

PROGRAM INFORMATION DOCUMENT (PID)
APPRAISAL STAGE

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Operation Name	Piauí Productive and Social Inclusion Development Policy Loan (DPL)
Region	Latin America and the Caribbean
Country	Brazil
Sector	Sub-national government administration (20%); general water/sanitation/flood (20%); general education (20%) health (20%); public administration/agriculture (20%)
Operation ID	P146981
Lending Instrument	Development Policy Lending
Borrower(s)	State of Piauí, with the counter-guarantee of the Federative Republic of Brazil
Implementing Agency	Piauí State Secretariat of Planning
Date PID Prepared	October 19, 2015
Estimated Date of Appraisal	October 20, 2015
Estimated Date of Board Approval	December 21, 2015
Concept Review Decision	Following the corporate review, the decision was taken to proceed with the preparation of the operation.

I. Country and Sector Background

Brazil has made significant advances in terms of poverty reduction and social development since the 1990s. Growth in employment and labor income, as well as the implementation of targeted social assistance programs contributed to a significant reduction in the share of Brazilians living below the extreme poverty line. However as a result of the economic slowdown in recent years, it is estimated that the number of Brazilians living in extreme poverty grew from 7 million in 2012 to 7.6 million in 2013, the first increase after 10 consecutive years of reductions.

The state of Piauí faces high levels of inequality and poverty. The monthly per capita income of the 20 percent richest (R\$1,349) represents more than 15 times the monthly income of the 20 percent poorest (R\$85.70) in the state. Piauí's Gini coefficient was 0.566 in 2013—above the national coefficient (0.52 in 2013) and the highest among Brazilian states. In rural areas, almost 40 percent of households have a monthly income below the minimum wage. In 2013, 27.4 percent and 9.12 percent of the state population lived in poverty and extreme poverty, respectively. These numbers would be worse without the support given by the conditional-cash transfer program *Bolsa Família*, which benefited 449,313 families in Piauí (equivalent to 49 percent of the state's population) that same year.

Piauí's education indicators are below the national average. Piauí's illiteracy rate is 19.72 percent—above of the national average of 8.52 percent and the third highest among Brazilian states for people aged 15 years and older. The Piauí population has an average of 5.8 years of schooling—the second lowest among Brazilian States for citizens aged 25 years and older

(IPEADATA 2014). Dropout rate in SE is 16 percent, the second highest in Brazil. Age-grade distortion throughout the public education system is also common in Piauí: 30 percent of fundamental school students and 44.2 percent of secondary school students were two or more years behind the normal age-grade level in 2014.

Poor health conditions also contribute to the vicious cycle of poverty among Piauí's most vulnerable groups. The child mortality rate is 21.1 per thousand in the State, while the national average is 15 per thousand. Many of Piauí's municipalities are considered priority areas for neglected tropical diseases (NTDs), which are invariably linked to poverty and stigmatizing. For instance, in some municipalities of Piauí the incidence of soil-transmitted helminthiasis reaches 20 percent of the population. NTDs undermine the intellectual development and productivity, drawing poor people into a downward spiral of worsening disease and poverty. The health care system in Piauí is not sufficient to prevent, control and treat those illness and other poverty-related diseases. Facilities and staffing are insufficient, especially in rural areas where the most vulnerable groups live; management and coordination among key governmental agencies are weak.

Poverty is exacerbated among the rural population, which is characterized by subsistence and small-scale farmers. Even with the benefits of social programs such as the BFP, the percentage of households with a monthly income below the minimum wage is 18 percent in urban areas and almost 40 percent in rural areas. Almost 90 percent of agricultural establishments in Piauí are classified as family farms, which are distributed in only 39 percent of the total area of settlements, mostly in semi-arid areas. The lack of land title has important implications for subsistence and small-scale producers, such as constraining access to credit and subsidized financing lines. It also affects long-term decision-making on land use—as producers face the risk of losing their land plots and do not have access credit lines, they do not invest in sustainable agricultural practices. Moreover, production remains constrained by available natural resources and vulnerable to extreme climate events, especially drought in the Semi-arid macro-region. Inadequate and inefficient water resources management aggravates this situation. Despite their scarcity, water resources have been used at no charge and with limited control in Piauí, especially in large portions of agribusiness irrigated crops, whereas the rural poor do not have sufficient access to water resources.

