

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

BRAZIL

**PROGRAM
ASSESSMENTS, PROSPECTS, AND ALTERNATIVES
FOR DEVELOPMENT IN BRAZIL**

IPEA RESEARCH

(BR-L1060)

**TECHNICAL COOPERATION
LOAN PROPOSAL**

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Annex I Logical framework

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Electronic Links and References	
Basic socioeconomic data	http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata
Status of loans in execution and loans approved	http://ops/approvals/pdfs/BRen.pdf
Tentative lending program	http://opsgsl/ABSPRJ/tentativelending.ASP?S=BR&L=EN
Procurement plan	http://idbdocs.iadb.org/WSDocs/getDocument.aspx?DOCNUM=875259

INFORMATION AVAILABLE IN THE RE1/SC1 FILES

PREPARATION:

IPEA research program. Institutional Capacity Assessment System (ICAS) report
IPEA research program. Report on lessons learned
General information on IPEA
Technical background for the logical framework
Map of problems and indicators
Map of strategic problems (problem tree)
Map of alternative solutions (targets and indicators)
Systematic proposal for monitoring and evaluation

EXECUTION:

Annex Component 1
Annex Component 2
Annex Component 3
Baseline for components and activities
Strengthening plan
Execution model
IPEA budget 2004-2007
Action plan and investments

ABBREVIATIONS

ABDI	Agência Brasileira de Desenvolvimento Industrial [Brazilian Industrial Development Agency].
ANIPES	Associação Nacional das Instituições de Planejamento, Pesquisa e Estatística [National Association of Planning, Research, and Statistics Institutions]
AWP	annual work plan
CEBRAP	Centro Brasileiro de Análise e Planejamento [Brazilian Analysis and Planning Center]
CGEE	Centro de Gestão e Estudos Estratégicos [Strategic Management and Studies Center]
CNAE	Classificação Nacional de Atividades Econômicas [National Economic Activity Classification]
CNPQ	Conselho Nacional de Desenvolvimento Científico e Tecnológico [National Science and Technology Development Council]
DICOD	Diretoria de Cooperação e Desenvolvimento IPEA [Cooperation and Development Division]
DIMAC	Diretoria de Estudos Macroeconomicos IPEA [Macroeconomic Studies Division]
DIRAF	Diretoria de Administração e Finanças IPEA [Administration and Finance Division]
DIRUR	Diretoria de Estudos Regionais e Urbanos IPEA [Regional and Urban Studies Division]
DISEC	Diretoria de Estudos Setoriais IPEA [Sector Studies Division]
DISOC	Diretoria de Estudos Sociais IPEA [Social Studies Division]
ECLAC	Economic Commission for Latin America and the Caribbean
FINEP	Financiadora de Estudos e Projetos [Studies and Projects Funding Agency]
IBGE	Instituto Brasileiro de Geografia e Estatística [Brazilian Geography and Statistics Institute]
INAE	Instituto Nacional de Altos Estudos [National Advanced Studies Institute]
IPEA	Instituto de Pesquisa Econômica Aplicada [Institute for Applied Economic Research]
IT	information technology
MCT	Ministry of Science and Technology
MPOG	Ministry of Planning, Budget and Management
OECD	Organisation for Economic Cooperation and Development
PCU	program coordination unit
PITCE	Política Industrial, Tecnológica e de Comércio Exterior [industrial, technological, and foreign trade policy]
PPA	Plano Plurianual [multiyear plan]
R&D	Research and development

RIC	Rede IPEA de Conhecimento [IPEA Knowledge Network]
SFC	Secretaria Federal de Controle [Federal Audit Department]
SMA/PPA	Sistema de Monitoramento e Avaliação/Plano Plurianual [monitoring and evaluation system/multiyear plan]
SOF	Secretaria de Orçamento Federal [Federal Budget Department]
SPI	Secretaria de Planejamento e Investimentos Estratégicos [Strategic Investment and Planning Department]
UNDP	United Nations Development Programme

PROJECT SUMMARY

BRAZIL IPEA RESEARCH (BR-L1060)

Financial Terms and Conditions ¹				
Borrower: Federative Republic of Brazil			Amortization period:	20 years
Guarantor: Federative Republic of Brazil			Grace period:	5 years
Executing agency: Instituto de Pesquisa Econômica Aplicada [Institute for Applied Economic Research] (IPEA)			Disbursement period:	5 years
Source	Amount	%	Interest rate:	LIBOR
IDB (Ordinary Capital)	US\$7,150,000	81.25	Inspection and supervision fee:	- %
Local	US\$1,650,000	18.75	Credit fee:	0.25%
Total	US\$8,800,000	100	Currency:	U.S. dollars from the Single Currency Facility
Project at a glance				
Project objective: The goal of the program is to help improve the design and evaluation of Brazil's public policies. The purpose is to build IPEA's capacity to improve the production, systematization, and dissemination of knowledge about the country's development challenges and their solutions.				
Conditions precedent to the first disbursement: See paragraph 3.12.				
Special contractual conditions: None.				
Exceptions to Bank policies: None.				
Project consistent with country strategy: Yes [X] No [] Project qualifies as: SEQ [] PTI [] Sector [] Geographic [] Headcount []				
Procurement: See paragraphs 3.13 to 3.18. CESI verification: Meeting 28-06 of 14 July 2006.				

