Public Disclosure Authorized

Pernambuco Rural Economic Inclusion (P120139)

LATIN AMERICA AND CARIBBEAN | Brazil | Agriculture and Food Global Practice |
IBRD/IDA | Investment Project Financing | FY 2012 | Seq No: 16 | ARCHIVED on 30-Mar-2020 | ISR39506 |

Implementing Agencies: State of Pernambuco, SARA

Key Dates

Key Project Dates

Bank Approval Date: 06-Mar-2012
Effectiveness Date: 23-Jul-2012
Planned Mid Term Review Date: 26-Oct-2015
Actual Mid-Term Review Date: 26-Oct-2015
Original Closing Date: 31-Jan-2019
Revised Closing Date: 31-Mar-2020

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The objective of the Project is to promote rural business initiatives and expansion of rural access to water and other complementary infrastructure by supporting the Borrower's Results Management Framework.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components Table

Name
Investments in Rural Economic Inclusion:(Cost $10000.00 M)
Complementary Rural Infrastructure:(Cost $46500.00 M)
Project Management, Supervision, Monitoring and Evaluation:(Cost $18500.00 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	Moderately Unsatisfactory	Moderately Unsatisfactory
Overall Implementation Progress (IP)	Moderately Unsatisfactory	Moderately Satisfactory
Overall Risk Rating	Substantial	Substantial

Implementation Status and Key Decisions

This ISR summarizes the main results observed during the latest support to implementation and supervision missions meetings (November/December, 2019 and February, 2020), as well as monitoring meetings carried out through Webex.
Project implementation has improved to complete all prioritized investments and subprojects (Comp 1 and 2), preliminarily authorized by the Bank team. It's is allowing to strengthen the project results, as well as the Overall Implementation (IP) rating. However, considering the current Project Development Objectives (PDO) indicators results, the task team is maintaining it as MU and will reassess during the next mission. Therefore, besides the IP, the team is also upgrading to MS the ratings related to Components 1, 2, and 3, since all activities under implementation are either almost completed or will be finalized prior the closing date (considering a nine month extension, i.e. by December 31, 2020).
A project restructuring is being processed to extend the Closing Date by 3 months (from March 31, 2020 to June 2020). As the Project has still about US$ 11 million undisbursed, the State Governor submitted a proposal (Ofício No. 84/2020-GG/PE, dated March 20, 2020), to the Bank (CMU) seeking an extension and inclusion of an emergency component (i) to complete investments recommended by CGE in the audit report (productive

infrastructure and water & sanitation) and (ii) to provide support to the health system and to social protection responses to the project beneficiaries mostly affected by the health and economic effects of the COVID-19, plus an adequacy of the Results Matrix, and reallocation of resources between Categories of Expenditure / Components.
To date, the project "Pernambuco Rural Sustentável - PRS" has funded 297 agreements with Family Producer Organizations (OPFs) and disbursed the equivalent to 85% of the loan.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	Moderate	Moderate
Macroeconomic	--	Moderate	Moderate
Sector Strategies and Policies	--	Low	Low
Technical Design of Project or Program	--	Moderate	Moderate
Institutional Capacity for Implementation and Sustainability	--	Substantial	Substantial
Fiduciary	--	High	High
Environment and Social	--	Moderate	Moderate
Stakeholders	--	Substantial	Substantial
Other	--	--	--
Overall	--	Substantial	Substantial

Results

PDO Indicators by Objectives / Outcomes

Promote rural business initiatives

►Beneficiary RPOs successfully inserted into LPAs. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	50.00	50.00	75.00
Date	25-Apr-2012	17-Aug-2018	17-Aug-2018	31-Mar-2020
Comments:	"Successful insertion" into an LPA means the percentage of beneficiary RPOs who have achieved at minimum 4 of the 6 criteria listed below at 12 months after subproject conclusion: (i) Business Plan investments implemented; (ii) Financed investments are operational; (iii) Volume of production has reached a level of 80% of the Business Plan projection/forecast; (iv) Functioning accounting system; (v) Maintenance of a reserve fund for the financed investments; and, (vi) Sales being made to at least one non-institutional client.			

	End Target date updated to reflect the extension of Closing Date to March 31, 2020.

►Increased in real gross sales value for beneficiary RPOs (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	10.00	10.00	20.00
Date	25-Apr-2012	17-Aug-2018	17-Aug-2018	31-Mar-2020
Comments:	End Target date updated to reflect the extension of Closing Date to March 31, 2020.			

