivate staff. Meetings at the tactical level are conducted by the regional education offices, Strategic meetings are held quarterly, chaired by the State Governor, to review results, address pending issues in other areas of government that may be affecting results, redefine and establish revised targets if needed, and motivate staff. Meetings at the tactical level are conducted by the regional education offices, with the participation of SEPLAG analysts and directors of priority schools to monitor progress more closely, propose remedial actions needed and issues that can be addressed at the regional level. Finally, at the operational level, meetings take place in schools, with school directors, administrative staff and teachers to review results and agree upon follow-up actions that may be needed. In 2014, meetings were held at 93 priority schools identified as requiring intensive support based on performance.<sup>10</sup>

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<sup>8</sup> For a discussion on the importance of this type of management model for service delivery please see Viñuela, L. and Zoratto, L., 2015, Do Performance Agreements Help Improve Service Delivery? The Experience of Brazilian States, Policy Research Working Paper 7375, World Bank: Washington DC.

<sup>9</sup> The IDEPE is the State's indicator of the quality of its public state education that permits it to monitor and evaluate the progress of each school annually. Like the IDEB, the IDEPE considers two criteria: student progress and performance in the 4<sup>th</sup> and 8<sup>th</sup> grades, and in the final year of secondary through standardized testing in Portuguese language and Mathematics.

<sup>10</sup> The *Pacto pela Educação*, contains three sets of indicators, Final Indicators, Results Indicators and Process Indicators. Final Indicators include school scores on the IDEPE and the IDEB. Results indicators include: an External Grade based on standardized testing in Portuguese language and Mathematics and an Internal Grade based on students' grades, considering only the internal school testing. Process Indicators include: (a) student attendance; (b) teacher attendance; (c) the ration of classes scheduled to classes held; (d) compliance with school curricula; (e) percentage of students that received less than a 6 (on a 10 point scale) grade point average; (f) percentage of students' families that



46. For health, *Pacto pela Saúde* focused on improving the population's health status, with a special focus on reducing mortality from non-communicable diseases, and improving the efficiency of the State's health system. As part of the DPL, the overall framework (with three levels of meetings) and process followed by SEPLAG's team was similar to that followed for education, except that the Director of the State's 33 public hospitals (including specialized and regional hospitals) participating in strategic meetings and tactical meetings also addressed issues for discussion with municipalities in each of the regions, since in Brazil delivery of primary health is a municipal responsibility. Meetings at the operational level will begin in 2015, with participation of relevant municipalities in an effort to monitor and support more closely their implementation and issues.<sup>11</sup> Some results have been impressive: in 2014, 66.7 percent of the GERES achieved their targets for Mortality Rate due to Avoidable Causes, up from 50 percent in 2013, and also, there was a 7 percent increase in coverage of the Family Health Program in the State from 2013 to 2014. At the hospital level, the situation is more challenging: of the State's 30 hospitals, only one met the targets for four hospital indicators (indicators: (a), (b), (c), and (d) above, while four met the targets for at least two of these indicators.

47. The State adopted its *Política Estadual de Fortalecimento de Atenção Primária* that provides for transfer of state resources to the municipalities based on population and performance. The agreements have been between the *Secretaria da Saúde* (SS, state Health Secretariat) and the GERES, and the municipalities have incentives in terms of ICMS receipts if they meet targets. The Government also plans to bring the UPAs under the Results Based Management model to avoid unnecessary hospitalizations. More importantly, the Government has plans to expand the Results Based Management model to other secretariats. Although signature of a decree providing the legal basis for adopting this model in all secretariats has been delayed due to the change in administration and the restructuring of state secretariats, progress has been sustained by contracting about 100 analysts to staff planning, budgeting and implementation teams in SEPLAG, and by working with remaining sectoral secretariats to train them, prepare diagnostics, obtain data and help define results indicators for which they will be held accountable.

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participate in school meetings; (g) percentage of students that participate in external evaluations; and (h) percentage of students that participate in internal evaluations. In 2014, 30 percent of all state schools exceeded their targets; 23 percent achieved between 50 and 99 percent of their targets and 48 percent achieved up to 49 percent of their targets.

<sup>11</sup> The *Pacto pela Saúde* contains three sets of indicators: a Results Indicator (Mortality Rate due to Avoidable Causes), Indicators for the *Gerência Regional de Saúde* (GERES, the regional health offices) and Indicators for Hospitals. The indicators for GERES include: (a) coverage of the federal Family Health Program; (b) hospitalizations for primary care-sensitive conditions; (c) percentage of pregnant women with 7 or more pre-natal consultations; (d) perinatal death rate; (e) coverage of cervical cancer screening; (f) coverage of mammography; (g) percentage of hypertensive patients that are under active management in primary care; (h) percentage of diabetes patients that are under active management in primary care; (i) mortality rate from traffic accidents; and (j) percentage of municipalities that are current in submitting information on mortality. The indicators for Hospitals include: (a) mortality rate; (b) percentage of surgeries performed that were approved for payment; (c) average hospital stay; (d) hospital occupancy rate; (e) births; and (f) patients discharged.

### Component 3: QUALITY OF LIFE – A BETTER LIFE FOR ALL PERNAMBUCANS

#### Preventing Crime and Violence

Policy Area 3.1 Crime and violence prevention: To strengthen violence prevention programs in the state with a focus on rehabilitation of crack users, gender-based violence and monitoring capacity.

48. The *Programa Atitude* was expanded from 2,000 beneficiaries in 2012 to 6,842 in 2014. The Program that started in 2011 with positive results has been formally established by decree under the *Pacto pela Vida*, institutionalized and expanded. The Program offers services to drug users and their families in Recife and in the interior of Pernambuco through several modalities: (a) Street Outreach, through 15 itinerate teams that bring services to the street in an attempt to build relationships with drug users at the risk of violence; (b) Support Centers (5), where users are provided access to health care, shelter and counseling; (c) Intensive Treatment Centers (7), that provide 24-hour inpatient service where users can stay for 2 to 6 months and are offered counseling, meals, job search assistance, access to education, etc., in an attempt to build a new life by putting an end to life-threatening situations; and (d) Special Rent Dorms (40), a more independent living arrangement that targets beneficiaries who cannot return to their communities either because of death threats or because their ties have been severed, and that aims to encourage users' autonomy by conditioning their stay on continued education, health and work. *Programa Atitude's* monitoring follows a Results Based Management model, where performance indicators and targets are reviewed weekly in the framework of the *Pacto pela Vida* with the participation of the program's team, the Police Department, and other government officials. By December 2014, the *Programa Atitude* had benefitted 6,842 users, of which 2,252 were women. The rate of violent, lethal and intentional crimes in territories where the *Programa Atitude* was operating dropped 8.05 percent from 2011 to 2014.