¹ The interest rate, credit fee, and inspection and supervision fee mentioned in this document are established pursuant to document FN-568-3 Rev. and may be changed by the Board of Executive Directors, taking into account the available background information, as well as the respective Finance Department recommendation. In no case will the credit fee exceed 0.75%, or the inspection and supervision fee exceed 1% of the loan amount.*

* With regard to the inspection and supervision fee, in no case will the charge exceed, in a given six-month period, the amount that would result from applying 1% to the loan amount divided by the number of six-month periods included in the original disbursement period.

I. FRAME OF REFERENCE

A. Socioeconomic framework

- 1.1 In recent decades, Brazil's macroeconomic scenario has been marked by trade liberalization at the start of the 1990s, adoption of the *Plan Real* in 1994 with a managed exchange system, and a fiscal austerity policy accompanied by strict inflation targets in 1999 and a floating exchange rate. This set of policies put an end to the chronic instability that had marked the economy almost as far back as the oil shocks in the 1970s.
- 1.2 The benefits of economic stability now need to be consolidated through a series of reforms intended to eliminate the structural causes of the fiscal imbalance, the threat to the competitiveness of Brazilian products, obstacles to the full operation of the formal labor market, and restrictions on the implementation of policies aimed at economic development and the elimination of social inequality. In this reform effort, research for public policy formulation and evaluation plays an important role in better informing discussions and decisions to be made by the government with the participation of organized civil society. The Instituto de Pesquisa Econômica Aplicada [Institute for Applied Economic Research] (IPEA), in particular, has played a central role in the discussion and in contributing to the formulation, monitoring, and evaluation of public policies in Brazil.

B. The national public research and development system

- 1.3 The national public research and development (R&D) system links the sphere of science, technology, and innovation to the sphere of planning, research, and public policy. The planning, research, and public policy system is supported by the Ministry of Planning, Budget and Management (MPOG), the departments linked to it such as the Budget Department, and agencies such as the Brazilian Geography and Statistics Institute (IBGE) and IPEA. Research for the formulation and evaluation of public policies of a predominantly economic and social nature is conducted by these and other public agencies, including those linked to other federal government institutions, such as the state planning departments and research institutes. Private institutions, such as the Fundação Getulio Vargas and the National Advanced Studies Institute, also participate in an advisory capacity.
- 1.4 The R&D system in the area of science, technology, and innovation is led by the Ministry of Science and Technology (MCT) and the National Science and Technology Development Council (CNPQ) and their related agencies, such as the Studies and Projects Funding Agency (FINEP) and the Strategic Management and Studies Center (CGEE). The sector ministries, such as the Ministry of Agriculture and the Ministry of Development, Industry, and Foreign Trade, are also involved in their respective areas.
- 1.5 In the federal sphere, the two R&D systems perform executive, regulatory, and promotional functions. The executive functions are reflected in the federal budget and in the multiyear plan (PPA). On the regulatory front, the tools are chiefly the various federal laws that govern the actions of the public and private agents. In the

area of promotion, public actions are intended to mobilize private agents, such as the recently-passed Law 11,196 of 2005 known as the Innovation Act.¹ IPEA plays a key role in these R&D systems by producing macroeconomic, sector, and thematic research, projections, and studies to contribute to the formulation and evaluation of social and economic public policies and their dissemination.

C. IPEA's applied research track record and its contribution to the formulation, monitoring, and evaluation of public policies

- 1.6 During its 40-year history, IPEA has been responsible for economic and social studies that have served as the basis for the government's formulation of economic policy and economic development plans, with a medium- and long-term strategic vision. At the same time, its basic function continues to be the production of discussion papers, studies, and socioeconomic research to support policy shaping, while for society at large, its outputs are intended to broaden and raise the level of knowledge about the country's short- and long-term development challenges.
- 1.7 Independently of its links to the public sector, in this case the MPOG, IPEA which is headquartered in Brasilia,² has continued since its inception to maintain technical independence that allows it an academic engagement with the intellectual freedom necessary for research. It also attends expeditiously to the federal government's immediate and short-term specific requirements in different thematic areas.
- 1.8 Based on its 40-year track record, IPEA was a pioneer in introducing new methods of economic analysis; in identifying economic and social problems and trends; in econometric analysis; in techniques for the analysis of social problems; and in proposals for relevant economic policy measures for possible adoption by the government. With its experienced researchers, it has developed new policy-oriented applied research methods and with the assistance of outside researchers it has produced internationally-recognized studies and publications. Since it was founded, IPEA has always enjoyed the cooperation and participation of first-rate outside researchers with distinguished professional reputations.³ As a result of these exchanges, special ties have been established with leading universities such as the Universities of California, Berkeley, and London, where many of IPEA's researchers and technical staff obtained their doctorates. This tradition lives on for

¹ This act is the most recent step in promoting investment in technology development and innovation. It seeks to broaden the range of these activities in Brazil, which account today for investments of about 1% of GDP, by promoting growth in the private business sector's share of this amount, which is currently less than 30%. Both the investments and the amounts spent by the business sector are far below the country's needs and foreign benchmarks (in the case of developed countries, investments in R&D by the business sector are in the order of 2% to 3% of GDP).