Gender gaps remain sizeable in Piauí, particularly concerning labor market opportunities, income levels, and productive inclusion. In 2010, the share of households headed by women reached 37.8 percent. The women average contribution to the overall family income also increased by 15.6 percent. It was higher among low-income families, among which the average weight of women's income reached 53.4 percent. In 2010, women counted for 41.7 percent of the economically active population. However, they are the majority the informally employed and lower paid workers. Gender-based violence is on the rise and remains largely underreported in Piauí. In 2013, the GoPi created the State Coordination of Policies for Women (CEPM) to plan, coordinate, execute and articulate public policies for women across sectoral agencies in Piauí. The CEPM, however, does not have the structure, institutional arrangements and competencies to carry out its mandate.

II. Operation Objectives

The program development objective of the proposed DPL is to support the GoPi's key policy reforms for (i) improved performance of secondary education students in state public schools and

expanded coverage of public health services; (ii) expanded access of targeted vulnerable groups to productive chains and natural resources management services; (iii) strengthened systematic monitoring of priority investments; and (iv) strengthened institutions for gender mainstreaming and channeling the citizens' voice in strategic programs. Specifically, the proposed DPL will focus on the following pillars and goals:

Pillar 1: Improved performance of secondary education students in state public schools and expanded coverage of public health services. Policies will seek to: (i) increase from 0.4 to 3 percentage points the difference between the pass rate in the municipalities targeted by the “*Poupança Jovem*” Program and the average pass rate of state public SE schools (excluding Teresina); (ii) increase by 5 percentage points the proportion of patients cured of tuberculosis and hanseniasis in priority targeted municipalities; and (iii) increase from 70% to 83% the proportion of captured vectors examined to detect the Chagas disease parasite.

Pillar 2: Expanded access of targeted vulnerable groups to productive chains and natural resources management services. Policies will aim to: (i) increase from 194 to 1,500 the number of groundwater users whose information is registered in the State Water Users Registry; (ii) quarterly update and public disclosure of a list of the state groundwater users not complying with the legislation related to the state water-users registry and the grant of water-use rights; (iii) increase from 0 to 100% of new applications submitted by small-scale and subsistence farmers who are jointly processed by INTERPI and SEMAR; and (iv) increase from 0 to 100% of selection and implementation process of PROGERE-financed projects through a computerized management system and public disclosure of relevant information.

Pillar 3: Strengthened systematic monitoring of priority investments. Policies will aim at increasing from 21% to 40% the number of agreements (*convenios*) for targeted activities financed through federal grants that are monitored through SIMO.

Pillar 4. Increased accountability and responsiveness through gender mainstreaming and citizen oversight of strategic programs. Policies will seek to: (i) increase in threefold the number of strategic thematic programs included in the state's Multiyear Plan (PPA) with gender-based indicators; and (ii) have at least five priority sectors of the state government have OGE representatives.

In order to support the GoPi's efforts for enhanced productive and social inclusion and reduce poverty and inequality, the proposed DPL supports an integrated approach of interrelated policies aimed at improving human capital and creating opportunities for improving the income of the Piauí's poorest and most vulnerable groups. Through the policies supported by the DPL, poor families will benefit from (i) financial incentives to encourage students in state schools to complete secondary education and participate in extracurricular activities; (ii) enhanced health care to prevent, control and respond to neglected diseases, which impair labor productivity and social inclusion; (iii) better planning and management of water resources, the scarcity and inefficient use of which have hampered production among subsistence and small farmers; and (iv) financial and technical support to improve productivity through a more adequate and efficient use of natural resources. With the support of the proposed DPL, the GoPi will institutionalize its results-based monitoring framework to oversee the implementation of strategic programs associated with productive and social inclusion, including actions funded by the

federal government and external financing institutions. The GoPi will also mainstream a gender perspective into its strategic policies, such as income generation programs, and will facilitate the access of poor citizens to grievance redress mechanisms in sectoral agencies whose actions are key to reduce poverty.

