

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

**FIRST PROGRESS REPORT**  
**ON THE IMPLEMENTATION OF MANAGEMENT'S ACTION PLAN IN RESPONSE TO**  
**THE INSPECTION PANEL INVESTIGATION REPORT (REPORT 148927-BR) ON THE**

**BRAZIL**  
**TERESINA ENHANCING MUNICIPAL GOVERNANCE AND QUALITY OF LIFE PROJECT**  
**ADDITIONAL FINANCING**  
**(LOAN NO. 8586-BR)**

**DECEMBER 17, 2021**

**Brazil**

**Teresina Enhancing Municipal Governance and Quality of Life Project  
Additional Financing**

**Progress Report No. 1**

**Implementation of Management Action Plan**

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**First Progress Report on the Implementation of Management’s Action Plan  
in Response to the Inspection Panel Investigation Report on the  
Teresina Enhancing Municipal Governance and Quality of Life Project  
Additional Financing (Loan No. 8586-BR)**

**I. INTRODUCTION**

***Background***

1. This is the first Progress Report to the Board of Executive Directors (the Board) on the implementation of the Management Action Plan (MAP) in response to the Inspection Panel Investigation Report No.148927-BR on the Brazil – Teresina Enhancing Municipal Governance and Quality of Life Project Additional Financing, covering activities and information available for the period December 1, 2020 to December 15, 2021.

2. *Project.* The Teresina Enhancing Municipal Governance and Quality of Life Project – locally referred to as the *Programa Lagoas do Norte* was approved on March 27, 2008. Its Project Development Objective (PDO) is to modernize and improve the management capacity of the Municipality of Teresina (the Borrower) in the financial, urban, environmental, service-delivery, and economic development fields and to improve the quality of life of the low-income population in the *Lagoas do Norte* region. The Project has a total cost of USD160 million, of which USD119 million have been financed with two consecutive IBRD loans. A USD31 million loan (Loan No. 7523-BR) was fully disbursed upon its closure in June 2016 and a USD88 million loan (Loan No. 8586-BR), part of an additional financing approved in February 2016, closes on April 15, 2022.

3. *Current Project Status.* The PDO rating is currently and likely to remain moderately unsatisfactory. The Project will have achieved most of its targets regarding improving the Municipality management capacity, but only a few of those related to improving the quality of life of the low-income population in the Lagoas do Norte region. Project overall implementation progress is also rated moderately unsatisfactory. While the original Project’s scope has been largely completed, the progress on activities under the additional financing is very limited. At closing, only about 25 per cent of the additional financing is expected to have been disbursed, leading to an overall disbursement rate of only 43 per cent.

***Summary of Panel Process***

4. *Request for Inspection.* On August 13, 2019, the Inspection Panel (IPN or “the Panel”) registered a [Request for Inspection](#), IPN RQ 19/10 (hereafter referred to as “the Request”), of the Project. The Request, submitted by 202 families of Teresina’s Mafrense and São Joaquim neighborhoods who opposed their resettlement under the Project, claimed alternative Project designs would allow them to keep their homes and alleged the Project had been causing cultural, social, and economic harm, was leading to impoverishment, and lacked adequate disclosure of information, consultation, and participation. Management provided its [Response to the Request](#) on October 22, 2019. In its [Eligibility Report](#) to the Board on November 25, 2019, the Panel found the Request eligible for inspection and recommended that the Executive Directors authorize an investigation.

5. *Investigation.* The Board approved an investigation into the allegations of harm arising from instances of non-compliance by the Bank with its operational policies and procedures. On July 22, 2020, the Panel issued an [Investigation Report](#), to which Management responded with its [Management Report and Recommendation](#) on September 30, 2020, which contained the proposed Management Action Plan (MAP). On December 1, 2020, the Bank's Board considered both reports and approved the MAP.

## II. PROGRESS OF MANAGEMENT ACTION PLAN IMPLEMENTATION

6. *Overview of MAP implementation progress.* As can be seen in Table 1 below, as of December 1, 2021, of the 10 MAP actions, 1 is completed (Action 2) and 9 are ongoing. More specifically, of the 9 ongoing MAP actions:

- (a) Seven (Actions 1 and 5-10) are ongoing and will be completed by the Project closing date. These seven actions have been implemented by both the Borrower and the Bank, and are recurrent activities that need to continue until the Project closes.
- (b) Action 3, which is related to the payment of compensation to the eligible owners of the dismantled houses, is in the final "payment" stage and is likely to be completed by the Project closing date.
- (c) Action 4, which concerns the implementation of the Post-Resettlement Satisfaction Survey and Completion Reports for the five Resettlement Action Plans (RAPs), will be completed after the Project closing date, as explained under the following paragraph.

7. *Need for additional time on Action 4:*

- (a) *Post-Resettlement Satisfaction Survey* – The Borrower completed the Post-Resettlement Satisfaction Survey, however, three families believed that they had suffered income losses due to resettlement. The Borrower needs to carry out a more in-depth assessment for these families, to confirm whether or not they were compensated in line with RAP requirements. If not, the Borrower and the Bank would need to agree on additional compensation measures, and the Borrower would need to implement them, before this element of Action 4 can be considered completed.
- (b) *RAP Completion Reports* – The follow-up measures agreed after submission of the Mocaminho RAP Completion Report are expected to be completed before Project closing; however, of the four other RAPs (Matadouro RAP and RAPs 1, 2 and 3), three are still under implementation. Their Completion Reports are expected to be submitted to the Bank three months after RAP implementation has finished. The Bank will then evaluate whether any follow-up actions are needed, and if so, the Borrower will need to implement them before this element of Action 4 can be considered completed.