² Founded in Rio de Janeiro, the former national capital, it maintains a large part of its team of specialists there.

³ The technical note *Sobre a Recente Queda da Desigualdade de Renda no Brasil* [On the recent decline in income inequality in Brazil], Brasilia (August 2006) is one example. See <http://www.ipea.gov.br/pub/notas/notastecnicas9.pdf>.

purposes of maintaining a highly specialized technical team. It should also be pointed out that IPEA has been and continues to be a “factory” that produces ministers and technical experts who have brought honor to Brazil’s civil service.

- 1.9 Today, IPEA is composed of a president and six divisions that collectively bear responsibility for the institute’s mission. There are five technical divisions, with the Macroeconomic Studies Division (DIMAC) located in Rio de Janeiro, and the Cooperation and Development Division (DICOD), the Regional and Urban Studies Division (DIRUR), the Sector Studies Division (DISEC) and the Social Studies Division (DISOC) located in Brasilia. The Administration and Finance Division (DIRAF) is also located in Brasilia.
- 1.10 The research conducted by IPEA is one of its strongest areas and it is the largest single user of the research and statistics put out by the IBGE. It has a staff of 559 civil servants, 269 of whom are researchers. With an average age of 45, 70% of the researchers have doctorates or master’s degrees. They are supported by 260 technical staff or assistants.
- 1.11 To mark IPEA’s 40th anniversary, a compendium was prepared of discussion papers that were published between 1979 and 2004 to show the evolution of the institute’s economic and social thinking. They consist of research which, published in the form of books, academic papers, bulletins and technical notes, has helped to refine public policies through basic diagnostic assessments, empirical analyses, new methodologies, and identification of problems for the country’s development process. Twenty-eight thematic areas were selected that had the greatest significance and impact during the period in question, classified into three levels following the methodology of the *Journal of Economic Literature*. For the first time, this publication examines the content and quality of IPEA’s production and is a technical and scientific dissemination tool that has already been confirmed in government and academic circles that are active in the socioeconomic field in Brazil.⁴
- 1.12 With respect to the role played by IPEA in contributing to the formulation of public policies, examples exist where research results have been transformed into public policies or laws and there are others where the contribution, although used by the government, does not necessarily translate into a public policy per se. As an example of the former, IPEA participated in designing the industrial, technological, and foreign trade policy (PITCE) through the book “*Inovações, Padrões Tecnológicos e Desempenho das Firms Industriais Brasileiras*.”⁵ This output provides an extensive x-ray of competitive strategies and an in-depth analysis of the competitive performance of Brazilian industry, particularly in the processes of innovation and product differentiation. The analyses are based on the largest set of

⁴ http://www.ipea.gov.br/pub/td/2003/td_1000.pdf.

⁵ De Negri, J. and Salerno, M. *Inovações, Padrões Tecnológicos e Desempenho das Firms Industriais Brasileiras* [Innovations, technological patterns and performance of Brazilian industrial businesses]. Brasília: IPEA, 2005.

information on Brazilian industry ever compiled, covering 72,000 companies and 90% of the value produced.

- 1.13 These IPEA studies served as the basis for designing the PITCE and the recent Law 11,196 of 2005 known as the Innovation Act (see paragraph 1.5), and for establishing the Agência Brasileira de Desenvolvimento Industrial [Brazilian Industrial Development Agency] (ABDI). The purpose of these initiatives is to promote participation by companies with a higher technology content in the main markets and to integrate industrial, foreign trade, and technological innovation policies to promote economic growth.⁶
- 1.14 There are other examples of how IPEA's output, through background and position papers, studies, and participation in working groups does not translate necessarily into public policies but does translate into inputs that serve as the foundation for discussions within government with a view to formulating or changing a given public policy or government action. Recently, IPEA was one of the main protagonists in the discussions on unifying the cash transfer programs under the *Bolsa Família* program.⁷ Coordinated by the Ministry of Social Development and Hunger Alleviation, in 2005 and 2006 IPEA participated in different working meetings to discuss various aspects related to program operations and coverage.⁸
- 1.15 Another example are the discussions that IPEA promotes on the next steps that the government should consider and/or adopt in macroeconomic policy. Through its *Boletim de Conjuntura* [Economic Quarterly], IPEA systematically monitors macroeconomic policy while also promoting debate with a view to improving the policy and signaling the government's commitment to providing continuity for the adjustments that will be deemed necessary in future. In thematic areas such as the fiscal, monetary, social security, and regulatory areas, IPEA prepares a series of proposals for consideration by the MPOG, in order to promote a discussion within government to help improve the formulation and evaluation of public policies.
- 1.16 With regard to its links to the MPOG, it is an advisory body to the ministry in different thematic areas and in the management, preparation, and annual evaluation

⁶ Approved in 2003, the PITCE defines the strategies, with integrated actions to promote national industry and innovative and differentiated products and services. ABDI has the function of enforcing the execution of PITCE. IPEA sits on the agency's deliberative council together with seven representatives from the executive branch and seven representatives from civil society.