49. The *Sistema Estadual de Informações sobre as Mulheres* (SeiMulheres) monitoring and evaluation system on gender based violence was developed – a first in Brazil (particularly at the state level), that lays the foundation of a larger evidence based agenda on gender. Since February 2015 this system has been providing information as input to the deliberations of the Technical Chamber on Violence against Women, which counts on representation of the police and judicial authorities, in addition to the *Secretaria da Mulher*. *SeiMulheres* compiles data, by municipality three indicators for women in the State: (a) homicides; (b) rapes; and (c) specialized assistance to women suffering from situations of domestic and family violence. A sample of these reports is provided in Annex 6. Reports are produced weekly with detailed information on the location of crimes, weapons used, time of day, day of the week, etc. *SeiMulheres* also compiles data on different centers offering services in support of women that were victims of abuse, as well as a cadaster of beneficiaries. Reports are used by the Technical Chamber to evaluate results of actions taken to combat violence against women, and provide insights with respect to possible additional new actions that may be needed or to possible modifications of existing programs such as the *Patrulha Maria da Penha* (a program that provides protection to women in order to avoid repeat aggressions) and others such as electronic monitoring of aggressors. Municipal administrations have access to information for their jurisdiction, and there are plans to make the database available to students, researchers and citizens in general. The rate of violent, lethal and intentional crimes against women declined by 25.6 percent, from 6.69 per 100,000 women in 2007 to 4.98 in 2014,

mostly through the implementation of specific programs targeted to protect women from becoming victims of violence. *SeiMulheres* provides input to evaluate and improve the effectiveness of several existing programs and intensify efforts to reduce these crimes further. The *SeiMulheres* experience in Pernambuco has generated interest from other states (Bahia, Rio de Janeiro) interested in developing system enabling them to monitor and evaluate gender-based violence, particularly in relation with the *Maria da Penha* law.

### **Reducing the Burden Associated with Chronic Disease**

*Policy Area 3.2 Health: To strengthen policies, programs and approaches in the state aimed at attending to the needs of patients with chronic conditions, with an emphasis on diabetes and hypertension.*

50. This Policy Area aimed to strengthening the State's capacity to address effectively the growing burden of chronic disease. Policy Actions relating to the adoption and implementation of a State Plan to Tackle Non-Communicable Diseases and of clinical protocols and simplified clinical pathways that were expected to contribute to improve the organization and coordination of health services in the State, and enhance quality.

51. The State adopted its *Plano Estadual de Doenças Crônicas Não-Transmissíveis*. As part of this policy, the State has compiled and disseminated information and analyses on mortality from non-communicable diseases disaggregated among different populations groups (gender, race, education), provided technical assistance to municipalities, provided continuing education in collaboration with universities and research institutions on surveillance and prevention, invested in diagnostic equipment, and carried out information campaigns on risk factors to its citizens. Further, the State's *Política Estadual de Fortalecimento de Atenção Primária* includes monitoring hypertension and diabetes among its indicators. The State is now planning to implement the third component of its primary care policy by increasing the amount of resources distributed in the form through Results Based Management, specifically providing greater incentives for activities focusing on chronic diseases.

52. The adoption of clinical pathways and protocols, and their systemic use in the primary care system through the State's web-based central ambulatory referral system, together with the establishment of the first UPA-E in July 2013 (and subsequently eight additional ones) significantly improved the coordination of health services in the State, providing for an optimization in the use of resources and for better planning of health service delivery. The UPA-Es have capability for conducting diagnostic testing and exams (x-rays, MRIs, ultrasound, electrocardiograms, etc.), and offer specialized medical assistance in ophthalmology, otorhinolaryngology, neurology, orthopedics and cardiology, among other specializations. A total of 69 percent of specialist consultations in cardiology and endocrinology were referred through the state referral system in 2014. Indicators on patient referrals and others are monitored monthly, and disseminated to technical and primary care specialists with the aim of working with municipal primary care providers to adjust practices as needed. The State plans to establish an additional six UPA-Es in 2015, so that all of the Pernambuco's twelve regions will have access to the services provided.

### **3.3 Justification of Overall Outcome Rating**

Rating: *Satisfactory*

53. The EIG DPL, implemented over slightly more than one year, met substantially all of its expected outcome targets and even exceeded some of them. It is difficult, in such a short period of time, to obtain quantifiable, directly attributable final outcomes associated to its implementation. In some of the Policy Areas supported, they do exist, e.g., beneficiaries of the model *Pernambuco no Batente* that secured employment, direct beneficiaries from the similarly model *Programa Atitude*, and others. Nevertheless, the outcome of the EIG DPL should be evaluated based on its high relevance (all the more so in a now constrained fiscal environment), and on the fact that by design and through its successful implementation it succeeded in accomplishing its defined objectives. It succeeded in helping cement successful previously used but not formally established processes (e.g., Results Based Management), expand and cement these exemplary programs (e.g., *Pernambuco no Batente*, *Programa Atitude* and others), define future priorities that the State Government will no doubt pursue, and, more importantly, within a culture of results, provide some key systems and processes needed to monitor and evaluate the impacts of these (and other) programs to ensure their continued effectiveness, efficiency and relevance to the State's needs and priorities in the future. It resulted in a fundamental culture change in the State Government's secretariats and agencies towards one of working together towards common objectives, with strong focus on results and monitoring that is difficult to quantify. Many of these systems are "a first" in Brazil (particularly at the state level) and an example from an international perspective. All the TA provided (that went much beyond typical preparation/supervision) and all efforts of the Government's coordination unit (SEPLAG) were key in making sure that all the targets were met and that the data provided is systematically used to improve programs' results. The EIG DPL's Overall Outcome is rated *Satisfactory*.

### **3.4 Overarching Themes, Other Outcomes and Impacts**

#### **(a) Poverty Impacts, Gender Aspects, and Social Development**

54. It is difficult to measure the specific identifiable impact on growth, poverty, gender or social development of a single-tranche DPL implemented in a short time frame. This is all the more so since the policy actions in several cases supported not specifically the implementation of policies and programs, but rather, the strengthening of monitoring and other systems that will allow the Government to better evaluate the effectiveness of those policies and programs to improve their results. However, given the direct interventions targeting the poor and vulnerable populations, the medium to longer term impact of the overall Program is expected to be positive. Several policy actions and programs supported either have produced tangible pro-poor results or are expected to do so over the near future. These include policy reforms related to strengthening technical and vocational education and training, expanding the *Pernambuco no Batente* Program, the *Programa Atitude*, and the creation of the Technical Chamber on Violence against Women together with strengthening the monitoring of gender-based violence, which disproportionately affects poorer segments of the population. Actions to improve the delivery and quality of primary health care and expand access to urgent and specialized care are also expected to benefit the poor disproportionately, since it is those in the lower quintiles of the income distribution that rely exclusively or primarily on the national health system. Over the longer term, the institutional

structures and systems put in place through policy actions should allow the Government to analyze in-depth the impact of its programs on these groups, and introduce adjustments where warranted.

### **(b) Institutional Change/Strengthening**

55. The policy actions supported by the EIG DPL were mostly institutional in nature, either in terms of establishing, expanding or supporting systemic improvements, especially in terms of monitoring capacities and capabilities. These are described in detail in Section 3.2.

### **(c) Other Unintended Outcomes and Impacts (positive or negative, if any)**

## **3.5 Summary of Findings of Beneficiary Survey and/or Stakeholder Workshops.**

Not applicable.