►Beneficiary RPOs selling products to institutional or private markets after subproject conclusion (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	67.00	67.00	60.00
Date	27-Jun-2016	17-Aug-2018	17-Aug-2018	31-Mar-2020
Comments:	This indicator was added to the Results Matrix on the 1st Restructuring of the project, approved on June 27, 2016. End Target date updated to reflect the extension of Closing Date to March 31, 2020.			

Promote expansion of rural access to water and other complementary infrastructure

►Rural households with access to “Improved Water Sources”, including 30% female headed and 5% belonging to vulnerable groups (IP or Quilombola) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	25,430.00	25,430.00	25,430.00
Date	27-Jun-2016	17-Aug-2018	17-Aug-2018	31-Mar-2020
Comments:	End Target date updated to reflect the extension of Closing Date to March 31, 2020.			

►Rural households with access to "Improved Sanitation Services", including 30% female headed and 5% belonging to vulnerable groups (IP or Quilombola) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1,845.00	1,845.00	1,845.00
Date	25-Apr-2012	17-Aug-2018	17-Aug-2018	31-Mar-2020
Comments:	Number of families			

Overall Comments

Currently, the project has either achieved or surpassed 3 out of 5 DO indicators. Therefore, the task team will update all indicators, after receiving the survey report. The project has contracted a consultancy firm to carry out a field survey with the beneficiaries and key

stakeholders towards preparing the BCR. The team is confident the project will be completed achieving or surpassing all DO indicators and sub-indicators.

Intermediate Results Indicators by Components

1 - Investments in Rural Economic Inclusion

►Rural households benefiting directly from project interventions, including 30% women-headed and 5% belonging to vulnerable groups (IP or Quilombola). (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	3,552.00	3,552.00	3,552.00
Date	25-Apr-2012	17-Aug-2018	17-Aug-2018	31-Mar-2020
Comments:	(36% women and 23% vulnerable people			

►Beneficiary RPOs, including 30% with women in specific management positions (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	72.00	72.00	70.00
Date	27-Jun-2016	17-Aug-2018	17-Aug-2018	31-Mar-2020
Comments:	65% women End Target date updated to reflect the extension of Closing Date to March 31, 2020.			

►RPOs trained and/or using financial management instruments for their financed productive activities (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	10.00	10.00	75.00
Date	27-Jun-2016	17-Aug-2018	17-Aug-2018	31-Mar-2020
Comments:	The Actual (Current) has been corrected to 10%, different from the Actual (Previous) that was 50%, to reflect the Actual current, based on the technical audit undertaken by the project. End Target date updated to reflect the extension of Closing Date to March 31, 2020.			

►Beneficiary RPOs with organized arrangements for the management, operation and maintenance of financed productive investments (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	13.00	13.00	70.00
Date	27-Jun-2016	17-Aug-2018	17-Aug-2018	31-Mar-2020
Comments:	End Target date updated to reflect the extension of Closing Date to March 31, 2020.			

►Percentage of beneficiaries that feel project investments reflected their needs (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	70.00
Date	07-Dec-2018	07-Dec-2018	07-Dec-2018	31-Mar-2020

2 - Complementary Rural Infrastructure

►Beneficiary rural households using water supply investments for drinking water (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	80.00	80.00	90.00
Date	25-Apr-2012	17-Aug-2018	17-Aug-2018	31-Mar-2020
Comments:	End Target date updated to reflect the extension of Closing Date to March 31, 2020.			

►RPOs charging user fees for management and maintenance of financed water supply projects. (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	64.00	64.00	95.00
Date	25-Apr-2012	17-Aug-2018	17-Aug-2018	31-Mar-2020
Comments:	End Target date updated to reflect the extension of Closing Date to March 31, 2020.			

►Rural water and sanitation subprojects concluded, including 30% of RPOs with women in specific management positions (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	212.00	212.00	212.00
Date	27-Jun-2016	17-Aug-2018	17-Aug-2018	31-Mar-2020
Comments:	(48% women and 37% vulnerable people)			

►Percentage of beneficiaries that feel project investments reflected their needs (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	70.00
Date	07-Dec-2018	07-Dec-2018	07-Dec-2018	31-Mar-2020

3 - Project Management, Supervision, Monitoring and Evaluation

►MIS fully functional and producing all required products (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	Yes	Yes	Yes
Date	27-Jun-2016	02-Apr-2018	02-Apr-2018	31-Mar-2020
Comments:	End Target date updated to reflect the extension of Closing Date to March 31, 2020.			