⁷ The *Bolsa Família* program is an initiative coordinated by the Ministry of Social Development and Hunger Alleviation that brought together into a single initiative a series of older programs (such as the *Bolsa Escola*, *Bolsa Alimentação*, *Cartão Alimentação* and *Vale Gás*). The country's largest income transfer program, in June 2006, *Bolsa Família* assisted 11.1 million families in 5,557 municipalities. In other words, it reached 99.2% of poor families in Brazil's cities, paying average monthly benefits of R\$61.43.

⁸ As a result of these discussions, the ministry has implemented several of IPEA's recommendations, such as updating the "entry" and "exit" values for families participating in the program. There are others still in the process of maturing, such as reformulation of the structure and operation of the master cadastre (database containing information on about 45 million people living in all parts of the country that originally facilitated the *Bolsa Escola* and *Bolsa Alimentação* programs).

of the multiyear plan (PPA), which is the main tool for the federal government's planning process. In preparing the 2003 PPA for the current period 2004-2007, IPEA's technical staff helped to consolidate the government's strategic direction, based on a proposal that was widely discussed with the new ministerial technical teams and civil society and on the analysis and discussion of program proposals submitted by the sector ministries for validation. In evaluating the PPA, which is done in February and March each year, technical staff from IPEA help to analyze the information that public sector program managers send to the MPOG for the purpose of preparing the annual evaluation report that backstops the annual budget bill that is sent to Congress in September each year. The process of reviewing the PPA is led by the MPOG's technical team, composed of IPEA technical staff and experts from the Strategic Investment and Planning Department (SPI) and the Federal Budget Department (SOF). The review consists of verifying that the PPA is a comprehensive instrument that is consistent with the objectives of each federal program.

- 1.17 In October 2004, a PPA monitoring and evaluation system (SMA/PPA) was established, composed of a monitoring and evaluation committee advised by a technical board and supported by monitoring and evaluation units. As a member of the technical board, IPEA helps to consolidate the government's strategic direction through analysis and discussion of proposals submitted by the government's different sector bodies to the MPOG for validation. The knowledge generated by IPEA's research and participation on different advisory fronts for the federal government makes it one of the protagonists in developing and implementing the SMA/PPA.⁹

D. The IPEA network program

- 1.18 In October 1997, to build up the institutional capacity of IPEA and other economic and statistical research institutions to contribute to the definition, planning, and evaluation of public policies in a decentralized and participatory manner, the Bank financed the public policy research and development network program (loan 991/OC-BR—IPEA network).
- 1.19 The program, for US\$25 million, was structured into three components. **Establishment of a public policy research and development network**, which sought to lay the foundation for the network nationally and interconnect it with other planning and research institutions; it included three subcomponents: (i) modernization and expansion of IPEA's information technology infrastructure; (ii) integration of the databases; and (iii) training in public policies. **Improvement of basic economic statistics**, coexecuted by the IBGE, involving activities to develop new socioeconomic databases and update existing ones through new statistical sampling methods; **Production and dissemination of studies and**

⁹ This system was recently introduced to ensure that monitoring and evaluation are used in a decentralized manner by the federal public administration as management tools to improve the quality of decision making and the reallocation of resources, so that the federal government can obtain better results.

research, to finance studies and research of national interest that could serve as the basis for formulating public policy proposals; it included two subcomponents: (i) studies and research; and (ii) conferences and seminars.

- 1.20 Initially, the loan contract was for a period of 48 months, with completion expected by 30 October 2001. The period was extended for another two years and in June 2003 a Bank administration mission was sent to study progress in the program. As a result, an action plan was prepared for 2003-2006 to support IPEA in attaining the program objectives. When the period for committing the funds ended in September 2006, the period for paying out the committed funds was extended to August 2007.
- 1.21 A recent evaluation of the IPEA network program found that, despite the difficulties described in the following section (section E) of this document, the program helped to strengthen IPEA by streamlining the production of studies to contribute to public policy formulation.
- 1.22 Mobilization of the network progressed and permitted data tabulated by other institutions and not just by the government to be broken down. With the goal of strengthening the network, the IPEA Knowledge Network (RIC) was created, which maintains the original objectives of institutional linkage, with emphasis on sharing knowledge, methods, and indicators for the evaluation of public policies and dissemination and access to databases, publications, findings of studies and research, and seminars and conferences.
- 1.23 Twenty-three institutions (in addition to IPEA and IBGE) joined the RIC and are divided into three groups: (i) state and federal public institutions that joined in the first phase of the network and are members of the National Association of Planning, Research and Statistics Institutions (ANIPES); (ii) institutions that contribute to the program's dissemination objectives; and (iii) traditional research and training institutions.
- 1.24 The creation of IPEADATA can be singled out as one of the program's strong points. It is a large database containing macroeconomic and microeconomic data and regional information made available to society and governments through the institute's portal, which gets 500,000 hits a year. Also, the creation of IPEA's Intranet fostered the dissemination of studies and research.
- 1.25 With the IBGE as coexecuting agency, the national accounts system was standardized and introduced under the program into the 27 states and the federal district, based on internationally-recommended methodologies that are compatible with the national accounts system. The National Economic Activity Classification (CNAE) was implemented by the program and is used to classify activities and/or outputs. It is widely consulted by civil society organizations.
- 1.26 From the standpoint of program administration, a strong point was the reorganization of the management and coordination structure, through: (i) the creation of a program coordination unit (PCU) that reports to the Cooperation and Development Division (DICOD); (ii) the establishment of a core team with