**TABLE 1 – STATUS OF BORROWER & BANK ACTIONS AS OF DECEMBER 1, 2021**

| No. | Finding  | Borrower Actions   |  | Bank Actions  |   |
|-----|--|--|--|---|---|
|     |  | Description  | Status   | Description   | Status  |
| 1.  | <p><b>Lagoas do Norte: Inner Urban Area Flood Mitigation</b></p> <p><i>Analysis of alternatives for establishing the permanent water level is inadequate and in non-compliance with Bank Policy on Environmental Assessment, OP 4.01, paragraphs 2 and 8 (a), and Bank Policy on Involuntary Resettlement, OP 4.12, paragraph 2 (a).</i></p> | <p>(i) The Borrower agreed to implement an information campaign in a language understandable to the residents around the Oleiros Lagoon to inform and increase awareness about: (i) the importance of the Lagoas do Norte’s Drainage System to reduce flooding in the entire region; (ii) the need for the Oleiros Lagoon’s water level to maintain the 55-m ASL level as per the results of the Hydraulic Modeling Study of the Drainage System to avoid flooding in the riparian areas; and (iii) the operational pumping regime operated by the <i>Superintendência de Desenvolvimento Urbano Centro Norte</i>.</p> <p><i>Timeline: Processing of the Communication firm’s contract amendment by December 15, 2020.</i></p> | <p>(i) <b>Completed.</b></p> <p>A review of the Communication firm’s contract revealed that no amendment was needed to include the implementation of the information campaign.</p> | <p>The Bank will review and advise on the information campaign through knowledge and good practice sharing.</p> <p><i>Timeline: By January 2021</i></p> | <p><b>Completed.</b></p> <p>The Bank reviewed the draft information campaign concept, provided written comments on January 22, 2021, and presented its comments through a virtual meeting on April 13, 2021.</p> <p>The Bank provided additional comments to a much-improved version on May 24, 2021.</p> |

| No. | Finding   | Borrower Actions  |   | Bank Actions   |  |
|-----|---|---|---|--|--|
|     |   | Description   | Status  | Description  | Status   |
|     |   | <p>(ii) The Borrower will start the informational campaign.</p> <p><i>Timeline: By January 2021 and continuing until the end of the Project with bi-annual frequency.</i></p> | <p>(ii) <b>On-going.</b></p> <p>The information campaign was launched on June 30, 2021, with various videos and complementary posts explaining how the drainage system works. These were made available on WhatsApp, Instagram, and Facebook. Regular meetings with community leaders, community groups, and schools were also organized. Details on the campaign's implementation were submitted to the Bank as part of the semi-annual progress report submitted by the Borrower on September 04, 2021.</p> <p><a href="https://www.instagram.com/tv/CQwV6IPjQpK/?utm_medium=copy_link">https://www.instagram.com/tv/CQwV6IPjQpK/?utm_medium=copy_link</a></p> <p><a href="https://fb.watch/7Dor2zgf2J/">https://fb.watch/7Dor2zgf2J/</a></p> | N/A  | N/A  |
| 2.  | <p><b>Adequacy of Compensation</b></p> <p><i>Due to recent housing price inflation, the R\$77,000 cap established for the monitored resettlement, while it may have been adequate initially, has not reflected full</i></p> | N/A   | N/A   | <p>The Bank will undertake a housing market study to establish the availability of houses in the area under the R\$77,000 cap, i.e., the average value of social housing in the region. The findings of the study will inform the Bank's evaluation of the viability of the resettlement options offered to Project-affected people in</p> | <p><b>Completed.</b> The market study was completed on February 25, 2021.</p> <p>The Bank presented the study results to the PIU on March 29, 2021.</p> <p>The study indicates limited housing supply within the price ceiling for monitored</p> |

| No. | Finding   | Borrower Actions  |   | Bank Actions  |   |
|-----|---|---|---|---|---|
|     |   | Description   | Status  | Description   | Status  |
|     | <i>replacement cost since 2018. This is in non-compliance with Bank Policy on Involuntary Resettlement, OP 4.12, paragraph 6 (a) (iii).</i>   |   |   | compliance with OP 4.12, and of the need to update the monitored resettlement cap.<br><i>Timeline: By January 31, 2021</i>  | resettlement in areas within 10km of the Project area.<br><br>The Bank's evaluation is that this resettlement option does not need to be eliminated, as it can be interesting for families willing to look for monitored resettlement housing beyond 10 km from the Project area. In addition, and despite the results of the study, there is evidence that families that recently opted for monitored resettlement were able to find new houses within the Project's area below the current R\$77,000 cap.   |
| 3.  | <i>The Project was in non-compliance with Bank Policy on Involuntary Resettlement, OP 4.12, for displacing people and dismantling houses prior to payment of compensation or readiness of the resettlement site. However, with Management's assurances in its Response that displacement will occur after compensation, and that eligible owners of dismantled structures will be compensated in line with Bank policy,</i> | The Borrower has agreed to provide evidence to the Bank of payment of compensation to the eligible identified owners of the dismantled structures, in line with Bank policy.<br><br><i>Timeline: By June 30, 2021</i> | <b>Ongoing.</b><br><br>The Borrower shared with the Bank the evaluation reports of the dismantled assets on August 27, 2021 of the 7 potential owners that had been identified at the time of MAP preparation.<br><br>These 7 potential owners have submitted evidence of their ownership of the structures and following the review the Borrower's review of the evidence presented by those 7 potential owners, 5 were confirmed as eligible identified owners of the structures affected and, hence, entitled to receiving | The Bank will review the evidence of payment of compensation to the eligible identified owners of the dismantled structures, in line with Bank policy.<br><br><i>Timeline: By July 31, 2021</i> | <b>Pending completion of Borrower action.</b><br><br>This action will be completed after the PIU has compensated eligible identified owners. The Bank reviewed the process of identification and confirmation of eligibility of owners of dismantled structures and also the asset evaluation methodology to ensure the compensation to be provided was in line with OP 4.12 and deemed both acceptable. Further, the Bank has reminded the PIU of the need to provide the Bank with evidence of the compensation payments made to the five eligible identified |

