Strategic Environmental, Poverty and Social Assessment for Productive and Social Inclusion in Piauí, Brazil

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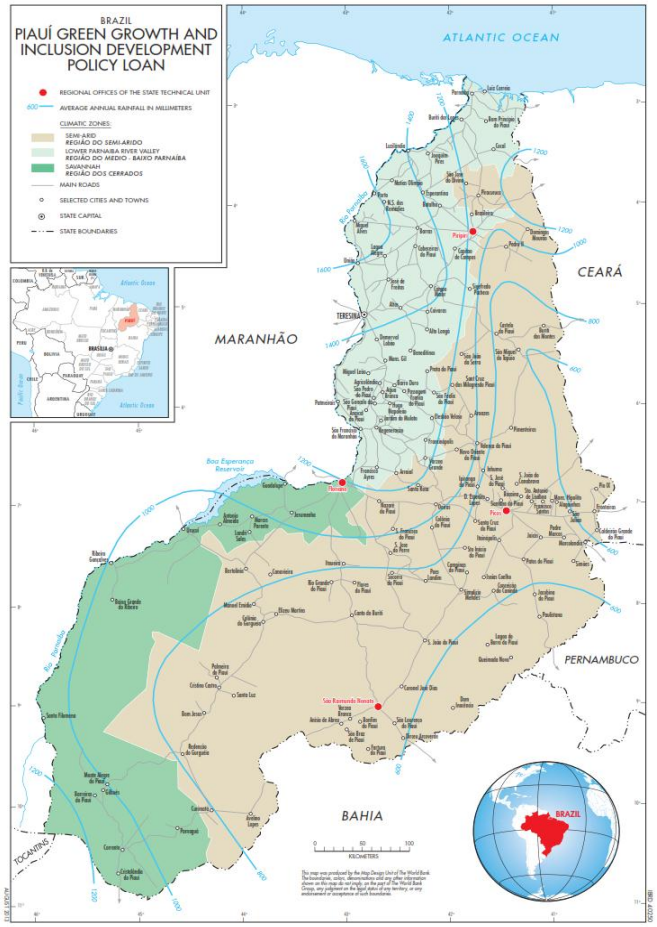
*The findings, interpretations, and conclusions herein are those of the authors and do not necessarily reflect the views of the International Bank for Reconstruction and Development/The World Bank and its affiliated organizations, or those of the Executive Directors of The World Bank or the governments they represent.

Piaui's Development Challenges

- 3.2 million inhabitants:
  - Rural: 34%
  - Urban: 66%
- Rural population
  - 54% in poverty
  - 40% in extreme poverty
- 2nd poorest State of Brazil
- 2nd highest Gini coefficient
- Lowest GDP/capita (60% national)
- 210 municipalities in state of emergence due to severe drought



The Need for Reform

- Family farming:
  - Non-titled land areas
  - Outdated techniques / Low productivity
  - Vulnerability to climate hardships
- Unequal distribution: land, water and other key inputs.
- Poverty reduction programs need to be targeted.

Policy Reforms for Productive and Social Inclusion

Sectoral policies originally planned:

- Education
- Health
- Land management
- Water resources
- Integrated management for water, natural resources and land rights
- Support to rural productive chains
- Public sector management

→ **Investments and TA**

The need for an integrated approach

- What would be the effects of the policy reforms on Piaui's environment?
- What would be the social and distributional impacts of these reforms?