- permanent civil servants who were selected on a competitive basis; (iii) a review of the processes for preparing and monitoring the work plans; and (iv) wider dissemination and transparency of internal and external rules, the activities carried out, and the results attained by the program.
- 1.27 More recently, with support from the existing loan, IPEA's management introduced a new and innovative avenue for addressing the challenge of establishing more effective ways of disseminating the knowledge produced, given that access to it was limited to the circle of researchers, specialists, academics, and public policy shapers. With the objective of expanding ways for society to gain ownership of the output of activities carried out by the institution and to enrich the public debate on the most relevant aspects of the country's social, economic, and institutional realities, the following initiatives were launched: (i) the *Radar Social* study; (ii) the monthly publication *Desafios do Desenvolvimento* [Development Challenges]; and (iii) the project *Brasil: O Estado de uma Nação* [Brazil: State of a Nation].
- 1.28 The *Radar Social* study is a summary tool for monitoring living conditions in Brazil, with reference to different social dimensions (work, income, education, health, housing, and security). It is the result of a specific demand by the MPOG and involves more than 20 IPEA researchers. It is considered innovative in that it monitors and evaluates social policies through studies, discussion papers, and seminars, and because it summarizes and regularly updates information produced by government institutions and disseminates it through publications and over the Internet.
- 1.29 The journal *Desafios* [Challenges], produced in association with the United Nations Development Programme (UNDP) and largely reliant on IPEA's scientific output, is intended for a wide public of opinion shapers in different branches of activity, who are not necessarily specialists. The publication seeks to reflect, through reports prepared by journalists, interviews, and signed articles, the debate on the main issues on the country's development agenda. It can be purchased at newsstands or by subscription. The advertisements it carries are a major source of financing for its sustainability.
- 1.30 The project *Brasil: O Estado de uma Nação* is a publication that plays a structural and integrative role in the institute's research and dissemination of knowledge activities, seeking to establish a practice for structured and systematic analysis in different areas.¹⁰ The first edition in 2005 contained eight thematic sector chapters that examined subjects such as stability and growth, innovation and competitiveness, poverty and social exclusion, etc. Each chapter had an IPEA researcher/thematic coordinator and other distinguished specialists from other research centers. The basic research texts produced by each coordinator were subject to an analysis and final technical review by IPEA technical staff.

¹⁰ *Brasil - O Estado de uma Nação*. "Desenvolvimento e Inclusão Social" (2005) [Development and Social Inclusion]; "Emprego, Informalidade e Mercado de Trabalho" (2006) [Employment, the Informal Sector and the Labor Market]; and "Eficiência do Estado" (2007) [Government Efficiency].

- 1.31 This new *modus operandi* reflects a collective effort to boost the research capacity of IPEA and the network and to build up quality standards, research integrity, impartiality, and analytical depth. Last, it is intended to present and disseminate the problems and challenges facing the country, through workshops, seminars, debates, and promotion in the media to encourage participation by Brazilian society in discussing alternatives for sustainable development with social inclusion and environmental balance.

E. Difficulties in executing the IPEA network program

- 1.32 The key results of the program were influenced by shortcomings in its initial design and execution, some of which were completely beyond its control.

1. External factors

- 1.33 The main external factors that affected program execution are linked to the volatility in the flow of the budget resources IPEA receives from the federal government, which were seriously affected in the 1998-2003 period by the government's macroeconomic policy adjustments, particularly the exchange rate and fiscal policy. This volatility affected the establishment of the network and other specific program actions, as well as the institute's medium- and long-term planning of its output to respond more effectively to demands by the government and Brazilian society.¹¹
- 1.34 Other factors that affected execution of the IPEA network program were regulatory and institutional. Decree 5,151/2004, which regulates technical-cooperation agreements with international agencies, prohibited contracting professors from the country's federal and state public universities and civil servants financed by international technical-cooperation projects, which reduced the institute's flexibility in building greater intellectual capacity for research. The Public Ministry of Labor (MPT) determined that IPEA and other federal public agencies should rescind the contracts of the consultants on the core team and replace them with career public servants. This measure led to the exit of consultants who had been contributing their technical knowledge. Last, the transition to a new government in 2003 slowed the pace of program execution with the installation of new IPEA authorities and a change in the government's strategic direction.

2. Internal factors

- 1.35 There is another set of circumstances linked to IPEA's internal dynamics, the analysis of which served as lessons learned for designing the new operation, for example:

¹¹ The public spending restrictions decided on by the government are common to all lending operations with the Bank and other multilateral agencies. These restrictions affect all government ministries and institutions and usually apply to investments in training programs, consulting services, and procurement, with external financial as well as local counterpart resources.