| No. | Finding   | Borrower Actions  |  | Bank Actions   |   |
|-----|---|---|--|--|---|
|     |   | Description   | Status   | Description  | Status  |
|     | <i>the Panel finds that the Project is now in compliance with Bank Policy on Involuntary Resettlement, OP 4.12, paragraph 10.</i>                         |   | <p>payment of compensation, in line with Bank policy. The PIU has guided the 5 identified eligible owners through the administrative process of lost assets evaluation and compensation. The compensation payments due to these 5 identified owners are expected to occur before the Project's closure.</p> <p>The Project GRM continues to remain open to all other potential owners of the remaining dismantled structures to come forward and present evidence of ownership of such dismantled structures so such evidence can be reviewed and, if ownership is confirmed, compensation is paid. The Project's social media and other communication channels have been used to disseminate this information widely in the Project area.</p> |  | owners and will review it once it has been submitted.   |
| 4.  | <p><b>Identification of Project-affected People (PAPs), Census, and Socioeconomic Data</b></p> <p><i>The lack of comprehensive socioeconomic data</i></p> | <p>(i) The Borrower has agreed to implement any follow up measures to:</p> <p>(1) the Post-resettlement Satisfaction Survey</p> <p><i>Timeline: Completion of Survey by February 1, 2021;</i></p> | <p><b>(1) Ongoing.</b></p> <p>The Post-Resettlement Satisfaction Survey was completed ahead of time in December 2020. The Survey Report was submitted to the Bank on May 30, 2021 (2-</p>  | <p>(i) The Bank will review the findings of the Post-resettlement Satisfaction Survey for families that were resettled prior to June 30, 2020 and recommend to the Borrower additional assistance measures that may be necessary</p> | <p><b>(i) Ongoing.</b></p> <p>The Bank reviewed the Survey Report, Survey database and the resettlement process records and provided comments on August 17, 2021.</p> |



| No. | Finding   | Borrower Actions   |   | Bank Actions  |   |
|-----|---|--|---|---|---|
|     |   | Description  | Status  | Description   | Status  |
|     | <p><b>regarding production systems, labor, and household organization, and data on livelihoods, is in non-compliance with Bank Policy on Involuntary Resettlement, OP 4.12, Annex A, paragraph 6 (a).</b></p> | <p><i>submission of Survey report by March 15, 2021</i></p>  | <p>month delay) and the Survey database in July 2021. The Borrower submitted a revised version of the Survey Report on September 4, 2021 that addressed the Bank's comments.</p> <p>Per the Bank's recommendation, the Borrower will carry out a more in-depth assessment of 3 families who believe they suffered income losses as a result of resettlement, to confirm whether or not they were compensated in line with RAP requirements. If not, the Borrower and the Bank would need to agree on additional compensation measures, and the Borrower would need to implement them.</p> | <p>to meet the objectives of OP 4.12 and assist Project-affected people in their efforts to improve their livelihoods and standards of living or at least to restore them to pre-displacement levels (as provided in the RAPs and in the Parque Brasil revised social work plan).</p> <p><i>Timeline: Following completion of the Post-Resettlement Survey, by no later than March 31, 2021</i></p> | <p>Those comments included recommendations to improve the Survey report and a request to carry out a more in-depth assessment of the three families. The PIU and the Bank will agree on additional measures for assistance and compensation (as needed) after the PIU completes the required assessment to insure they are compensated according to OP 4.12 requirements.</p> |
|     |   | <p>(2) the RAP Completion Reports, which are recommended by the Bank, in line with the requirements of the RAPs and OP 4.12.</p> <p><i>Timeline: Two weeks after the Bank's advice is issued on RAP Completion Reports, the Borrower will agree with the Bank on a timeline for implementation of the Bank's</i></p> | <p><b>(2) Ongoing.</b></p> <p><u>Mocambinho RAP</u>: The Bank and the Borrower agreed on a timeline for implementation of the additional assistance measures recommended by the Bank to comply with OP 4.12 on October 6, 2021. Additional compensation measures were agreed with the PAP and are underway.</p>   | <p>(ii) Following completion of each RAP and its Completion Report to be carried out by the Borrower, the Bank will review the report's findings, including data on production levels and income derived from both formal and informal economic activities, and information on the standards of living of the displaced population and advise the Borrower if additional</p>                        | <p><b>(ii) Ongoing.</b></p> <p><u>Mocambinho RAP</u>: The Bank received the Mocambinho RAP Completion Report on February 18, 2020 and recommended additional assistance measures on March 16, 2020.</p> <p><u>Other RAPs</u>. The Bank's review of the Completion Reports for the Matadouro RAP, RAP 1, RAP 2 and RAP</p>   |