## **4. Assessment of Risk to Development Outcome**

Rating: *Negligible*

56. The Risk to Development Outcome is considered *Negligible*. The main risk, which is not specific to the evaluation of this operation, is that the State could become financially constrained in continuing to expand this positive experience to other areas. The economic downturn in Brazil, especially fiscal constraints, could come to affect the State, but Pernambuco's economy continues to grow at faster than the national average, and State revenues in the form of the ICMS continue increasing. Moreover, the State is in compliance with Brazil's *Lei de Responsabilidade Fiscal* (Fiscal Responsibility Law) and in line with its prudent management and policies, the State Government has *ex-ante* adopted an expenditure allocation plan that restricts non-priority expenditures while protecting those priority ones required to achieve its goals. Further, the monitoring and evaluation systems, results based management focus and other systems put in place with support of this EIG DPL will become even more relevant tools for evidence-based resource allocation in a more constrained environment. The State's *Todos por Pernambuco* program has already produced tangible positive outcomes, and as a result, enjoys strong political and especially popular support, as witnessed by the results of recent gubernatorial elections. There is political continuity, at least for the foreseeable future, and the policies supported and legislation and institutional and systemic improvements put in place in the context of the EIG DPL cement critical underpinnings of this Program, that are now being taken to the next level through the Government's strategy, *Pernambuco 2035*. Institutional capacity is strong, most notably at the level of State Government. The next challenge will be to work more closely in supporting the State's municipalities since many goals and targets depend critically on their performance.

## **5. Assessment of Bank and Borrower Performance**

### **5.1 Bank Performance**

#### **(a) Bank Performance in Ensuring Quality at Entry**

Rating: *Highly Satisfactory*

57. The World Bank's Performance in Ensuring Quality at Entry is rated **Highly Satisfactory**. The EIG DPL was grounded in analytical work, built upon the experience of the previous DPL, consolidated and gave continuity to the process supported by the latter, and responded directly to those areas within the State's program where technical and financial support was requested. A representative from the *Secretaria da Mulher* mentioned specifically that, at the Government's request, the World Bank included a specific sub-component focused on priority gender issues. Importantly, the component on gender had an innovative design with the development of an M&E system on GBV -- a first in Brazil (particularly at the state level). The design and implementation of the M&E system for TVET programs was also a first in Brazil and has been used as a model for other states, including Rio de Janeiro and Ceara. It laid the foundation of a larger evidence-based agenda on these topics. Similarly, the setting up of M&E systems was a common theme across components and this created important cross-sectorial synergies. The operation was ambitious, especially with regard to its institutional complexity with a number of executing agencies, with responsibilities and requirements shared across levels of government, and a dispersion of components addressing a wide array of programs, but it was responsive to the State's request for assistance, and, in the preparation team's view, the operation did not push beyond the State's capacity to deliver.

**(b) Quality of Supervision**

Rating: **Highly Satisfactory**

58. The World Bank's Quality of Supervision is rated **Highly Satisfactory**. As a stand-alone, single-tranche DPL, supervision would not ordinarily be expected to constitute a significant input. However, in this case, the World Bank's implementation support team went beyond the call of duty, providing/organizing extensive TA and developing a strong and respected partnership with not only the State's team in SEPLAG, but with staff in other implementing agencies as well. State representatives consulted during the ICR mission were emphatic in praising the quality of the team's implementation support, the perseverance in working side-by-side until the definition of the various systems designs were perfected, of working jointly to disseminate the DPL's very positive accomplishments through videos documenting the results of the *Pernambuco no Batente* Program and exchanges with staff from the Ministry for Social Development to facilitate access data and better coordinate information systems (linked with the WB projects Bolsa Família 2APL) and exchanges with other states in Brazil and countries (on M&E systems) through non-lending technical assistance. The Bank team sought, and obtained, financing through trust funds, to help provide a vehicle for complementary technical inputs in specific areas through hands on support through the Federal level analytical work Brazil Skills and Jobs (P133162) (including workshops and video conferences with other countries, and help in the design and implementation of the system) and mobilization of TF money to evaluate one TVET program, by piloting the first implementation of the SIMA system tools to a class of vocational training students (TF014662). Finally, the team through the end has emphasized a focus on results, on questioning how results obtained through the monitoring systems and policies supported by the DPL are being internalized and used, and in helping an enthusiastic partner focus on the next steps.

**(c) Justification of Rating for Overall Bank Performance**

Rating: **Highly Satisfactory**

59. Overall Bank Performance is rated Highly Satisfactory. The EIG DPL was complex, involving three very different components and the institutionalization of numerous policies, programs and systems implemented by eight different executing agencies. Its design, specifically its quality at entry, was responsive, yet innovative and ambitious. The quality of supervision, through both missions and regular videoconferences, helped overcome any potential setbacks that might have surfaced through tremendously supportive and proactive implementation support, contributing strongly to the EIG DPL's highly desired outcomes.

## **5.2 Borrower Performance**

### **(a) Government Performance**

Rating: *Highly Satisfactory*

60. The Government performance is rated *Highly Satisfactory*. The State Government provided throughout the strategic, institutional, financial and results-oriented environment, and a remarkable degree of stability and consistency in staffing, policies and financial flows needed for the EIG DPL to achieve its PDO. The State Government's continued ownership of and commitment to its *Todos por Pernambuco* were unwavering throughout implementation. The EIG DPL supported carefully selected priorities in the Government's program, which was built around a process of intensive monitoring through monthly, at times weekly, progress meetings, often chaired by the Governor. As a DPL, resources were not specifically earmarked to specific components or programs, yet in all cases executing agencies received the allocations they needed to achieve their respective targets.

### **(b) Implementing Agency or Agencies Performance**

Rating: *Highly Satisfactory*

61. The Implementing Agencies Performance is rated *Highly Satisfactory*. The Secretariat of Planning and Management (SEPLAG) was the primary implementing agency, but several other agencies were also involved in the implementation of the various components and sub-components. SEPLAG provided competent and efficient coordination between the various agencies and showed consistent ownership and commitment to the Program. During preparation, SEPLAG and the other agencies participated actively in defining the priority policy areas included to ensure that the EIG DPL's objectives were aligned closely with the Government's goals as set out in the *Todos por Pernambuco* Strategy Map, the prior actions (and later ensuring their timely fulfillment), and outcome indicators that would reasonably reflect the operation's achievements. During implementation, SEPLAG met and worked regularly with staff of the other seven implementing agencies, and received at least monthly updates from each of them on progress under their respective policy areas, as well as of risks, impediments and other factors that could come to delay or otherwise impact outcomes. As expected, the performance of the other implementing agencies varied, with some stronger than others. Nevertheless, their commitment to their individual goals, their enthusiasm in getting things done, the pride with which they describe (and share) their respective accomplishments, and, more importantly, their shared vision in working as part of a team, led by SEPLAG, towards a common goal, is remarkable.

### **(c) Justification of Rating for Overall Borrower Performance**

Rating: *Highly Satisfactory*

62. Overall Borrower performance is rated *Highly Satisfactory* given the extraordinarily positive enabling environment that the State Government provided for the implementation of its *Todos por Pernambuco* program, in general, and the EIG DPL, in particular. The strength of its commitment and its continuity throughout, and its consistency in monitoring and rewarding results, translated into similar levels of enthusiasm and drive among the staff in SEPLAG and other executing agencies, all of which was paramount to the operation's highly satisfactory outcome.

## 6. Lessons Learned

63. A DPL operation that supported institutionalization of several successful programs and processes, across a diverse spectrum of areas, offers many lessons, not only in terms of its design, scope, and implementation, but also in the design, structure and implementation of the programs themselves. The lessons below focus only on the DPL's design and implementation that is relevant to similar operations.