III. Rationale for Bank Involvement

The State Government of Piauí (GoPi) aims to reduce poverty and inequality through policy reforms for productive and social inclusion. The proposed DPL will support policies anchored in the GoPi's development strategy, based on its existing sector strategies and ongoing reform agenda, clearly focused on the poorest 40 percent of the state's population. The State government's program is embodied in the Multiyear Plan (PPA) 2016–2019. This Plan organizes the overarching government objectives in four pillars: (i) human development, with emphasis on education, health, and security; (ii) diversified economic development, with social inclusion and sustainability; (iii) infrastructure investments for sustainable territorial development; and (iv) efficient public management, with transparency and accountability to improve life conditions. The fourth pillar includes programs focused on results-oriented management and technological modernization of the State. The drafting process of the PPA 2016–2019 started in May 2015, and comprised numerous public consultations and 39 workshops in the 11 Development Territories, in accordance with the directives of participatory development planning (State Complementary Law No. 87/2007). The State Government focused on building consensus on the proposed plan with mayors, municipal legislators, municipal and federal agencies, civil society organizations and other key stakeholders, through the Territory Councils on Sustainable Development, and several meetings with the State agencies in charge of implementing the PPA.

Education. Aimed at reducing school dropout and increasing pass rate in SE for young people from the most vulnerable areas, the State has created an incentive program for students from poor municipalities to complete SE. To do so, the GoPi enacted State Law 6,706/2015, creating the “*Poupança Jovem*” Program (Youth Savings Program, YSP). The program's purpose is to reduce school dropout and increase pass rates in SE, support better learning through student/school/family strategies, and stimulate student participation in the National Secondary School Exam (ENEM). Initiated as a pilot program in 2015, YSP has enrolled approximately 12,000 students in the four municipalities with the highest extreme poverty incidence in each developing territory, adding up 44 (out of 224) municipalities. Under this program, students in participating municipalities will receive an annual financial reward for each of the three years of SE successfully concluded. The beneficiary students must also participate in complementary learning programs with emphasis on good citizenship, criminality prevention, gender equality and other activities aligned with YSP objectives. With these actions, the GoPi will expand the program in the upcoming years, following the original selection criteria of the highest extreme poverty incidence in each development territory.

Health. As part of the proposed DPL, the GoPi created a program to prevent, control and respond to neglected diseases (SESAPI Ordinance No. 1,870/2015). Based on successful initiatives around the world, this program aims to promote synergies and augment financial resources, and administrative and medical capacity to support prevention, screening, diagnostic, and treatment initiatives, mainly through cooperative actions between the State government and the municipalities targeted by the program for each diseases. This integrated program will adopt

worldwide best practices on NTDs treatment, focused on the following axes: diagnostic of epidemiological profile of municipalities; screening for new cases on target population, diagnosis and treatment, training of health professionals, vector control, and social communication campaigns for prevention. In this context, the program will facilitate the distribution of medicines and tools, and will support mapping, surveillance, monitoring and evaluation. Decreasing the burden of NTDs in Piauí will improve the living conditions of the poorest groups.

Water resources. The proposed DPL supported the GoPi with the first steps towards an enhanced water resources management: State Law 6,474/2013 created the State Water Resources Users Registry (CERH), which will be managed by SEMAR. Under the new policy, all users of surface and groundwater shall register information with SEMAR regarding water use, such as location and nature of its source, availability, volume, distribution, and water quality. This new law sets the foundations for SEMAR to manage water resources, by gathering and processing relevant information on water use and supply in Piauí. By determining the water demand and supply within a basin and the water availability for each user, both in the present and future, the GoPi will have valuable information for deciding on the allocation of water resources and preventing conflicts among users. This is particularly important for small farmers, who tend to develop their projects without knowing how many prospective users will be competing for the same water in a certain point in a basin.

