Early Warning System

WB-P509756

BR State of Piaui Strengthening Fiscal Sustainability and Fostering Sustainable Economic Development

Quick Facts

Countries	Brazil
Specific Location	State of Piaui
Financial Institutions	World Bank (WB)
Status	Approved
Bank Risk Rating	B
Voting Date	2025-12-16
Borrower	State of Piaui
Sectors	Law and Government
Investment Type(s)	Loan
Investment Amount (USD)	$ 390.21 million
Loan Amount (USD)	$ 390.21 million
Project Cost (USD)	$ 390.21 million

Project Description

According to the WB, the objective of the Brazilian (BR) State of Piaui Strengthening Fiscal Sustainability and Fostering Sustainable Economic Development Policy Loan Program is to support reforms in the State of Piaui by (i) strengthening fiscal sustainability and the quality of public expenditure, and (ii) promoting private sector participation in water and land resource management for sustainable economic development. The first pillar aims to enhance fiscal management by implementing controls on current spending, increasing procurement efficiency, and improving the management of climate-friendly public investments. The second pillar focuses on creating an enabling environment for private sector-led management of natural resources, specifically water and land, to promote sustainable development. This will be achieved by strengthening the financial autonomy of the water and sanitation state regulator to enhance regulatory certainty and promote private investment; improving the raw water charging system to encourage efficient use; and digitizing the land tenure regularization system to improve land security and support sustainable agriculture growth. This DPF is part of a broader World Bank (WB) initiative to bolster fiscal and environmental sustainability and resilience in Brazil, aligning with the Green, Resilient, and Inclusive Development (GRID) approach. The measures are expected to yield significant fiscal gains, improve service delivery in water and sanitation, and streamline the land tenure regularization process. By 2026, current savings are projected to reach the equivalent of 8 percent of revenues, supported by improved public expenditure management. At least 60 percent of new public investment projects are expected to undergo cost-benefit analysis, and public procurement is set to become more competitive. In the water sector, reforms aim to mobilize greater investment and expand access for poor women, while doubling the volume of raw water subject to usage fees. Finally, the digitalization of land tenure regularization is expected to significantly accelerate processing times, reducing the duration from 90 to 30 days.

Investment Description

- World Bank (WB)

Contact Information

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ACCESS TO INFORMATION

To submit an information request for project information, you will have to create an account to access the Access to Information request form. You can learn more about this process at: https://www.worldbank.org/en/access-to-information/request-submission

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Bank Documents

- Appraisal Program Information Document (PID)
- Brazil - Brazilian (BR) State of Piaui Strengthening Fiscal Sustainability and Fostering Sustainable
- Climate Finance Assessment (P509756)
- Concept Program Information Document (PID)
- Disclosable Version of the ISR - BR State of Piaui Strengthening Fiscal Sustainability and Fostering
- Official Documents- Guarantee Agreement for Loan 9899-BR.pdf
- Official Documents- Loan Agreement for Loan 9899-BR.pdf