- ***Government commitment is a pre-requisite to the outcome of any project or program, but for a program that supports a fundamental reorientation of the administrative processes towards specified goals the continuity of that commitment is fundamental.*** What stands out in the case of Pernambuco's *Todos por Pernambuco* Program is the overall continuity, stability and overall processes for striving for results, monitoring results (with attention from leadership), and constant fine-tuning to address challenges. Initial strong results lead to popular support, which leads to political continuity, which leads to continued priority, which leads to more impressive results—a virtuous cycle.
- ***World Bank support gives a strong, central executing agency clout to both request monitoring reports and demand results, while at the same time playing a catalytic role in improving its relations with other executing agencies.*** The EIG DPL facilitated the establishment of what were considered true partnerships, working together towards a common goal, between SEPLAG and the other executing agencies. Implementation support teams should identify opportunities for such type of partnerships, which are facilitated by synergies across DPL components in terms of themes (such as M&E in this DPL case) and long-term engagements with the client through different, but consolidated, operations. They should also support each's agency's programs as well as empowering a central agency in the coordination across components.
- ***Operations that address activities and programs implemented by municipalities, e.g. primary health care, face particular challenges in terms of defining targets and results, and monitoring in Brazil's federal environment.*** Specifically, primary health care is a municipal responsibility, with financing provided at the federal, state and municipal levels. This financing comes with requirements that municipalities must follow, especially in terms of monitoring and reporting, which can affect implementation. For example, during implementation, Brazil's Ministry of Health introduced and began to roll out a new primary health information system, e-SUS, that replaced the SIAB system that municipalities were utilizing. With staged introduction, differences in municipal capabilities to administer the new system, as well as other typical disruptions that occur when new systems are introduced, led to delays in obtaining



updated data on two indicators. There is little that can be done to address the otherwise welcome improvements in systems, as this is a reality in Brazil's federal environment, but implementation support teams should be aware that the monitoring of any indicator that requires the use of systems at the federal level may be affected by issues exogenous to the project or program in question, and be ready to revise the indicator or relevant data expeditiously.

- ***Similarly, process improvements that involve actions by several agencies can be complex, so it is important to consider carefully the legislative framework that established those agencies, and the steps required in their approval process.*** Specifically, efforts to reduce the time required for business registration contemplated the streamlining of the approval process in several very diverse agencies (although the indicator specifically referred to the time required for JUCEPE's approval). The EIG DPL helped the State identify the various issues that each of these agencies, CBM, APEVISA, CPRH, face in streamlining their processes, as well as changes that will be required to their legislation to allow for streamlining. Further, and building on the lesson above, municipalities are free to establish their own legislation on matters such as environmental protection, only complicating the process.
- ***When an operation supports the rollout of systems to several municipalities, it is generally considered that the greatest risk is in the implementation by the municipalities with least institutional capacity, but this is not always the case.*** Preparation teams may want to identify the status of systems in participating municipalities to include up-front measures designed to facilitate implementation in any municipalities that might resist adopting new, centralized systems. Implementation of REDESIM was most difficult in the larger municipalities, with stronger institutional, financial and information systems capacity, as they already had in place systems of their own. Instead of adapting to the centralized REDESIM system, these municipalities wanted to adapt REDESIM to their systems. However, detailed explanation of the rationale for the system by SEPLAG and capacity building helped solve this issue. These elements were key for success.
- ***It makes sense to include gender as a separate component (or sub-component), especially if the Government counts on a separate agency to implement the planned activities.*** Activities focused on gender are often subsumed under other components and subordinated to other implementing agencies. Experience under the EIG-DPL confirms that very positive outcomes can result from providing a separate component or subcomponent, with a direct link to the coordinating agency (in this case, SEPLAG) as opposed to being subordinated to another agency. It is important for such stand-alone components to nonetheless directly foster cross-sectoral collaboration and coordination as gender is a transversal issue which impact can also be greatly increased by leveraging existing programs and policies – an area where the support of the World Bank can make a particular impact.
- ***Aligning a DPL fully with the Government's priorities, including its Results Framework and indicators, ensures commitment, facilitates monitoring, and helps build the results culture needed for sustainability.*** The EIG DPL was aligned fully with the Government's priorities, and its Results Framework was developed, in the words of one official, "based on priorities for

both the Government and the World Bank, with indicators that were not superimposed, but rather selected from among those of the Government.”

- ***It is difficult to measure final outcomes for a DPL operation with a naturally short duration, and the Results Framework was well designed to track intermediate outcomes that could be measured during program implementation.*** Several of the EIG DPL’s indicators referred to the putting in place of systems, e.g., the implementation of an M&E system to register the occurrence cases of gender-based violence in Pernambuco, as opposed to final outcomes, e.g., reduction of gender-based violence. There are other such examples in the Results Framework. In some cases, final outcomes are difficult to measure, as further time is needed to assess the impact of the programs on the State’s progress and resource allocation policies. Nevertheless, measurable outcomes have been recorded in certain policy areas, as discussed in Section 3.2, as the respective programs have been in place for some time already, and the DPL only supported their institutionalization, through formal, established systems that allow better monitoring and evaluation (but also making attribution difficult.)
- ***Sustained commitment to a reorientation in public sector management practices after time results in a fundamental cultural change in institutions that is very difficult to measure or quantify.*** The EIG-DPL resulted in a fundamental culture change in the State Government’s secretariats and agencies towards one of working together towards common objectives, with strong focus on results and monitoring. This culture change is noticeable, is showing promising results, but is difficult to measure and quantify.

## **7. Comments on Issues Raised by Borrower/Implementing Agencies/Partners**

### **(a) Borrower/Implementing agencies**

Comments from borrower were received on September 2, 2015, and have been incorporated.

### **(b) Cofinanciers**

n/a

### **(c) Other partners and stakeholders**

*(e.g. NGOs/private sector/civil society)*

n/a

## Annex 1 Bank Lending and Implementation Support/Supervision Processes

### (a) Task Team members

(b) Names	Title	Unit	Responsibility/ Specialty
<b>Lending</b>			
Marcos T. Abicalil	Sr. Water & Sanitation Spec.	GWADR	
Susana Amaral	Financial Management Specialist	GGODR	
Roland Clarke	Program Leader	LCC5C	
Edith Kikoni	Economist	GMFDR	
Magnus Lindelow	Program Leader	LCC5C	
Joseph Kizito Mubiru	Lead Financial Management Spec	GGODR	
Miriam Muller	Research Analyst	GPVDR	
Ezau Pontes	Sr. Health Specialist	GHNDR	
Carolina Rendon	Sr. Public Sector Specialist	GGODR	
Aude-Sophie Rodella	Economist	GPVDR	
Philip Schellekens	Sr. Country Economist	GMFDR	
Rodrigo Serrano-Berthet	Lead Social Development Specialist	GSURR	
Joana C. G. Silva	Sr. Economist	GSPDR	
Maria Concepcion Steta Gandara	S.r Social Protection Specialist	GSPDR	
Jose C. Joaquin Toro Landivar	Sr. Disaster Risk Management	GSURR	
Thomas Kenyon	Sr. Private Development Specialist	GTCDR	
Maria Madalena R. dos Santos	Consultant	GEDDR	
Renata Mayer Gukovas	JPA	GSPDR	
Rafael Prado Proenca	JPA	GSPDR	
Luiza Guaraciaba Alexander	Program Assistant	LCC5C	
<b>Supervision</b>			
Roland Clarke	Program Leader	LCC5C	
Magnus Lindelow	Program Leader	LCC5C	
Ezau Pontes	Sr. Health Specialist	GHNDR	
Aude-Sophie Rodella	Economist	GPVDR	
Philip Schellekens	Sr. Country Economist	GMFDR	
Joana C. G. Silva	Sr. Economist	GSPDR	
Maria Concepcion Steta Gandara	Sr. Social Protection Specialist	GSPDR	
Renata Mayer Gukovas	ETC	GSPDR	
Claudia Regina Baddini Currello	ETC	GSPDR	
Thomas Kenyon	Sr. Private Development Specialist	GTCDR	
Rafael Prado Proenca	JPA	GSPDR	
Luiza Guaraciaba Alexander	Program Assistant	LCC5C	
Lerick S. Kebeck	Program Assistant	GSPDR	
Julia Pacheco	Consultant		
Vanessa Moreira da Silva	Consultant		