Natural Resources Management. As a prior action of the proposed DPL, the GoPi adopted Decree 15,502/2014 establishing integrated processes and protocols for applications received by INTERPI and SEMAR for land-tenure regularization, and allocation of natural resources and water rights. From now on, applications for land and environmental regularization will follow a single processing flow that involves both INTERPI and SEMAR, comprising standard procedures, geo-referencing, and automation. This policy reinforces the requirement of complying with environmental regulations to formalize real property rights. The integrated environmental and land-tenure regularization process will contribute to monitor and control productive landscapes, vegetation cover in private landholdings, and water rights management. The integrated processes will also contribute to improving land planning and promote the orderly occupation of vacant state land.

Program of Employment and Income Generation in Rural Areas (PROGERE). Considering the constraints faced by PROGERE's first phase, the GoPi has decided to refocus the Program on the poorest and most vulnerable groups, while ensuring economic, social and environmental sustainability of subsistence and small-scale rural production. This will be achieved through greater emphasis on productivity-enhancing activities and income-generating opportunities for participating farm families. The GoPi has launched the PROGERE's second phase, establishing transparent criteria and processes for selecting the Program's beneficiaries and projects—prioritizing women, *quilombola* communities, poor youth who concluded secondary education in agriculture technical schools, and the poorest producers of Piauí—and ensuring that these interventions are economically, socially, and environmentally sustainable. Indeed, PROGERE will prioritize the financing of projects that aim to enhance productivity through environmentally sustainable practices. Its operations manual list best practices on climate-smart and other environment-friendly practices for each of the six productive chains supported by the program. For the first time, the GoPi will use a computerized management system to receive applications, select and supervise implementation of rural development projects. After systematically recording and evaluating the projects' impacts on income growth and social inclusion, the GoPi

will select the ones to expand and the ones to restructure. Different from PROGERE's first phase and all other rural development programs in Piauí, the entire project cycle will be based on electronic forms. The system will, therefore, facilitate the result-based monitoring, supervision and evaluation aimed at ensuring that the program is fulfilling its goals of reducing rural poverty. This system will also include web-based sections available to the general public with key information on PROGERE's rules, implementation and results.

Results-based monitoring. With the support of this operation, the GoPi will institutionalize its results-based monitoring framework in order to oversee the implementation of strategic programs associated with enhanced productive and social inclusion, including actions funded by resources from the federal government and external resources. The proposed DPL will help promoting the statewide adoption of standardized results-based planning, monitoring, and evaluation processes by providing the legal basis, detailed regulations, and accountability structures necessary for their implementation. Improving planning practices and extending the Strategic Actions Monitoring System (SIMO) processes would contribute to addressing the existing fragmentation of planning practices, but also importantly guarantee that relevant information is collected, shared, and used in a timely manner to improve planning and execution. Furthermore, the proposed DPL supports the extension of coverage of SIMO to include the agreements (or *convenios*) signed with the Federal Government to implement specific investment programs in exchange of additional transfers. Discretionary transfers earmarked for specific sectors make up a significant part of the investment budget of Piauí. There State currently has 522 agreements with the Federal Government, which amount to BRL 7.4 billion.