| No. | Finding   | Borrower Actions   |  | Bank Actions  |  |
|-----|---|--|--|---|--|
|     |   | Description  | Status   | Description   | Status                                     |
|     |   | <i>recommendations to comply with OP 4.12.</i>   | The PIU will report on the completion of the agreed additional compensatory measures.<br><br><u>Other RAPs:</u> The Borrower is expected to submit the Completion Report of Matadouro RAP, RAP 1, RAP 2 and RAP 3 three months after the completion of implementation of the respective RAPs (of which only RAP Matadouro is completed).   | assistance measures to meet OP 4.12 are required.<br><br><i>Timeline: Four weeks after the report's submission to the Bank, the Bank will provide advice to the Borrower on potential additional assistance measures before giving its no-objection to the completion of such report.</i> | 3 are pending submission of these reports. |
| 5.  | <b>Vulnerabilities and Disruption of Social Networks</b><br><br><i>There is a risk of harm to some of the PAPs because the Project failed to pay particular attention to providing resettlement assistance to the vulnerable. This is in non-compliance with Bank Policy on Involuntary Resettlement, OP 4.12, paragraph 8.</i> | (i) The Borrower has agreed, for resettlement carried out on or after October 1, 2020, to create a register with information on the assistance provided to the vulnerable Project-affected households and will start including such data in the semi-annual Project reports (Progress Reports) submitted to the Bank.<br><br><i>Timeline: Starting with the Report submitted to the Bank covering the second semester of 2020 and due on March 1, 2021 and continuing until Project closing.</i> | <b>(i) Ongoing.</b><br><br>The register was created using the KoboToolbox <sup>1</sup> and includes information on the assistance provided to the vulnerable affected households. A snapshot of the information provided by the register is included in Annex 1.<br><br>This information was included in the semi-annual Progress Reports, starting with the second semester of 2020, sent to the Bank on May 30, 2021 (and revised on September 4, 2021). | N/A   | N/A  |

<sup>1</sup> The KoBoToolbox is an open-source suite of tools for data collection and analysis that was developed by the Harvard Humanitarian Initiative, for use in humanitarian emergencies and other challenging environments.

| No. | Finding | Borrower Actions   |  | Bank Actions  |  |
|-----|---------|--|--|---|--|
|     |         | Description  | Status   | Description   | Status   |
|     |         |  | <p>Eleven vulnerable families requiring special attention were identified and have been provided assistance by the Borrower, including through priority referral to social protection programs.</p> <p>This information should next be provided in the Project Progress Report for the second semester of 2021.</p>  |   |  |
|     |         | <p>(ii) The Borrower has agreed to revise the social work plan (SWP) prepared for Parque Brasil to cover all vulnerable Project-affected households that opt for the monitored resettlement or cash compensation option after October 1, 2020. The revised social work plan will include promoting community organization, income generation activities through job requalification and vocational training, and environmental education targeting vulnerable people resettled under the Project.</p> <p><i>Timeline: By December 15, 2020</i></p> | <p><b>(ii) Completed.</b></p> <p>The social work plan prepared for Parque Brasil was revised on time (December 15) and now covers both PAPs resettled in Parque Brasil and affected vulnerable families that opted for the monitored resettlement or cash compensation option after October 1, 2020, and includes the details listed in the previous column.</p> | <p>(i) The Bank will review the Borrower's revised social work plan and provide comments.</p> <p><i>Timeline: By January 31, 2021</i></p> | <p><b>(i) Completed.</b></p> <p>The Bank reviewed the revised social work plan and provided comments on December 15, 2020.</p> |
|     |         | <p>(iii) This action is the same as that presented in Item 4 (i) above.</p>  | <p>(iii) This action is the same as that presented in Item 4 (i) above.</p>  | <p>(ii) This action is the same as those presented in Items 4 (i) and (ii).</p>   | <p>(ii) This action is the same as those presented in Items 4 (i) and (ii).</p>  |

| No. | Finding   | Borrower Actions  |  | Bank Actions  |   |
|-----|---|---|--|---|---|
|     |   | Description   | Status   | Description   | Status  |
| 6.  | <p><b>Reestablishing Livelihoods to Avoid Impoverishment</b></p> <p><i>Management did not ensure the establishment of programs to assist PAPs in their efforts to improve – or at least restore – their livelihoods and standards of living, and therefore is in non-compliance with Bank Policy on Involuntary Resettlement, OP 4.12, paragraph 2 (b).</i></p> | <p>(i) The Borrower has agreed to create a register with information on all the livelihood restoration assistance provided to Project-affected households after October 1, 2020 and will start including such data in the semi-annual Progress Reports submitted to the Bank.</p> <p><i>Timeline: Starting with the Report submitted to the Bank covering the second semester of 2020 and due on March 1, 2021 and continuing until Project closing</i></p> | <p><b>(i) Ongoing.</b></p> <p>The register created using the KoboToolbox identifies all people who had their livelihood affected by the Project-related resettlement and includes detailed information on livelihood restoration support provided under the Project to such Project-affected people. This information has now been systematically included in the semi-annual Progress Reports, starting with the one for the second semester of 2020. See a snapshot of a report generated by the KoboToolbox on the livelihood restoration assistance provided in Annex 1.</p> | <p>(i) This action is the same as those presented in Items 4 (i) and (ii).</p>  | <p>(i) This action is the same as those presented in Items 4 (i) and (ii).</p>  |
|     |   | <p>(ii) This action is the same as that presented in Item 4 (i) above.</p>  | <p>(ii) This action is the same as that presented in Item 4 (i) above.</p>   | N/A   | N/A   |
| 7.  | <p><i>The displaced people were not offered assistance for a transition period after displacement, based on the time needed to restore their livelihoods or standards of living. This is in non-compliance with Bank</i></p>  | <p>(i) The Borrower has agreed to create a register of all the transitional assistance that will be provided to Project-affected households after October 1, 2020 and start including such data in the semi-annual Project reports (Progress Reports) submitted to the Bank.</p>  | <p><b>(i) Ongoing.</b></p> <p>The information on this action is the same as that presented in Item 5 (i) above.</p>  | <p>(i) The Bank will review the register of all the transitional assistance that will be provided to Project-affected households, as reported in the Borrower’s bi-annual Project Progress Reports.</p> | <p><b>(i) Ongoing.</b></p> <p>The Bank has been reviewing the register of all transitional assistance provided to Project-affected households, by carefully analyzing the data provided in the semi-annual Progress Reports starting with</p> |