Sarah Berger Gonzalez	Consultant		
Suzana Abbott	Consultant		

**(b) Staff Time and Cost**

Stage	Staff Time and Cost (Bank Budget Only)	
	No. of staff weeks	USD (including travel and consultant costs)
<b>Lending</b>		
<b>FY 2013</b>	75.26	419,515.16
<b>FY 2014</b>	13.83	61,846.92
<b>FY 2015*</b>	9.57	35,265.61
<b>FY 2016*</b>	0.38	2,159.65
<b>Total Lending</b>	<b>99.04</b>	<b>518,787.34</b>
<b>Supervision/ICR</b>		
<b>FY 2014</b>	5.56	8,340.44
<b>FY 2015</b>	1.13	19,276.70
<b>FY 2016</b>	0.98	3,074.76
<b>Total Supervision</b>	<b>7.67</b>	<b>30,691.90</b>

\* According to SAP, in FYs 2015 and 2016, there are lending costs, which correspond to when the DPL was already effective and disbursed. This is likely because charges were misposted to the lending code instead of supervision. There is typically no formal supervision for such a rapidly disbursing operation.

**Annex 2. Beneficiary Survey Results**  
(if any)

Not applicable.

**Annex 3. Stakeholder Workshop Report and Results**  
(if any)

Not applicable.

## Annex 4. Summary of Borrower's ICR and/or Comments on Draft ICR

### Unofficial Translation of the Government of the State of Pernambuco's Completion Report – Summary Equity and Inclusive Growth Development Policy Operation

<b>Summary of the Loan and the Program</b>	
Borrower	State of Pernambuco, Brazil, with the Guarantee of the Federative Republic of Brazil
Executing Agency	Secretariat of Planning of the State of Pernambuco (SEPLAG)
Financing	US\$550 million, with Guarantee of the Federative Republic of Brazil
Type of Operation	Single-tranche of US\$550 million
Principal Policy Areas	Economic Development, Education, Health, Labor, Vocational Training, Social Development and Human Rights, Public Administration, Gender, and Social Defense
	Monitoring and Evaluation System (M&E) for the Programa de Desenvolvimento das Indústrias do Estado de Infraestrutura (PROINFRA), completed and operational
	70% of new businesses opened in 72 hours, with approvals by the State in 25 participating municipalities
	M&E system for professional education and professional training, with indicators on inputs, efficiency and results operational and available for decision-making
	51 municipalities with agreements signed with the State, adopting the new public financing model for inclusive production programs, agreeing with targets for service provision and preparation of monitoring reports on progress
	100% of Results Based Budgeting introduced in three sectors (security, health and education), e key aspects introduced in other Secretariats
	More than 6,000 persons benefitted, of which 2,000 women, from the “ <i>Programa</i>

	<i>Attitude</i> ”, with emphasis on rehabilitation of crack users
	M&E system operational, with access to on-line reports, with data on gender violence in Pernambuco, and indicators on quality, efficiency and results in activities to combat gender violence
	58% of hypertensive individuals covered by primary health
	66% of diabetics covered by primary health
	70% of specialized attention (cardio and endocrinology) referred through state referral system, reflecting improvements in that system.

**INTRODUCTION**

Signed on July 18, 2013, the DPL II – Development Policy Loan (Pernambuco: Equity and Inclusive Growth), an agreement between the State of Pernambuco and the World Bank, had as its objective to support the State of Pernambuco develop its Priority Policies, by providing resources to the State Treasury. Specifically, the DPL II supports a set of policies agreed during earlier negotiations that correspond to the Government’s initiatives in the search to expand opportunities in a more equitable manner.

**OBJECTIVES OF THE OPERATION**

The objectives of DPL II, Pernambuco: Equity and Inclusive Growth, were to strengthen public policies in the areas of economic development, improve the quality of the state health system, improve the fight against violence, offer more professional training opportunities, and consequently, improve the quality of life of the state’s residents. The areas supported by the programs coincide with the *Plano de Governo* adopted by the current administration.

A Policy Matrix using the strategy already adopted by the Government was divided in three components: New Economy – Opportunities for all Pernambucans, Action Driven State – Capacity to Generate Results, and Quality of Life – A Better Life for all Pernambucans, The three components mirror the logic used by the Government in structuring the areas supported by public policies.



## **EVALUATION OF THE OPERATION'S RESULTS IN RELATION TO PROPOSED OBJECTIVES**

### Component 1: New Economy – Opportunities for all Pernambucans

#### 1. Regional Economic Development

A Monitoring and Evaluation (M&E) System was developed for PROINFRA to measure the results and benefits from the fiscal incentive policy. The Secretariat of Economic Development dedicated strong efforts to create the systems and make it operational in due time, as this successful program provides infrastructure needed for Pernambuco's economic development in a timely and efficient manner, especially in the state's interior.

The target was 100%, which was achieved as the monitoring system was developed completely and the results disseminated on the *Secretaria de Desenvolvimento Econômico's* site. Nevertheless, the data to be collected for the monitoring system are incomplete, since these are economic and social indicators (GDP, jobs, literacy rates, infant mortality, etc.) that are published with large time lags, and therefore the necessary data to complete an analysis of the Program's effectiveness is not yet available.

#### 2. Private Sector Development

In view of the state's new economic realities, the *Junta Comercial do Estado do Pernambuco* (JUCEPE) had as a target under the DPL II to increase the number of companies established within 72 hours in 25 participating municipalities, with backing by legislation, on the basis of the approvals required by the state government. Although the REDESIM (*Rede Nacional para a Simplificação do Registro e da Legalização de Empresas e Negócios*) is still being finalized, at present more than 90% of companies in Pernambuco are being established in up to 72 hours, when considering the working days in participating municipalities. We highlight that this timeframe considers the step dependent on approval by the state government, which demonstrated that the target agreed and supported by the World Bank was met with success.

As the REDESIM is in an advance stage, it has already brought a large reduction in the time necessary to legally establish companies in Pernambuco. As mentioned above, the system is in the final phase of implementation, counting on agreements signed with 24 municipalities, of which 21 have the system in operation and 3 are now introducing the system. To highlight the relevance of this policy, JUCEPE calculated that more than 71% of companies in the state are located in the municipalities participating in REDESIM.

#### 3. Technical Vocational Education and Training

Together with the World Bank, the Secretariat of Labor, Training and Employment (STQE) and the Secretariat of Education contributed to the implementation and operationalization of the Monitoring and Evaluation System – SIMA for the Education and Training Programs, which are being utilized fully by STQE's teams.