Gender mainstream. The GoPi adopted a decree to operationalize the CEPM (State Decree 16,162/2015), in order to mainstream a gender perspective into the design, implementation and supervision of State public policies. In parallel, the GoPi has adopted additional reforms to (i) revitalize and operationalize the State Council for the Defense of Women's Rights; (ii) include gender-smart policies and programs in the PPA 2016–2019; (iii) expand and strengthen a network of municipal OPMs; and (iv) prepare, issue, and implement of the 1st State Plan for Women Policies. These policies will be the cornerstones to enable the GoPi to draft, coordinate and execute its cross-cutting policies that will contribute to guarantee the rights of women, to promote women's productive inclusion and to foster gender equity. In particular, the policies will contribute to (i) enhanced social inclusion by reducing gender gaps, economic and social vulnerabilities, as well as by improving service delivery; (ii) enhanced access to jobs and income-generation opportunities; (iii) strengthened partnership and dialogue between government and society, contributing to increase women's voice, participation and agency, to protect and realize women's rights and to promote gender equity; (iv) increased number of state policies and programs that are gender sensitive and gender smart; and (v) increased alignment and coordination between the State's gender policies and institutional framework, on the one hand, with gender policy reforms at the national level, on the other hand, and, consequently, increasing the potential efficiency and effectiveness of these interventions.¹

¹ In addition, other policies supported by this operation contribute to mainstreaming gender, to overcome gender gaps that are relevant at the state level, and to promote gender equity. The YSP requires the beneficiary students to participate in extracurricular activities associated with gender equality (for example, awareness activities to prevent early pregnancy gender-based violence). The integrated processes of INTERPI and SEMAR will require land titles to be issued in name of both partners/spouses or only in the woman of reference in the household. Finally, PROGERE will prioritize women and its implementation will be closely advised and monitored by two units within

Citizen Engagement. With the support of the proposed DPL, the GoPi regulated procedures to be followed by OGE-PI and a network of targeted sectoral agencies that have to provide technical support to expedite the response to complaints associated with social and productive inclusion services (State Law No. 16,150/2015). The OGE-PI will keep its role of technical coordination and supervision, while the decentralized offices will be responsible for representing OGE-PI at key sectoral agencies. This policy aims to (i) strengthen the operational capacity, policy, and institutional development of the ombudsman offices; (ii) foster the development of performance standards of excellence, the exchange and sharing of experiences and favoring knowledge production, dissemination, and consolidation; and (iii) promote mutual cooperation between public agencies, increasing efficiency, and reducing administrative costs. This network of cooperating agencies will address the existing fragmentation of practices and procedures, guarantee the standardization and sharing of relevant feedback provided by public service users and citizens in general as well as its integration and use in a timely manner to improve public planning and execution. The sectoral representatives of OGE-PI will comply with guiding principles and rules of procedures for ensuring incentives to use the ombudsman system, fair treatment of requesters, efficiency of response and social accountability. Those representatives will be responsible for receiving, filing and updating the electronic database all information requests, suggestions and compliments from citizens and other stakeholders, ensuring that these communications are properly responded within a 20 days period. They will also keep the requesters informed of the progress and the results of their demands.

The proposed single-tranche DPL for US\$200 million is aligned with the objectives of the Brazil Country Partnership Strategy (CPS) for 2012–2015 (Report 63731-BR, discussed by the Executive Directors on November 1, 2011), especially with the objective of developing new partnerships at subnational level and focusing on the country’s pending environmental and poverty reduction challenges. It will be complemented by investments and technical assistance provided under the proposed Investment Product Financing (IPF) “Piauí Service Delivery and Public Sector Management” Loan (P129342) in the amount of US\$120 million. While the proposed DPL will support the GoPi adoption of key policy reforms, the IPF will contribute with investments and technical assistance to the first years of policy implementation. Therefore, the IPF and DPL will have similar outcomes, and their results indicators will complement each other with targets increasing over the years.

IV. Tentative financing

Source:	(US \$ million)
International Bank for Reconstruction and Development	200
Borrower/Recipient	0
Others	
Total	200

V. Institutional and Implementation Arrangements

The State Secretariat of Planning (SEPLAN) will be responsible for the overall implementation of the proposed operation and will monitor the impact results through the Integrated System of Planning, Monitoring, and Evaluation. SEPLAN will oversee efforts of the participating

CEPM, in order to assure that a gender perspective will be taken into account in its income-generation programs in rural areas.