- a. **Gaps in the production of knowledge in different research and public policy areas:** (i) the main crosscutting project (*Brasil: O Estado de uma Nação—2005*) was prepared with more external researchers than internal IPEA researchers; and (ii) the excessive fragmentation of research lines, with relatively few technical staff involved in structural projects, and little dissemination and technical or institutional production in foreign languages.
- b. **Few exchanges with national and international institutions:** (i) absence of exchanges with visiting researchers; (ii) little participation by technical staff in international congresses; and (iii) few partnerships with national institutions of excellence.
- c. **Fragility of management tools and basic information technology infrastructure:** (i) absence of tools to evaluate institutional production and its external impacts/benefits; (ii) training programs with a limited approach and few opportunities for recycling technical staff through specific training events; (iii) low internal incorporation of the knowledge generated; (iv) limited capacity to manage research projects; (v) limited capacity to manage information technology and insufficient infrastructure (hardware and software); and (vi) difficulty in communicating institutional production to a wider audience.

F. Lessons learned

1.36 The design of the proposed program has taken the problems identified and the lessons learned in executing the IPEA network program into account. Accordingly, the proposed program will strengthen certain strategic areas that will contribute to better institutional performance.

- a. **Gaps in the production of knowledge in different research and public policy areas.** Structural projects will be designed and executed, defined by their relevance for the government, society, and the academic community, so as to focus IPEA's research lines, contributing to its institutional strengthening and adding value to its work and production. The program's actions will also develop a model for institutional evaluation of the quality and impact of production on stakeholders, comprised of the government, Brazilian society, and the academic community (see paragraphs 2.3 and 2.7a).
- b. **Few exchanges with national and international institutions.** IPEA's participation in international congresses and events has been very limited, despite the institution's potential. The problem is linked to the difficulty in obtaining financial support to permit IPEA experts to submit papers to international congresses. The few IPEA experts who present papers at such conferences pay for their travel with funds from the projects they coordinate. This creates incentives for each expert to have his or her own research project, which runs contrary to the intention of structural projects such as *O Estado de uma Nação* that the institution wishes to strengthen. To ensure the strategic objective of being in permanent contact with the frontier of knowledge and the

development of policy-oriented applied research to support the government's actions, the program will provide IPEA's experts with the opportunity to interact with their peers, including people from other high-level institutions, and support participation by IPEA researchers in international congresses and events. The program will revive a best practice that was fundamental for the institution's progress on different occasions. The presence of visiting researchers was important in helping to structure areas where IPEA had little capacity and in attracting researchers to carry out projects in areas that were already well structured. The lessons learned from this experience recommend that the practice be deepened and expanded (see paragraph 2.5a).

- c. **Fragility of management tools.** Despite the efforts made in recent years to implement some management initiatives, IPEA has no institutional policy that establishes criteria for the development and systematization of actions to create, disseminate, share, and transfer the knowledge generated and the experience acquired. Therefore, the program will support the establishment of a policy and a strategic plan for the Management of Knowledge, that is closely linked to the institution's strategic objectives. The idea is to introduce a systematic process of identification, creation, renewal, and application of knowledge that is strategic for IPEA, which will help to add value to its products and processes and, above all, to human capital, which is its main asset. Directly linked to this process, the program will support the development of competencies in line with the institute's strategic objectives to deepen the knowledge of the public officials and the activities carried out at IPEA and strengthen the technical and administrative capacity of the PCU team, particularly for planning, coordination, management, execution, monitoring, and evaluation of the program's outcomes (see paragraph 2.7b, c, and d).
- d. **Fragility of the basic information technology infrastructure.** In recent years, the high level of technological obsolescence required IPEA to make efforts to start modernizing its information technology (IT) structure, with the risk of significantly compromising the quality of its studies and research. Given this situation, the program will eliminate the large technological gaps that jeopardize the availability of network services and will introduce a model for process administration to develop best practices for IT management in IPEA. The lessons learned recommend that the investments in IT that began with the IPEA network program be supplemented to broaden the technical support for researchers and create an environment of information dissemination and learning (see paragraph 2.7e).
- e. **Difficulty in communicating institutional production to a wider audience.** The program will provide funds to enable IPEA to fine-tune its communications plan by establishing policies and guidelines and setting an agenda with priority actions to better disseminate IPEA's output for the general public (see paragraph 2.7f).

G. Strategy of the proposed program

- 1.37 The new program's strategy is to improve the way in which IPEA operates both internally and externally, so that its studies and research are supported by the best IT tools and the excellence of its management models. Different actions have been planned based on conducting integrative studies and research, strengthening ties of cooperation with similar institutions, fine-tuning mechanisms to disseminate knowledge, and fine-tuning strategic management processes, with a view to boosting institutional capacity and performance.

H. Country strategy on developing research for public policy formulation

- 1.38 The federal government's strategy consists of continuing to strengthen the operational, technical, and institutional capacity of IPEA so that the State can address its strategic planning requirements on the national and regional levels and its information and knowledge needs and condense the demands of the different social and economic actors into public policies. That would give civil society greater access to this information and knowledge to put forward its demands more effectively and also to monitor the outcomes of the policies. The linkage between the IPEA program in the PPA and the IPEA network will continue to be strengthened with research, dissemination, information technology, and training. IPEA will continue to be one of the protagonists in the development and implementation of the PPA monitoring and evaluation system.