In this manner the operationalization of SIMA has contributed to optimizing the process of managing information on basic and technical professional training, allowing total integration between the areas of qualification and employment for the workers and students that have completed their training, in a timely, efficient and transparent manner, through new courses and insertion of youth in the labor market in the state.

As described, the Government met the target in the Policy Matrix, by operationalizing the Monitoring and Evaluation system, demonstrating the importance of this sector to the Pernambucan society.

#### 4. Productive Inclusion

With the objective of promoting Socio productive Inclusion of vulnerable populations, through work or income-generating activities, the State of Pernambuco, under the framework of DPL II, committed to strengthen and expand the Program *PE no Batente*. This policy aims to offer promotion of social and productive inclusion to families in extreme poverty, registered in the *Cadastro Único*, with the establishment or reactivation and maintenance of the *Centro de Inclusão Produtiva PE no Batente*.

At present, the Program is operating in 51 municipalities, which adhered to the Program by signing agreements accepting to participate and agreeing to the fund-to-fund transfer arrangements of SEDSCJ. With this, the Secretariat of Social Development and Human Rights, now called the Secretariat of Social Development, Children and Youth, achieved the target agreed in the Policy Matrix of the operation.

The Program *PE no Batente* covers municipalities in the 12 Development Regions – DRs of the State of Pernambuco, distributed in 9 Local Productive Activities: Textiles, Industrial Embroidery, Agroindustry for the primary processing of fruit, Family Agriculture, Recycling of Solid Waste for the production of brooms, utilizing plastic PET bottles, Plaster, Ocean Fishing, Aquaculture and Fishing, and Production of Milk and Dairy Products.

#### Component 2: Action Driven State – Capacity to Generate Results

##### Public Administration

*The Pacto pela Vida* (Pact for Life, PPV) is the first line of public security in Pernambuco that has as its fundamental objective the reduction of violent intentional deaths in the state of Pernambuco since May 2007. At present, the PPV is under implementation and full operation, with periodic monitoring meetings, that count on the presence of the governor, and that use results and analyses for the definition of public policies.

With relation to education, the *Pacto pela Educação* (Pact for Education) was developed as a policy focused on the quality of education for all with equity, concentrated on improvements in the quality of teaching, of learning by students and the educational environment and facilities, expanding access to education and contributing to improvements in education in the state of Pernambuco. In the operational context, the *Pacto pela Educação* was implemented in 2014 with a Nucleus of Planning, Budgeting and Implementation Analysts. The main activities of the

Nucleus for Results Based Management in Education in 2014 were related to: i) preparation of results reports; ii) definition of targets and meeting to review results; iii) monitoring meetings at three levels, and iv) development of a new automated reporting system.

The *Pacto pela Saúde* (Pact for Health) is a government strategy focused on improving the population's health status, concentrated on reducing the mortality from avoidable causes and in improving health indicators related to the functioning of the State's health system, including Primary Health, Specialized Health both ambulatory and hospital-based.

The *Pacto pela Saúde* incorporates the Government's strategic objectives and, in the operational context, the *Pacto pela Saúde* was implemented in 2014 with a Nucleus of Planning, Budgeting and Implementation Analysts. The main activities of the Nucleus for Results Based Management in Health in 2014 were related to: i) preparation of results reports; ii) monitoring meetings at three levels, and iii) development of a new automated reporting system.

As highlighted above, the Results Based Management Model is being utilized entirely in the areas of public security, health and education, ensuring that what was agreed with the World Bank under DPL II was achieved.

In relation to the expansion of this model of results based management, in 2014, the Executive Secretariat of Results Based Management in SEPLAG began visiting other units to disseminate the methodology of results based management, in accordance with Decree No. 39.336/2013. At the moment, six additional units (Secretariats) are contemplated:

Secretariat of Social Development and Human Rights  
Secretariat of Children and Youth  
Secretariat of Economic Development  
Secretariat of Cities (with focus on the State Department of Transit-DETRAN)  
Secretariat of Labor, Qualification and Employment  
Secretariat of Micro and Small Enterprises

During this period, a team of 7 (seven) analysts visited these units to carry out a diagnostic of procedures developed, identify sources of data and develop a matrix of indicators. The analysts also worked on the development of a decree to define the system for monitoring the indicators of these Secretariats and a program that promotes meritocracy through the development of incentives.

With this, the Executive Secretariat of Results Based Management in SEPLAG prepared a draft of the decree with the objective of publishing the mandatory norms to apply the methodology in new secretariats, but the decree has not been published given the impending change in the administration of State Government's executive branch. There would be changes in the state secretariats, some will cease to exist and new ones created, and it is not beneficial to publish a decree referring to secretariats that no longer exist.

Even though the decree was not published, it is being adapted to the new government structure and will be adopted soon. In the interim, the dissemination and expansion of the Results Based Management Model is progressing with the new secretariats.

### Component 3: Quality of Life – A Better Life for all Pernambucans

#### Prevention of Violence – Rehabilitation of Crack Users

It was agreed, in the context of DPL II, to increase the number of persons benefiting from the Program *Atitude*, increasing from 2,000 (of which 500 women) in 2012 to 6,000 (of which 2,000 women) in 2014. The table below presents the number of persons benefiting from the Program, receiving services of *Atitude nas Ruas*, *Centros de Acolhimento e Apoio*, *Centros de Acolhimento Intensivo* and the *Aluguel Social*.

Type of Service	Number of Centers
<i>Atitude nas Ruas</i>	15-of which: 03 Nucleuses in Jaboatão do Guararapes, 03 in Recife, 03 in Floresta and 03 in Caruaru
<i>Centro de Acolhimento e Apoio 24 horas</i>	05-of which: 01 Center in Caruaru, 01 in Jaboatão do Guararapes, 01 in Cabo de Santo Agostinha, 01 in Floresta and 01 in Recife
<i>Centro de Acolhimento Intensivo 24 horas</i>	07-of which: 01 Center in Cabo de Santo Agostinho, 02 in Caruaru, 02 in Recife, 01 in Jaboatão do Guararapes, and 01 in Igarassu
<i>Aluguel Social/República</i>	40-of which: 10 in Recife, 10 in Cabo de Santo Agostinha, 10 in Jaboatão do Guararapes, and 10 in Caruaru
Total	67
Total Persons (Men and Women) Benefitting	6,842
Total Women Benefitting	2,252

As shown above, the specified target was achieved, and even exceeded. We highlight that, beside the Programa *Atitude*, the Government of Pernambuco inaugurated in 2014 the *Centro de Acolhimento Intensivo Mulher* (Intensive Accommodation Center for Women), focused on providing shelter to pregnant and nursing women, and their children. The Center has the capacity to provide service to up to 30 women and the service counts on furniture for infants and the areas are accessible and adapted to caring for pregnant women and newborns.

#### Prevention of Violence Against Women

To contribute to prevent gender violence in the State of Pernambuco, with the help of partner units, the Secretariat of Women had as a target under DPL II to implement a Monitoring and Evaluation (M&E) System. Through routine monitoring, the cases of violence against women in the PPV's

geographic areas were registered, evaluating the results of actions taken to combat violence against women, an providing inputs for decision making regarding new interventions and the adjustment of existing policies and programs as part of the PPV, under the auspices of the *Câmara Técnica para o Enfrentamento da Violência de Gênero contra as Mulheres*.