Secretariats (SEFAZ, SEMAR, SEDUC, SESAPI, and SDR)² and the Piauí State Land Institute (INTERPI), which will provide information on the results indicator via Strategic Action Monitoring System (SIMO). After gathering these data, SEPLAN will report results and liaise with the World Bank. SEPLAN will assume responsibility for meeting the Results Indicators and coordinate sector efforts to this end. A Project Implementation Committee, composed of officials from the agencies responsible for producing the Prior Actions and achieving Results Indicators, will monitor progress towards those results in a timely manner.

A well-developed legal framework—including the Federal Constitution and a number of laws and regulations, notably the Fiscal Responsibility Law of 2000 applied at the State level—underpin the management of public finances in the State. In addition, institutional arrangements for the management of public finances are clearly established between SEPLAN and SEFAZ. The State Audit Court (TCE) is responsible for external scrutiny, and the legislature plays an external oversight role. Federal rules consistent with international standards govern the budget classification system, and budget preparation is orderly and designed to promote participation by all key stakeholders and sector agencies. The State’s PFM environment features strong internal rules and controls on commitments. In addition, the State General Auditing Agency (CGE) has a sufficient degree of independence to grant it the level of access to State entities that is necessary to perform its role.

The State’s performance in accounting for and recording transactions is fairly strong, because accounting rules and regulations are generally respected. The State’s information system, the Integrated Financial Administration System (SIAFEM), is also adequate for most purposes. The use of the single treasury account model of cash management and a clear allocation of responsibility for managing it facilitate the performance of bank reconciliations on a regular basis and in a timely manner.

VI. Risks and Risk Mitigation

The proposed operation is considered to have moderate risks. The following paragraphs summarize the risks that are considered substantial with regard to the sustainability of the policies and programs supported by the DPL and proposed mitigation measures. All other risk categories (i.e. political and governance; sector strategies and policies; technical design of program; fiduciary; environment and social; and, stakeholders) were considered low.

Macroeconomic risks. Brazil is experiencing a severe and wide-spread recession, which is amplified by contractionary fiscal and monetary policy. Heavy dependence on transfers from the Federal Government by Piauí poses a substantial risk to the achievement of the Project Development Objectives as declining Federal transfers as well as state own revenues may hamper the implementation of the GoPs reform program supported by the DPL. In addition the finances of Piauí are also vulnerable to ongoing price adjustments at the national level, specifically exchange rate and interest rate adjustments. These risks are mitigated by the level and composition of the GoP’s debt which remains low and with a small share of foreign currency denominated debt (23 percent of the total or 16 percent of Net Current Revenue, as of end 2014). In addition, State’s fiscal consolidation measures to enhance own-revenue collection and improve expenditure efficiency – to be incorporated in the proposed IPF – should strengthen the fiscal position of Piauí and ensure sustainability of results.

² Secretariat of Finance (SEFAZ); Secretariat for Environment and Water Resources (SEMAR); Secretariat for Education (SEDUC); Secretariat of Health (SESAPI); Secretariat for Rural Development (SDR).

Institutional capacity for implementation and sustainability risks. GoPi's institutional capacity is relatively weak. Some line agencies do not have the organizational structure needed to carry out their functions. A number of measures have been taken by the Government to mitigate the potential impact of capacity constraints. The policy reforms supported by the DPL are designed to take into account the capacity constraints of the participating agencies. Some of the DPL-supported policies will directly contribute to strengthening institutional capacity in Piauí. For instance, considering human resources constraints in SDR, INTERPI and SEMAR, the proposed DPL supports policies to improve the efficiency of service delivery in those agencies. Further, the analytical work carried out for the operation recommended a series of investments (e.g. equipment and information technology systems) and technical assistance activities (e.g. analytical work and training) that will help build institutional capacity of agencies in charge of implementing the policy reform program. Most of these activities will be financed by the upcoming IPF operation, which will help to also ensure sustainability of capacity improvements.