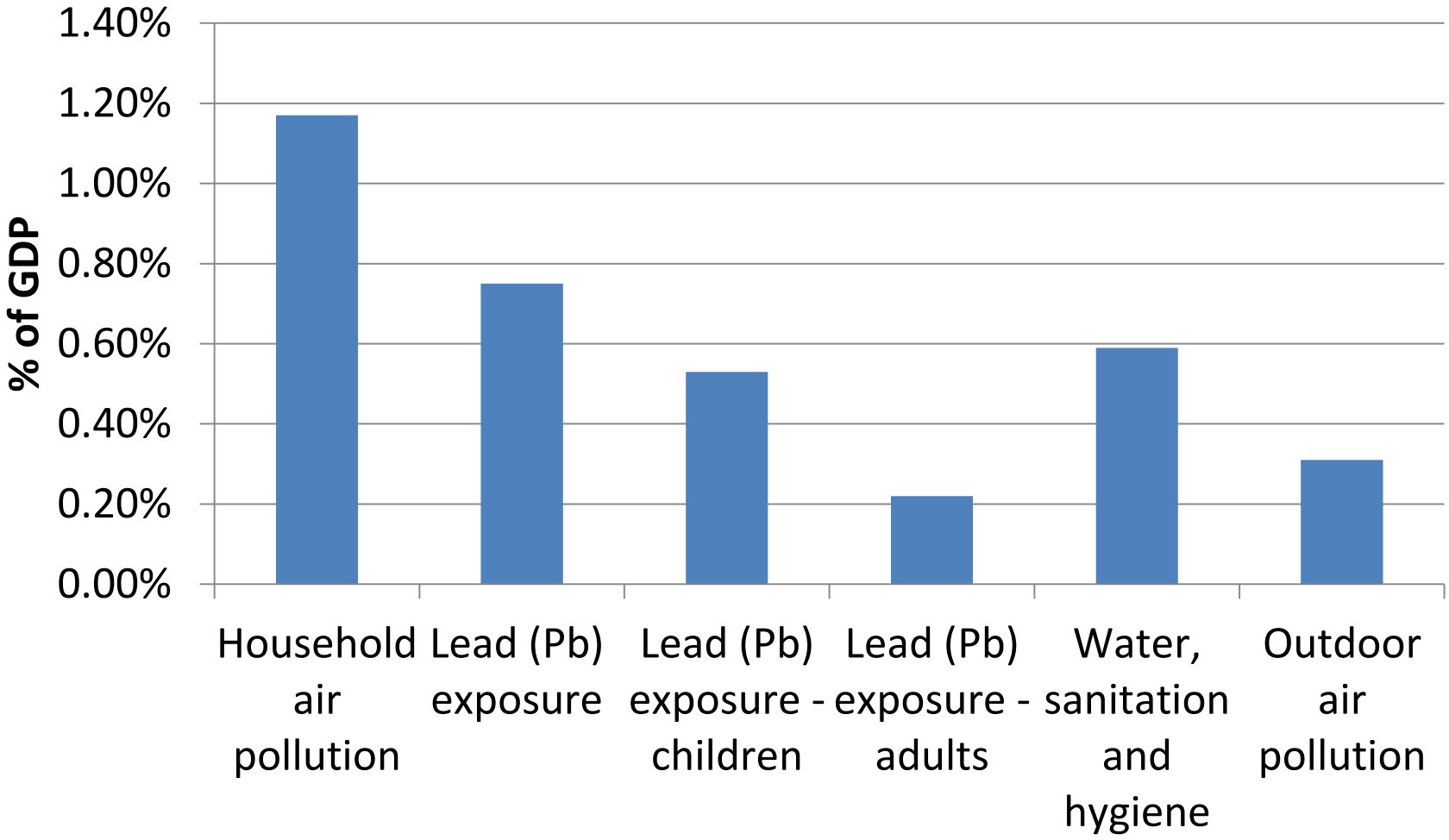


Methodological Approach

Policy-level Strategic Environmental Assessment
1. Identification of environmental priorities
2. Institutional and governance analysis
3. Policy and institutional strengthening recommendations
4. Accountability and social learning

Poverty and Social Impact Analysis
Economic analysis to understand impact of reforms on poor and vulnerable

P-SEA Findings



P-SEA Findings

Natural Resources Degradation:

- Cerrado: deforestation and loss of biodiversity
- Caatinga: deforestation and desertification
- Inefficient use of water resources