The development of the M&E System made available on-line reports, with data on cases of violence against women in the State of Pernambuco and data on the quality, efficiency and results of actions taken in combatting gender violence.

The system is operational and resides on the servers of the *Agência Estadual de Tecnologia da Informação*. The restricted access page can be found under the following electronic address: <https://www.seimulheres.pe.gov.br/seimulheres/public/pages/login.jsf>. In view of the above, the Government achieved the objective included in the operation.

## Health

Under the Operation DPL II, health problems that needed to be addressed urgently and creatively by the States were identified to contribute to an improvement in the population's health status. In this sense, the Bank and the Government developed the following indicators to incorporate in the Policy Matrix of DPL II: Percentage of hypertensive patients monitored by primary health care; percentage of diabetics monitored by primary health care; and Percentage of specialized consultation (cardio and endocrinology) referred through the state referral system.

Regarding the Percentage of hypertensive patients monitored by primary health care and the percentage of diabetics monitored by primary health care, and to address non-transmissible chronic illnesses, a *Plano Estadual* was developed, that has already carried out several actions aimed at promoting the population's health, like providing technical assistance to municipalities and public state institutions, preparing and disseminating analyzed information on morbidity and mortality of the non-transmissible chronic illnesses, incorporating guidance on healthy lifestyles in communication media, etc.

For these indicators, it was agreed that the target would be to increase monitoring of hypertensive persons from 39.45% (2012) to 44% in 2014; with respect to diabetics, the target agreed was to increase from 47.67% (2012) to 52% in 2014. In June of 2014, the Government presented monitoring data of 42.61% for the first indicator and 53.60% for the second, confirming that the targets agreed with the Bank were achieved.

The third indicator of the Operation had as an objective to monitor the effectiveness of the *Sistema de Regulação de Consultas Especializada em Pernambuco*, as follows: Percentage of specialized consultation (cardio and endocrinology) referred through the state referral system, reflecting improvements in the state's referral system. For this indicator, the agreed target was 70%, and the State reached 69% in December/14.

## **GOVERNMENT PERFORMANCE DURING PREPARATION AND IMPLEMENTATION OF THE OPERATION**

SEPLAG was, during implementation of the operation, the coordinator of the Multisectoral Project. The DPL involved the following secretariats and a commercial junta: *Secretaria de Planejamento e Gestão* (Secretariat of Planning and Administration), *Secretaria de Educação* (Secretariat of Education), *Secretaria do Trabalho, Qualificação e Emprego* (Secretariat of Labor, Qualification and Employment), *Secretaria da Saúde* (Secretariat of Health), *Secretaria da Mulher* (Secretariat of Women), *Secretaria de Desenvolvimento Social e Direitos Humanos* (Secretariat of Social Development and Human Rights), *Secretaria de Desenvolvimento Econômico* (Secretariat of Economic Development), and JUCEPE (*Junta Comercial de Pernambuco*).

Throughout the Project, SEPLAG maintained permanent contact with the organizations and secretariats involved in the operation. Periodic monitoring of the indicators in the Policy Matrix were carried out, in addition to meetings to address issues and difficulties that could have compromised the performance of the DPL.

During the implementation of DPL II, there were no mishaps or great difficulties, the Government was able to develop satisfactorily the three components covered by the Project, which are, New Economy – Opportunities for all Pernambucanos, Action Driven State – Capacity to Generate Results, and Quality of Life – A Better Life for all Pernambucans.

## **Annex 5. Comments of Cofinanciers and Other Partners/Stakeholders**

Not applicable.

## Annex 6. Sample Reports from Monitoring and Evaluation Systems

### 1. PROINFRA Monitoring System

ITEM			
<b>01</b>	<p><i>AMBEV – Cia.De Bebidas das Américas</i></p> <p>Total de Investimentos: <b>R\$ 512.000.000,00</b></p> <p>Incentivos Fiscais <b>PROINFRA:</b> <b>(R\$ 15.000.000,00)</b></p>	<p><i>CBL-Cia.Brasileira de Laticínios</i></p> <p>Total de Investimentos: <b>R\$ 15.000.000,00</b></p> <p>Incentivos Fiscais <b>PROINFRA:</b> <b>(R\$ 450.000,00)</b></p>	<p><i>Nissin Anjinomoto Alimentos Ltda.</i></p> <p>Total de Investimentos: <b>R\$ 40.000.000,00</b></p> <p>Incentivos Fiscais <b>PROINFRA:</b> <b>(R\$ 2.000.000,00)</b></p>
<b>02</b>	<p><i>AMBEV – Cia.De Bebidas das Américas</i></p> <p><b>2.1 - DADOS BÁSICOS:</b></p> <p>Geração de empregos:<b>750 diretos</b></p> <p><u><i>Dados Municipais Itapissuma</i></u> Taxa de Analfabetismo 2010*: <b>16,95</b> Taxa de mortalidade infantil: <b>12,62</b></p> <p>PIB estadual 2011: <b>104.393.980</b> PIB per capita 2011 (R\$ 1,00): <b>20.447</b> Participação no PIB de PE 2011: <b>0,47%</b></p> <p>Total de empregos formais 2013: <b>6.143</b></p> <p><small>*=População com 10 anos ou mais de idade.</small></p> <p><b>2.2 – DADOS COMPLETOS:</b></p> <p><b>Vide anexo: ITEM 2 INFO COMPLETA.pdf</b></p>	<p><i>CBL-Cia.Brasileira de Laticínios</i></p> <p>Geração de empregos:<b>200 diretos</b></p> <p><u><i>Dados Municipais Pedra</i></u> Taxa de Analfabetismo 2010*: <b>30,20</b> Taxa de mortalidade infantil: <b>25,77</b></p> <p>PIB estadual 2011: <b>104.393.980</b> PIB per capita 2011 (R\$ 1,00): <b>6.813</b> Participação no PIB de PE 2011: <b>0,14%</b></p> <p>Total de empregos formais 2013: <b>1.158</b></p> <p><small>*=População com 10 anos ou mais de idade.</small></p> <p><b>2.2 – DADOS COMPLETOS:</b></p> <p><b>Vide anexo: ITEM 2 INFO COMPLETA.pdf</b></p>	<p><i>NissinAnjinomoto Alimentos Ltda.</i></p> <p>Geração de empregos:<b>110 diretos</b></p> <p><u><i>Dados Municipais Glória de Goitá</i></u> Taxa de Analfabetismo 2010*: <b>27,30</b> Taxa de mortalidade infantil: <b>9,71</b></p> <p>PIB estadual 2011: <b>104.393.980</b> PIB per capita 2011 (R\$ 1,00): <b>4.368</b> Participação no PIB de PE 2011: <b>0,12%</b></p> <p>Total de empregos formais 2013: <b>2.013</b></p> <p><small>*=População com 10 anos ou mais de idade.</small></p> <p><b>2.2 – DADOS COMPLETOS:</b></p> <p><b>Vide anexo: ITEM 2 INFO COMPLETA.pdf</b></p>
<b>03</b>	<p>O treinamento da população local com relação às empresas em tela (AMBEV, CBL e NISSIN) foram realizados diretamente pelas empresas, Municípios e/ou Instituições Apoiadoras (ex. Sistema S). O treinamento não foi realizado diretamente pelo Estado através da SEMPETQ (Secretaria de Micro e Pequena Empresa, Trabalho e Qualificação). Assim, não dispomos das informações solicitadas.</p>		
<b>04</b>	<p>Em Itapissuma, para 2015, há previsão de instalação das empresas Brasil Kirin (previsão de investimentos em R\$ 827.000.000,00 e geração de 1.000 empregos) e P&amp;G (previsão de investimentos em R\$ 100.000.000,00 e geração de 220 empregos).</p> <p>Em Glória do Goitá, para 2015, há previsão de instalação das empresas: Total Plast (previsão de investimentos em R\$ 20.000.000,00 e geração de empregos 150 empregos) e Ferreirinhos (previsão de investimentos em R\$ 10.000.000,00 e geração de 30 empregos).</p>		