VII. Poverty and Social Impacts and Environment Aspects

Poverty and Social Impacts

The policy actions supported by this operation are expected to have a positive and significant impact on the reduction of poverty and social inequalities. Results from the Poverty and Social Impact Analysis (PSIA) indicate that the actions supported by this operation will likely contribute to poverty alleviation and improve income distribution in the rural areas of Piauí. The analysis results showed that a policy of income redistribution in favor of the rural poor might have important payoffs in increasing aggregate social welfare and reducing potential social conflicts. Consequently, the GoPi included conditional direct transfers in the rural development and education policies. Furthermore, the analysis found that the rural development policy (that is, the State Program for Employment and Income Generation in Rural Areas - PROGERE) will benefit the rural poor through interventions in a broad cross-section of rural activities, such as (i) funding business initiatives and strengthening family farming and production chains; and (ii) supporting program beneficiaries through technical assistance, business mentoring, and educational campaigns to ensure the sustainability of their undertakings. In addition, the analysis confirmed that poor rural families would benefit from the education and health policies. By creating a financial incentive program for poor students to complete secondary education and implementing a State Plan to Address Neglected Diseases, the GoPi will improve the quality of life of the beneficiaries, foster human capital and, therefore, create opportunities for social and productive inclusion.

The PSIA has informed the design of policy reforms adopted by GoPi to maximize the positive effects on women and other vulnerable groups. As a consequence, the GoPi decided to (i) regulate the State Coordination Agency for Policies on Women, in order to mainstream a gender perspective into the State strategic programs; (ii) include, among the conditions for receiving the financial benefit envisaged in the education policy, the students' attendance at extracurricular activities to promote gender equality; and (iii) prioritize women, *quilombola* communities, and the poorest farmers while selecting PROGERE's beneficiaries.

Environment Aspects

The policies supported by the DPL are not likely to cause any negative effect to the environment, forests, and other natural resources. In parallel with the preparation of the DPL, the Bank conducted a Policy Strategic Environmental Analysis (PSEA). Results from the PSEA indicate that the policy reforms supported by the DPL are expected to result in positive effects on Piauí's environment and other natural resources. The DPL will support policies aimed at expanding public services associated with (i) incentives for subsistence and small-scale farmers to adopt environmentally sustainable practices, (ii) improving the institutional capacity of INTERPI for land-tenure regularization, and (iii) SEMAR for improving water resources management, and strengthening deforestation control actions. In addition, the policies aimed at expanding coverage of public services associated with social inclusion (that is, the Educational Incentive Program “*Poupança Jovem*”, and the Plan to Control and Respond to Neglected Diseases) will contribute to improving the living conditions of the poorest, so they can participate in the productive market and overcome the poverty that makes them more vulnerable to environmental health risks.

Reforms supported by the DPL will also facilitate the access of poor farmers to natural resources management services. As part of the land regularization process established by Laws 6,127/2011 and 6,687/2015, INTERPI and SEMAR are required to ensure that the land in question is proper for crops and pastures, taking into consideration the environmental legislation. In addition, the new rules of PROGERE require the beneficiaries to present evidence that their proposed projects comply with the environmental and water resources regulation, in order to receive resources from the Program—which also includes special technical assistance activities to support small farmers who need to apply for environmental and/or water use authorization.

VIII. Contact points

World Bank

Contact: Ernesto Sanchez-Triana, Lead Environmental Specialist

Tel: +1 201-473-6952

Fax: +1 202-522-1664

E-mail: esancheztriana@worldbank.org

Washington, DC

Michael Drabble, Senior Education Specialist

E-mail: mdrabble@worldbank.org

Tel:

Fax:

Brasilia, Brazil

Borrower

Contact: Sergio Miranda

Title: Superintendente de Cooperação Técnico-Financeira. Secretaria de Governo

Tel: +55 (86) 3235 7893

E-mail: sergiomiranda@karnak.pi.gov.br

IX. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW. Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: <http://www.worldbank.org/infoshop>