►Registered grievances satisfactorily responded in line with the Grievance Redress Mechanism (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	100.00	90.00
Date	07-Dec-2018	07-Dec-2018	31-Dec-2019	31-Mar-2020
Comments:	The team undertook efforts to recover info/data from the latest semester and the Bank team assessed all info/data collected for the period. The main data are presented below (period from August 2018 to September 2019): Number of complaints / requests for information received: 458 Number of compliments received: 147 Number of interactions by phone calls received: 3604 Number of interactions by SMS/WhatApss received: 2275 Number of interactions via social media (likes, shares of Project content): 4063			

Overall Comments

Currently, the project has either achieved or surpassed 5 out of 9 Intermediate Results Indicators by Components. The project has contracted a consultancy firm to carry out a field survey with the beneficiaries and key stakeholders towards preparing the BCR.Therefore, the task team will update all indicators, after receiving the survey report. The task-team is confident the project will be completed achieving or surpassing all Results indicators and sub-indicators.

Data on Financial Performance

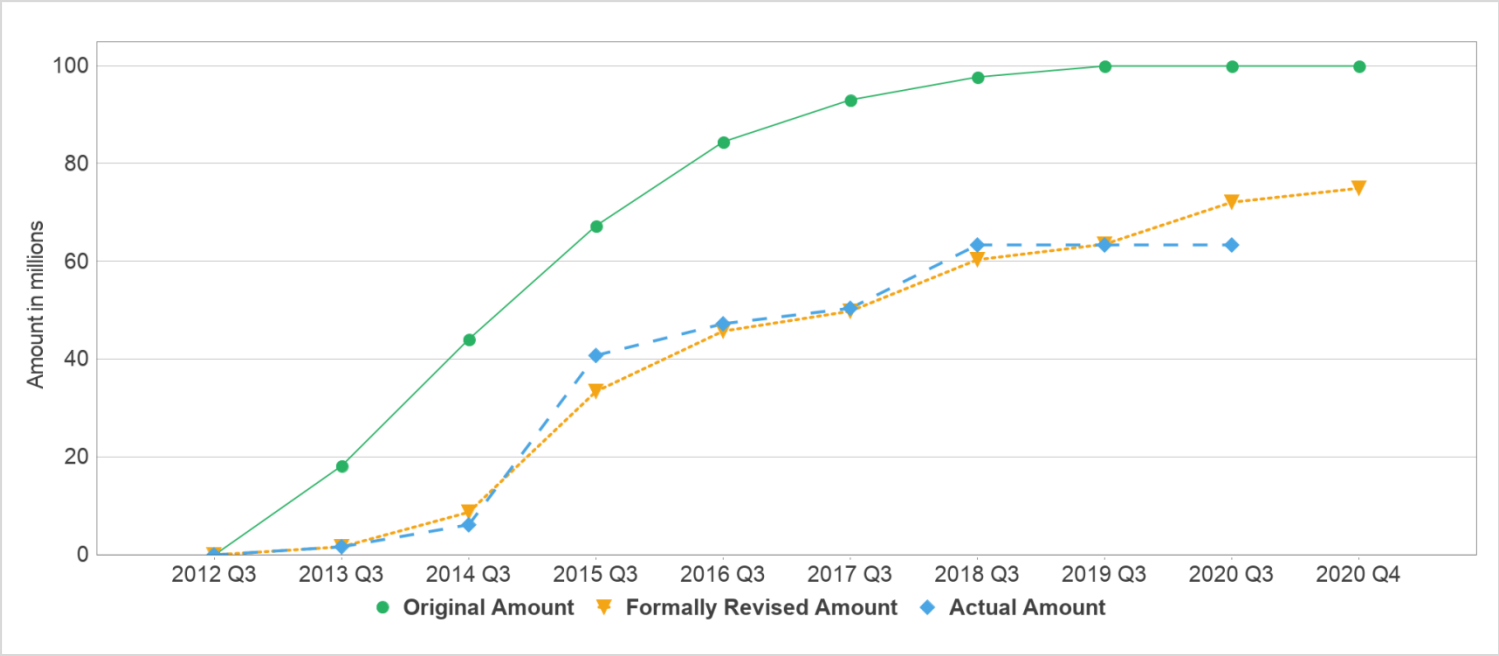
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P120139	IBRD-81350	Effective	USD	100.00	75.00	25.00	63.56	11.44	85%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P120139	IBRD-81350	Effective	06-Mar-2012	18-Jun-2012	23-Jul-2012	31-Jan-2019	31-Mar-2020

Cumulative Disbursements



Restructuring History

Level 2 Approved on 07-Jul-2016 ,Level 2 Approved on 04-Mar-2018 ,Level 2 Approved on 28-Jan-2019

Related Project(s)

There are no related projects.