I. Participation by other multilateral organizations

- 1.39 IPEA has lengthy experience as an executing and coexecuting agency of projects financed by international organizations from the time it was founded in the 1960s. In the last 10 years, in addition to the IPEA network, international technical-cooperation agreements to conduct point research and studies have been reached with ECLAC, the Development Research Center of the State Council of the People's Republic of China, the Government of the United Kingdom, the Japan International Cooperation Agency (JICA), the World Bank, the OECD, and UNDP. Cooperation between IPEA and UNDP has led to the establishment of the International Poverty Centre in Brasilia, which seeks to promote South-South cooperation to step up applied research on poverty in order to develop programs to combat it.¹²

J. The Bank's strategy with the country and value added of Bank participation

- 1.40 The Bank's strategy with Brazil¹³ focuses its cooperation on four areas. Continuation of the Bank's participation falls into the fourth area, which is

¹² <http://www.undp-povertycentre.org>.

¹³ Document GN-2327. The other areas in the Bank's strategy are (i) the productivity of small and medium-sized enterprises and infrastructure, with priority on the use of public-private cooperation models in the new investments; (ii) poverty, equity, and human capital formation, with a focus on income distribution programs; and (iii) living conditions and efficiency in cities, combining actions to combat urban poverty and improvements in habitability, efficiency, and environmental quality in cities.

modernization of the State and institutional strengthening.¹⁴ It also is consistent with the general guidelines of boosting the efficiency and effectiveness of IPEA's technical and institutional capacity in its role of contributing to the definition, preparation, and evaluation of public policies for the federal government and disseminating them to Brazilian society. The government considers this important and deems it a priority.

- 1.41 For the Bank, IPEA continues to be a strategic partner and a main actor in the dialogue between the Bank and the country, particularly on account of its participation in the management, preparation, and annual evaluation of the multiyear plan (PPA) (see paragraphs 1.16 and 1.17). Also, the institute's research and studies, such as *Brasil: O Estado de uma Nação* (flagship publication)¹⁵ and *Radar Social*, are used as inputs for the identification of areas and sectors for the Bank's actions, the formulation of the country strategy, sector analyses, evaluation of programs financed by the Bank, the database of social and economic indicators, etc.
- 1.42 Continuing to support IPEA means perpetuating its independence and intellectual soundness, as well as its technical independence within the government in the discussion of the main issues and challenges on the national development agenda, and in the production of studies and research that contribute to public policy formulation and evaluation. At the same time, it strengthens the partnership between the two institutions which, in IPEA's case, translates into greater credibility and international positioning, building up its reputation as one of the country's main think tanks.
- 1.43 Bank financing is intended to support a new model for the organization of internal resources and sustainable business to enable IPEA to respond more effectively to external demands by its main stakeholders (government, civil society, and the academic community). If the Bank does not participate in consolidating IPEA's new research line, this would limit and eventually put on hold the opportunity for the institute to improve and modernize its institutional capacity for the purposes of maintaining its relevance vis-à-vis third parties and ensuring a flow of resources consistent with its mission.

¹⁴ Historically, the Bank has been an important ally in the modernization of the Brazilian State, through a number of operations to improve administrative, tax, and fiscal management on the national and subnational levels, and for the three branches of government. Through its nonfinancial services, the Bank continues to help promote public discussion on the themes and challenges of the country's various development processes.

¹⁵ Based on its magnitude and scope, *Estado de uma Nação* has become a major publication comparable to the Bank's *Economic and Social Progress Report*.

II. THE PROGRAM

A. Objectives

- 2.1 The goal of the program is to help improve the formulation, monitoring, and evaluation of Brazil's public policies. The purpose is to strengthen IPEA's capacity to improve the production, systematization, and dissemination of knowledge about the country's development challenges, while suggesting alternative solutions.

B. Structure and description

- 2.2 To attain these objectives, the program is structured into the following three components.

1. Component 1. Development of structural projects (US\$5,010,000)

- 2.3 The objective of this component is to develop projects that build capacity for public policy research, formulation, monitoring, and evaluation. It will finance the following activities: (i) expansion of the *Brasil: O Estado de uma Nação* project; and (ii) the design and execution of other structural projects. Execution of these activities through studies and integrative research will result in publications that will also be translated into foreign languages, so that IPEA can, under better conditions, disseminate what it produces to a wider audience composed of foreign researchers and entities, thereby contributing to its being perceived internationally as one of Brazil's main think tanks.
- a. *Expansion of the project Brasil: O Estado de uma Nação.* The objective of this activity is to build the structural capacity of all of IPEA's research activities and its advisory services for the government. Since IPEA's research agenda is structured and guided by a conceptual framework, it is highly important to ensure the continuity and expand the actions of this project, which began under the IPEA network program. Apart from studies and research, this activity will finance the review, editing, printing, and dissemination—even in foreign language versions and simplified versions to reach a wider audience—of an annual edition of the book *Brasil: O Estado de uma Nação*. Considering the lessons learned with the projects already executed, under this program, the project will be carried out in two stages: (i) the preparation of background papers; and (ii) the transformation of these papers into chapters in *O Estado de uma Nação*.¹⁶
- b. *Design and implementation of other structural projects.* The objective of this activity is to support projects that transform fragmented IPEA research into proposals linked to the institute's strategic objectives, defining priorities for its studies and research. These projects will result in publications,