| No. | Finding   | Borrower Actions  |  | Bank Actions   |   |
|-----|---|---|--|--|---|
|     |   | Description   | Status   | Description  | Status  |
|     | <b>Policy on Involuntary Resettlement, OP 4.12, paragraph 6 (c) (i).</b>  | <i>Timeline: Starting with the Report submitted to the Bank covering the second semester of 2020 and due on March 1, 2021 and continuing until Project closure.</i> |  | <i>Timeline: Starting with the Report submitted to the Bank covering the second semester of 2020 – comments due by March 22, 2021 – and three weeks after submission of subsequent reports until Project closure.</i>              | the one for the second semester of 2020.  |
|     |   | (ii) This action is the same as that presented in Item 4 (i) above.   | (ii) This action is the same as that presented in Item 4 (i) above.  |  |   |
| 8.  | <b>Grievance Redress Mechanism</b><br><br><i>The lack of information about GRM processes and timelines, the unclear roles and responsibilities of its various actors, the inadequate training and capacity of the Mobilization Committee, and the lack of access to COLAB by a large part of the affected community is in non-compliance with Bank Policy on Involuntary Resettlement, OP 4.12, paragraph 13 (a).</i> | (i) The Borrower will adopt the recommendation of the assessment to be carried out by the Bank (see Bank action).<br><br><i>Timeline: By March 31, 2021</i>         | <b>(i) Completed.</b><br><br>The Borrower adopted the recommendations of the GRM assessment by presenting a timeline showing priorities and action implementation, including additional training and dissemination.<br><br>As a result, the Project is using a new GRM, developed specifically for the Project, and taking into account the GRM assessment recommendations. The following channels are available for registering complaints: in person in the Project Social Team Unit office, the Project Implementation Unit office and the Parque Brasil Social Office; by telephone to the UPS (social unit) and PIU | The Bank will carry out an assessment of the GRM to identify potential gaps in its application, including in-person communications on grievances, to meet the requirements of OP 4.12.<br><br><i>Timeline: By January 31, 2021</i> | <b>Completed.</b><br><br>The GRM assessment report was completed on February 5, 2021.<br><br>This report was shared with the Borrower on March 31, 2021, at which time the Bank presented the findings of the GRM assessment report, including recommendations on how to improve it, via a virtual meeting. |

| No. | Finding | Borrower Actions   |   | Bank Actions |        |
|-----|---------|--|---|--------------|--------|
|     |         | Description  | Status  | Description  | Status |
|     |         |  | <p>numbers; by e-mail; by mail; via social media, including WhatsApp, Facebook, and Instagram.</p> <p>The Municipal Ombudsman Office works as a second tier for appeals.</p> <p>The new GRM is fully operational and widely used by the local population as reported in the last semi-annual Progress Report (January-June 2021), which showed that 49 requests for information and 5 complaints were registered. The GRM will remain open until all MAP actions are completed.</p> |              |        |
|     |         | <p>(ii) The Borrower has agreed to provide additional training on complaints handling to the UPS team, the Supervising firm, and the works firms.</p> <p><i>Timeline: By April 30, 2021</i></p>      | <p><b>(ii) Completed.</b></p> <p>Six additional training sessions were organized and delivered between April and August 2021 on complaints handling, targeting both the UPS staff (social unit within the PIU) and the Supervising firm.</p>  |              |        |
|     |         | <p>(iii) The Borrower has agreed to continue disseminating information on the GRM on the Project's website, and Facebook and Instagram accounts subject to local restrictions by electoral laws.</p> | <p><b>(iii) Completed.</b></p> <p>Dissemination of information on the GRM resumed on April 1, 2021, as soon as the PIU was re-established, through publication of information</p>   | N/A          | N/A    |