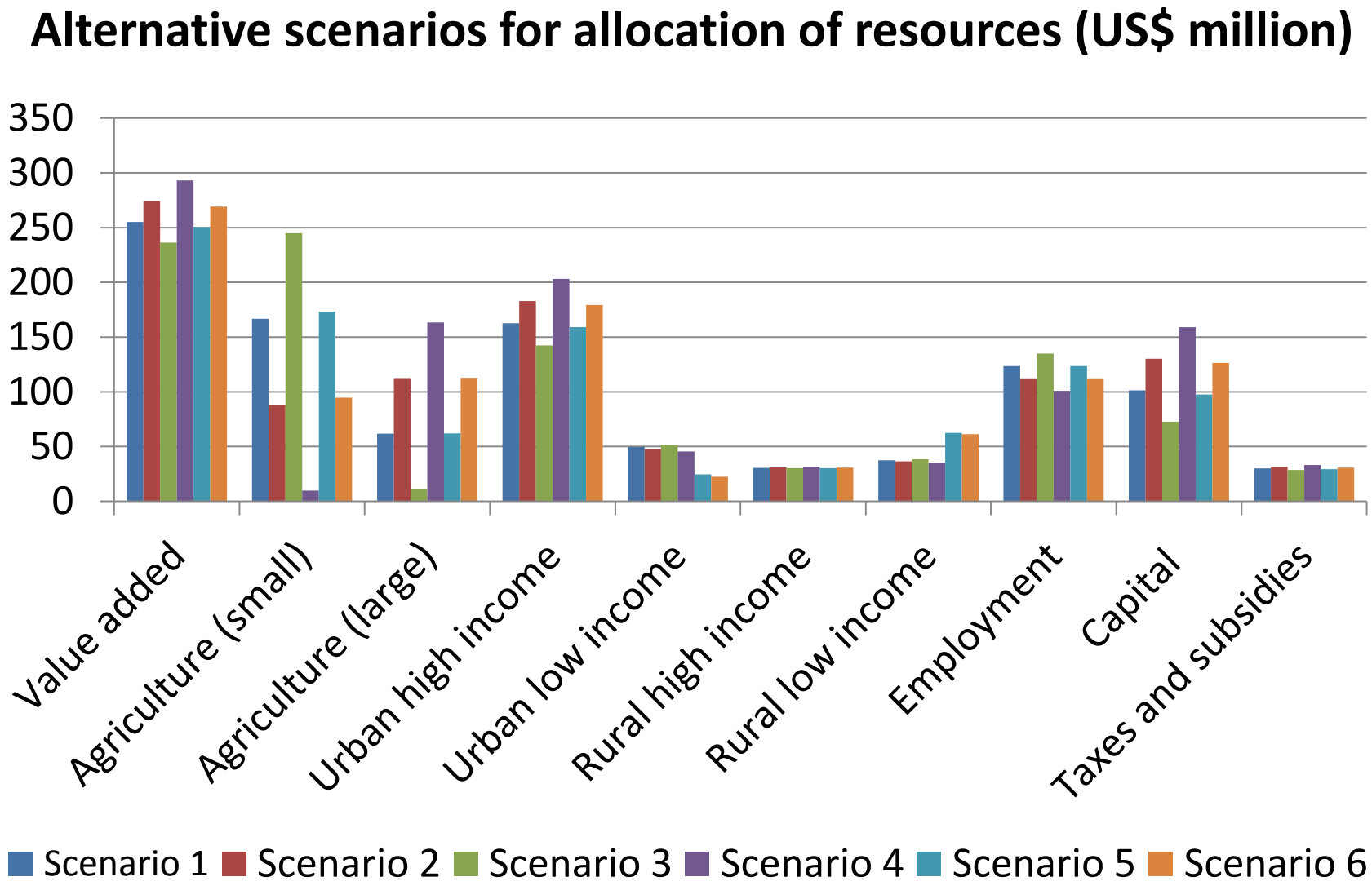



PSIA Findings

Alternative scenarios for allocation of resources (US$ million)

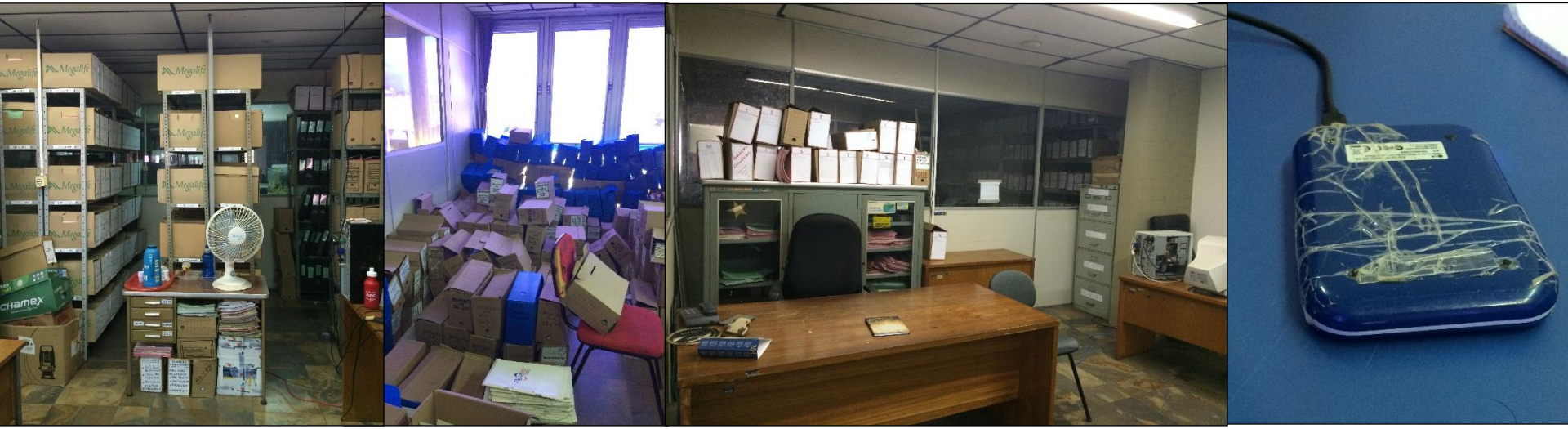
	Small Holding Agriculture	Large Holding Agriculture	Urban Poor	Rural Poor
Scenario 1	100	50	25	25
Scenario 2	50	100	25	25
Scenario 3	150	0	25	25
Scenario 4	0	100	25	25
Scenario 5	100	50	0	50
Scenario 6	50	100	0	50

PSIA Findings



Institutional Analysis

- Strengthen multi-sectoral coordination
- Build institutional capacity
- Opportunities for learning
- Additional policies: gender and accountability.
- Investment and technical assistance



Conclusions

- Relatively few experiences integrating environmental, poverty and social assessments
- P-SEA and PSIA share key elements:
  - Analytical work
  - Stakeholder representation
  - Social learning
- Analytical underpinnings for policy decision-making towards productive and social inclusion
- Opportunities for synergies: analysis, team, sectors.