	Não há informação sobre previsão de instalação de novas indústrias em Pedra.		
<b>05</b>	<p><b>AMBEV – Cia.De Bebidas das Américas</b> <b><u>Dados Municipais Itapissuma</u></b></p> <p>Início de operação da planta industrial: <b>Primeiro semestre de 2014</b></p> <p>PIB per capita 2011 (R\$ 1,00): <b>20.447</b> PIB per capita 2012 (R\$ 1,00): <b>30.408 **</b></p> <p>Participação no PIB de PE 2011: <b>0,47%</b> Participação no PIB de PE 2012: <b>0,63% **</b></p> <p><b>** Dados mais recentes publicados.</b></p>	<p><b>CBL-Cia.Brasileira de Laticínios</b> <b><u>Dados Municipais Pedra</u></b></p> <p>Instalação da planta industrial: <b>Primeiro semestre de 2011</b></p> <p>PIB per capita 2011 (R\$ 1,00): <b>6.813</b> PIB per capita 2012 (R\$ 1,00): <b>6.818 **</b></p> <p>Participação no PIB de PE 2011: <b>0,14%</b> Participação no PIB de PE 2012: <b>0,12% **</b></p> <p><b>** Dados mais recentes publicados.</b></p>	<p><b>NissinAnjinomoto Alimentos Ltda.</b> <b><u>Dados Municipais Glória do Goitá</u></b></p> <p>Instalação da planta industrial: <b>Segundo semestre de 2012</b></p> <p>PIB per capita 2011 (R\$ 1,00): <b>4.368</b> PIB per capita 2012 (R\$ 1,00): <b>5.073 **</b></p> <p>Participação no PIB de PE 2011: <b>0,12%</b> Participação no PIB de PE 2012: <b>0,13% **</b></p> <p><b>** Dados mais recentes publicados.</b></p>
<b>06</b>	<p><b><u>Itapissuma</u></b></p> <p><b>6.1 - DADOS BÁSICOS:</b></p> <p>Região de Desenvolvimento: <b>RD Mata Norte</b> Ano de criação do município: <b>1893</b></p> <p>Altitude da sede (m): <b>13</b> Distância à capital (km): <b>65,9</b> Distritos: <b>Goiana, Ponta de Pedras e Tejucupapo</b></p> <p>População Residente 2014: <b>78.287 (estimativa)</b> Área (km²): <b>501.884</b> IDH 2010: <b>0.651</b></p> <p>Prefeito: <b>FREDERICO GADELHA MALTA DE MOURA JUNIOR</b> Partido Político: <b>PTB</b></p> <p><b>6.2 - DADOS COMPLETOS:</b></p> <p><b>Vide anexo: ITAPISSUMA.pdf</b></p>	<p><b><u>Pedra</u></b></p> <p><b>6.1 - DADOS BÁSICOS:</b></p> <p>Região de Desenvolvimento: <b>RD Agreste Meridional</b> Ano de criação do município: <b>1881</b></p> <p>Altitude da sede (m): <b>593</b> Distância à capital (km): <b>254,9</b> Distritos: <b>Pedra, Horizonte Alegre, Poço do Boi, Santo Antônio e São Pedro do Cordeiro</b></p> <p>População Residente 2014: <b>21.609 (estimativa)</b> Área (km²): <b>803.216</b> IDH 2010: <b>0.567</b></p> <p>Prefeito: <b>JOSÉ TENÓRIO VAZ</b> Partido Político: <b>PTB</b></p> <p><b>6.2 - DADOS COMPLETOS:</b></p> <p><b>Vide anexo: PEDRA.pdf</b></p>	<p><b><u>Glória do Goitá</u></b></p> <p><b>6.1 - DADOS BÁSICOS:</b></p> <p>Região de Desenvolvimento: <b>RD Mata Norte</b> Ano de criação do município: <b>1877</b></p> <p>Altitude da sede (m): <b>158</b> Distância à capital (km): <b>58,8</b> Distritos: <b>Glória do Goitá e Apoti</b></p> <p>População Residente 2014: <b>30.111 (estimativa)</b> Área (km²): <b>231.832</b> IDH 2010: <b>0.604</b></p> <p>Prefeito: <b>ZENILDO MIRANDA VIEIRA</b> Partido Político: <b>PTB</b></p> <p><b>6.2 - DADOS COMPLETOS:</b></p> <p><b>Vide anexo: GLÓRIA DO GOITÁ.pdf</b></p>
<b>07</b>	<p>O PROINFRA – Programa de Desenvolvimento da Infraestrutura Industrial é um importante programa de incentivos fiscais realizado pelo Estado de Pernambuco e também presente em diversos outros estados brasileiros. É devidamente ratificado pelos Estados no âmbito do CONFAZ. Especialmente em momentos de crise, como o que se encontra instalado no mundo e no Brasil, a sua utilização ganha ainda maior importância na atração e implantação de empresas que geram renda e empregos para a população. Assim, continuará a ser utilizado pelo Estado de Pernambuco. Como há um determinado período até que os dados estatísticos sobre os Municípios sejam disponibilizados, sugere-se que, no futuro, novos levantamentos e pesquisas sejam realizados para acessar os benefícios do incentivo junto à população e quais os seus desafios.</p>		

## **Annex 7. List of Supporting Documents**

- Pernambuco, Governo do Estado, *Relatório de Fechamento, DPL-Development Policy Loan, Programa de Desenvolvimento, Políticas do Estado de Pernambuco – Resumo, Recife, April 2015.*
- Secretaria de Planejamento e Gestão, Governo do Estado de Pernambuco. *Documento Visão de Futuro.*
- Secretaria de Planejamento e Gestão, Governo do Estado de Pernambuco. *Todos por Pernambuco. Documento do Modelo de Gestão.*
- World Bank, Aid Memoires, 2013 to 2015.
- World Bank, Brazil – Country Partnership Strategy (CPS) for the period FY2012-2015, November 1, 2011.
- World Bank, Disbursement Documents 2013-2015.
- World Bank, Guarantee Agreement (Ln. 8284-BR), Pernambuco Equity and Inclusive Growth Development Policy Operation, July 18, 2013.
- World Bank, Loan Agreement (Ln. 8284-BR), Pernambuco Equity and Inclusive Growth Development Policy Operation, July 18, 2013.
- World Bank, Implementation Status Results Reports (ISRs), 2008-2015.
- World Bank, Mid-Term Review Supervision Missions Back-to-Office Reports – 2013-2015.
- World Bank, Program Document (Ln. 8284-BR). Report No. 75750. Pernambuco Equity and Inclusive Growth Development Policy Operation, May 23, 2013

# MAP