| No. | Finding  | Borrower Actions   |   | Bank Actions   |  |
|-----|--|--|---|--|--|
|     |  | Description  | Status  | Description  | Status   |
|     |  | <p>The Borrower also agreed, after pandemic restrictions are lifted, to distribute leaflets to Project-affected families after receiving the Bank's no-objection to the leaflet.</p> <p><i>Timeline: Starting in January 2021 and continuing bi-annually until Project closing</i></p> | <p>about it on the Project's website, and its Facebook and Instagram accounts.</p> <p>Evidence of the information dissemination activities has been provided as part of the semi-annual Progress Report submitted on September 4, 2021.</p> |  |  |
| 9.  | <p><b>Supervision</b></p> <p><i>Management supervision prior to submission of the Request was insufficient to identify key issues and challenges related to the resettlement, and therefore did not provide adequate Project implementation support. The Panel finds this is in non-compliance with Bank Policy on Investment Project Financing, OP 10.00, paragraph 19.</i></p> <p><i>Management supervision after submission of the Request is in compliance with Bank Directive on Investment</i></p> | N/A  | N/A   | <p>The Bank will continue to apply appropriate supervision arrangements.</p> <p><i>Timeline: until Project closing</i></p> | <p><b>Ongoing.</b></p> <p>A list of supervision and training activities provided by the Bank is included in Annex 1.</p> |

| No. | Finding   | Borrower Actions |        | Bank Actions  |   |
|-----|---|------------------|--------|---|---|
|     |   | Description      | Status | Description   | Status  |
|     | <i>Project Financing, paragraph 43.</i>   |                  |        |   |   |
| 10. | <i>Management is in non-compliance with Bank Policy on Involuntary Resettlement, OP 4.12, paragraph 24 for failing to ensure adequate monitoring and evaluation of resettlement implementation.</i> | N/A              | N/A    | <p>(i) The Bank will monitor the review by the PIU of the external support firms' contracts, to strengthen their delivery of resettlement monitoring, evaluation, and reporting. The Bank will discuss with the Borrower any required adjustments to the contracts to address these issues. This will include support from an anthropology consultant to provide expert advice where RAP implementation involves the relocation of Afro-Brazilian cultural services. The Bank will work with the PIU to amend the external support firms' contracts, if deemed necessary.</p> <p><i>Timeline: Amendment to contract signed by November 30, 2020</i></p> | <p><b>(i) Completed.</b></p> <p>No contract amendment was necessary. The Bank provided the non-objection to the Terms of Reference for the anthropologist on November 10, 2020 and gave its no-objection to the anthropologist's CV on June 1, 2021. The anthropologist has now been hired.</p> |
|     |   |                  |        | <p>(ii) The Bank will monitor the development and deployment by the PIU of a monitoring tool that produces up-to-date reports on the implementation of the</p>  | <p><b>(ii) Completed.</b></p> <p>The Bank provided over 10 training sessions on the use of the KoboToolbox and provided</p>   |



| No. | Finding | Borrower Actions |        | Bank Actions  |   |
|-----|---------|------------------|--------|---|---|
|     |         | Description      | Status | Description   | Status  |
|     |         |                  |        | <p>RAPs and the ability of the PIU to register and incorporate beneficiary feedback on the resettlement process.</p> <p><i>Timeline: By December 15, 2020</i></p>   | <p>hands-on support and capacity building for the development of the registers.</p> <p>As a result, the PIU has set up a monitoring tool using the KoboToolbox that can produce on-demand, up-to-date reports on the implementation of the RAPs, incorporating beneficiaries' feedback.</p>   |
|     |         |                  |        | <p>(iii) The Bank will work with the PIU so that the enhanced resettlement monitoring, evaluation and reporting system continues to work satisfactorily.</p> <p><i>Timeline: Every six months until Project closing</i></p> | <p><b>(iii) Ongoing.</b></p> <p>The enhanced resettlement monitoring, evaluation and reporting system is operational. Data entry is continuous. The system generates on-demand and up-to-date reports on resettlement that provides inputs to, among others, the quarterly resettlement reports that are reviewed by the Bank and the semi-annual Progress Reports.</p> <p>The Bank provided over 10 training sessions on the use of KoboToolbox to the PIU and Supervising firm.</p> |
|     |         |                  |        | <p>(iv) The Bank will monitor the posting by the PIU of quarterly resettlement reports in an agreed format on the Project's website.</p>  | <p><b>(iv) Ongoing.</b></p> <p>The Bank has been monitoring the posting by the PIU of the quarterly resettlement reports on the Project website.</p>  |

| No. | Finding | Borrower Actions |        | Bank Actions   |  |
|-----|---------|------------------|--------|--|--|
|     |         | Description      | Status | Description  | Status   |
|     |         |                  |        | <p><i>Timeline: Quarterly until Project closing starting December 2020</i></p> | <p>The last two updates for March 31, 2021 and June 20, 2021 are available at:</p> <p><a href="https://semplan.pmt.pi.gov.br/wp-content/uploads/sites/39/2021/04/Tabela-Mestra-Reassentamento-31-03-2021-1.pdf">https://semplan.pmt.pi.gov.br/wp-content/uploads/sites/39/2021/04/Tabela-Mestra-Reassentamento-31-03-2021-1.pdf</a></p> <p>And:</p> <p><a href="https://semplan.pmt.pi.gov.br/wp-content/uploads/sites/39/2021/07/Tabela-Mestra-30-06-2021.pdf">https://semplan.pmt.pi.gov.br/wp-content/uploads/sites/39/2021/07/Tabela-Mestra-30-06-2021.pdf</a></p> |

### *Clarification regarding delays in MAP implementation*

8. MAP implementation was delayed by a political transition in Teresina, together with restrictions imposed by the COVID-19 pandemic. Together, these challenges led to a delay of approximately four months:

- (a) *Political transition.* Municipal elections in November 2020 resulted in the first change of leading party in 30 years. This resulted in a major change to staffing in the administration, including suspension of the entire PIU team on December 30, 2020 and did not resume operations until March 1, 2021. The appointment/re-appointment of key staff of the PIU also took some time. The PIU became fully operational again in early May 2021.
- (b) *COVID-19 related restrictions.* Brazil –Teresina included – has been severely affected by the COVID-19 pandemic. During November 2021, Brazil had the third highest number of confirmed COVID-19 cases (21.9 million) and second highest number of deaths (610,000, i.e., 287 per 100,000 people) globally.<sup>2</sup> Teresina was hard-hit, with 109,655 reported COVID-19 cases and 2,734 deaths (315 per 100,000 people).<sup>3</sup> Controlling the spread of COVID-19 and managing the unprecedented health challenge has been the primary concern of the new mayor. Between September 29, 2020 and December 30, 2020, due to social distancing, sanitary protocols, and illness, the PIU was operating at about 65 percent of its capacity. From the beginning of March 2021, when it resumed operations, to April 30, 2021, there was no communication specialist.

9. Despite the pandemic, the Bank continued to monitor and supervise the Project closely. Since December 2020, when the MAP was approved by the Board, two virtual supervision missions, (April 20-23, 2021 and November 29-December 3, 2021), and 29 virtual meetings dedicated to MAP supervision have been carried out. In addition, two high-level meetings between the new administration of the Municipality of Teresina and the Bank took place on March 26, 2021 and September 28, 2021. They included the Country Director, Regional Director, Water and Social Practice Managers and Task Team Leaders. Due to COVID-19, no in-country field supervision has been carried out by the Bank since March 2020. The Task Team carries out its supervision through virtual implementation support missions, using digital tools such as the KoboToolbox (GEMS<sup>4</sup> supported) to monitor RAP implementation. While the Task Team Leaders were changed on May 3, 2021; the rest of the team remained the same and the incoming and outgoing leaders have extensively shared information to ensure a smooth transition.

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<sup>2</sup> <https://especiais.gazetadopovo.com.br/coronavirus/casos-no-mundo/>

<sup>3</sup> Fundação Municipal de Saúde, Nov 29, 2021.

<sup>4</sup> The Geo-Enabling initiative for Monitoring and Supervision (GEMS) aims to enhance projects' monitoring and evaluation and supervision, by building capacity among clients, partners, and Bank teams on the ground, to leverage field-appropriate technology for digital data collection and analysis. At the same time, GEMS provides platforms for remote supervision, real-time risk monitoring, and portfolio mapping for coordination across projects and partners.

### III. CONSULTATIONS WITH REQUESTERS ON MAP PROGRESS

10. *Consultations.* The communities of Mafrense and São Joaquim were invited on October 27, 2021 to attend the consultations on the implementation status of the MAP. Such consultations were held virtually on November 17, 2021 with the community of Mafrense and on November 18, 2021 with the community of São Joaquim, with participants located in Washington, DC, Brasilia, and Teresina. A total of 26 representatives of the Requesters participated, 13 from each community. There was no limit on the number of participants. The Bank participated with 9 Project staff and facilitated the meeting with a moderator. During the consultations, the status of progress in implementing the MAP actions was presented. Then community members were invited to provide feedback or ask questions. The opportunity to participate was open to every participant without limitation as to time or number of questions. The consultations did not include representatives from the Government, Borrower, or the Implementation Agency.

11. *Feedback.* Participants from both communities had little to say about the implementation progress of the MAP. Instead, they wanted to restate their position and views from the Request for Inspection. Concretely, they expressed that they did not wish to be resettled; that they were still waiting for the Municipality to present design alternatives that would reduce or avoid the need for resettlement and that the compensation value for monitored resettlement was becoming increasingly insufficient to find a new home in the Project area, as it has not been adjusted for inflation and construction costs have grown sharply in the past two years. The community from São Joaquim also strongly affirmed their rejection of the Project and that they did not wish to be further consulted in the future.

### IV. NEXT STEPS

12. *Next Progress Report.* The next Progress Report will be provided to the Board in 12 months' time, or upon completion of the MAP, whichever occurs first.

**Annex 1**  
**List of MAP-related Supervision Meetings and Training Activities by the Bank**

| <b>Date</b>  | <b>Subject</b>                                      | <b>Participants</b>                                   | <b>Topics</b>  |
|--|---|---|--|
| <b>TRAINING ACTIVITIES</b>                                       |   |   |  |
| <b>9/28/2020</b>   | KoBoToolbox training                                | Social WB Team  | Tool presentation  |
|  |   | Social PIU Team                                       |  |
| <b>9/29/2020</b>   | KoBoToolbox training                                | Social WB team  | Assignment for next session  |
|  |   | Social PIU Team                                       |  |
| <b>10/2/2020</b>   | KoBoToolbox training                                | Social WB Team  | Continue form building and training with smaller group   |
|  |   | Social PIU Team                                       |  |
| <b>10/29/2020</b>  | KoBoToolbox training                                | Social WB Team<br>Social PIU Team                     | Adjustments to reflect the resettlement operational process  |
| <b>11/13/2020</b>  | KoBoToolbox training                                | Social WB Team<br>Social PIU Team                     | Adjustments to reflect the resettlement operational process  |
| <b>11/26/2020</b>  | KoBoToolbox training                                | Social WB Team<br>Social PIU Team                     | Wrap-up session on form building. Minor adjustments to be done by 11/27 by WB Social Team, after which implementation could begin                  |
| <b>4/1/2021</b>  | KoboToolbox training on GRM and complaints handling | Social WB Team<br>PIU Social Team<br>Supervising firm | Training for the use of KoboToolbox to improve the registration and monitoring of the GRM in compliance with the recommendations of the assessment |
| <b>5/27/2021</b>   | KoboToolbox training on GRM and complaints handling | Social WB Team<br>PIU Social Team<br>Supervising firm | Training for the use of KoboToolbox to improve the registration and monitoring of the GRM in compliance with the recommendations of the assessment |
| <b>6/7/2021</b>  | KoboToolbox training on GRM and complaints handling | Social WB Team<br>PIU Social Team<br>Supervising firm | Training for the use of KoboToolbox to improve the registration and monitoring of the GRM in compliance with the recommendations of the assessment |
| <b>6/30/2021</b>   | KoboToolbox training on GRM and complaints handling | Social WB Team<br>PIU Social Team<br>Supervising firm | Training for the use of KoboToolbox to improve the registration and monitoring of the GRM in compliance with the recommendations of the assessment |
| <b>8/18/2021</b>   | KoboToolbox training on GRM and complaints handling | Social WB Team<br>PIU Social Team<br>Supervising firm | Final check of procedures and use of KoboToolbox for GRM   |
| <b>8/23/2021</b>   | KoboToolbox training on GRM and complaints handling | Social WB Team<br>PIU Social Team<br>Supervising firm | Final form in KoboToolbox for GRM  |
| <b>COMPREHENSIVE SUPERVISION MISSIONS, INCLUDING MAP ASPECTS</b> |   |   |  |
| <b>04/20/2021 – 04/23/2021</b>                                   | Comprehensive supervision mission                   | WB. PIU Team and Municipality                         | Implementation progress, procurement, financial management, environmental and social safeguards, MAP progress                                      |
| <b>11/29/2021 – 12/07/2021</b>                                   | Comprehensive supervision mission                   | WB, PIU Team and Municipality                         | Implementation progress, procurement, financial management, environmental and  |

| <b>Date</b>   | <b>Subject</b>  | <b>Participants</b>                | <b>Topics</b>   |
|---|---|------------------------------------|---|
|   |   |                                    | social safeguards, MAP progress, Project closing planning   |
| <b>SPECIFIC SUPERVISION MEETINGS ON SOCIAL ASPECTS</b>    |   |                                    |   |
| <b>10/13/2020</b>   | PTS Review  | WB and PIU team                    | Discussion of the modality of hiring and organizing the team for work while the company is not hired                        |
| <b>11/13/2020</b>   | Social Work Plan Follow up  | Social WB Team<br>Social PIU Team  | Discussion of social WB team comments to PTS  |
| <b>11/13/2020</b>   | Budget for Vulnerable Families – PTS                                | Social WB Team<br>Social PIU Team  | Definition of PTS budget and activities for vulnerable families   |
| <b>11/20/2020</b>   | Review of pending actions MAP                                       | PIU Team<br>WB Team                | Calendar of actions to be sent to the Bank by 11/27   |
| <b>11/30/2020</b>   | MAP Implementation Status   | PIU Team<br>WB Team                | Discussion about media monitoring, election results and impacts   |
| <b>3/10/2021</b>  | MAP Implementation Status   | WB Team<br>PIU Team                | Meeting with the new PIU director. MAP presentation and status update   |
| <b>3/26/2021</b>  | MAP Implementation Status   | WB Team<br>PIU Team                | Meeting with PIU to continue discussing MAP and Project implementation  |
| <b>3/29/2021</b>  | GRM Assessment  | WB Team<br>PIU Team                | Presentation of the GRM Report and Recommendations  |
| <b>4/1/2021</b>   | Real Estate/Market Study  | WB Team<br>PIU Team                | Presentation of the Report and Recommendations  |
| <b>4/6/2021</b>   | Resettlement Implementation Status Update - Monitoring Table Update | Social WB Team<br>PIU Social Team  | Discussion of improvements in internal procedures to advance implementation   |
| <b>4/14/2021</b>  | PTS Parque Brasil for vulnerable families                           | Social WB Team<br>PIU Social Team  | Hiring Status update and discussion of activities to be initially offered for vulnerable families.                          |
| <b>4/22/2021</b>  | Resettlement Implementation Status Update                           | Social WB Team<br>PIU Social Team  | Meeting to discuss Monitoring Table Update  |
| <b>6/4/2021</b>   | Livelihood Compensations in PRI 1                                   | Social WB Team,<br>PIU Social Team | Discussion of adequacy of assessment to include all livelihood and restoration measures as defined in MAP and revised PRIs. |
| <b>OTHER SUPERVISION MEETINGS RELATED TO MAP PROGRESS</b> |   |                                    |   |
| <b>4/20/2021</b>  | Project Implementation Update                                       | WB Team<br>PIU Team                | Update on advances in Components 1 and 3 of the Project   |
| <b>4/22/2021</b>  | MAP Implementation Update   | WB Team<br>PIU Team                | Meeting to discuss MAP status update  |
| <b>8/27/2021</b>  | MAP Implementation Update   | WB Team<br>PIU Team                | Meeting to discuss MAP status update  |
| <b>8/31/2021</b>  | Progress report with MAP updates                                    | WB Team<br>PIU Team                | Meeting to discuss necessary improvements to the progress report to properly update the MAP                                 |