¹⁶ In this stage, the focus will be on the production of new academic knowledge, expansion of the frontiers of economic and social research, and methodological innovation, with emphasis on how to promote new areas and new approaches in areas that are already consolidated in IPEA. The second phase will stress the production of reader-friendly texts and academic rigor will move to the background.

methodologies, databases, and information systems, conferences and seminars, and models for policy evaluation, involving the following main economic and social areas, among others: monitoring current economic trends, macroeconomic modeling, economic regulation, economic adjustment and protection of competition, economic institutions, regional integration and foreign trade, public finance, fiscal policy, taxation and the quality of public spending, efficiency and effectiveness of the State, industrial policy and technological innovation, science and technology, corporate social action, social welfare, culture, inequality, human rights, income distribution, education, social spending, labor market, social participation, demographics, social insurance, health, food security, public security, public services and infrastructure, regional and urban development, environmental economics, agriculture, local productive arrangements, and tourism.

The main characteristics of the structural projects are the internal integration of human resources, knowledge and areas, participation by equivalent institutions, and the addition of value to IPEA's work and production. In selecting the projects to be financed under this activity, the following eligibility criteria, which will be incorporated into the program's Operating Regulations, will be complied with: (a) relevance of the topic to the government, society, and the academic community; (b) cooperation between two or more IPEA divisions or thematic areas; and (c) equal or majority participation by IPEA researchers with respect to outside researchers. In the process of selecting outside researchers, all things being equal, the members of the IPEA Knowledge Network (RIC) will be given preference.

As part of this activity, at least four structural projects will be produced each year, including their review, publication, and dissemination, including foreign language versions. Examples of structural projects being carried out by IPEA today are: (a) *Radar Social*, a publication intended to develop and improve processes and instruments for monitoring living conditions in Brazil, and to facilitate monitoring and evaluation of the main public and private programs, policies, and actions in the social sector being undertaken in the country; and (b) *Tecnologia, exportação e emprego* [Technology, exports, and employment], a publication that analyzes changes in the productive structure and in the labor market, with a focus on technological innovation, based on studies produced by 30 actors, 20 of whom are IPEA researchers.

- 2.4 The following table summarizes the main results expected from this component and its activities:

Outcomes of Component 1: Development of structural projects				
Activities and main outcomes	Cumulative targets			
	12 months	24 months	40 months (midterm evaluation)	60 months (final evaluation)
Expansion of the project: <i>Brasil: O Estado de uma Nação</i>				
• Final publications of the project <i>Brasil: O Estado de uma Nação</i>	1 book published	2 books published	3 books published	5 books published
• Publications of Background papers	10 papers published	20 papers published	30 papers published	50 papers published
Design and implementation of other structural projects				
• Studies, events, database, and others, to support structural projects	20 studies etc. conducted	40 studies etc. conducted	60 studies etc. conducted	100 studies etc. conducted
• Final publications of structural projects	4 publications	8 publications	12 publications	20 publications

2. Component 2: National and international cooperation and exchanges (US\$1,326,000)

2.5 The objective of this component is to strengthen cooperative ties with national and international researchers and institutions. It will support implementation of the following activities: (i) exchanges of visiting researchers and specialists; (ii) participation by experts in international scientific congresses; and (iii) support for the National Forum.

- a. *Exchange of visiting researchers and specialists.* This activity is based on the lessons learned during the 40 years that IPEA has been in existence, where it has been found that the presence of visiting researchers is fundamental to structure areas in which IPEA has little capacity and to reinforce the development of research areas that have already been structured. This activity will allow for interaction by IPEA researchers with their peers from other high level institutions, and for permanent contact with the frontiers of knowledge and the development of applied research.

In the selection of visiting researchers to be financed under this activity, the following eligibility criteria, which will be incorporated into the program's Operating Regulations, will be observed: (a) curriculum of the visiting researcher, attesting to experience, degrees, and recognized knowledge in the area; (b) existence of a research group, that has already been or will be structured, to receive the researcher; and (c) presentation of the visiting researcher's work plan. This plan can have the objective of producing a specific study or of structuring a research group in IPEA.

To ensure that this activity helps to increase IPEA's capacity, the visiting researcher will stay for between one and six months and produce the following, as a minimum: (a) one seminar in which the visiting researcher participates; and (b) orientation by the visiting researcher for two IPEA researchers.

- b. *Participation by experts in international scientific congresses.* This activity is intended to support participation by IPEA researchers in international scientific congresses and events, seeking to disseminate IPEA's production more widely and develop cooperation networks that could lead to the exchange of researchers, adding value to the institute's studies and research. Apart from promoting relations between IPEA's experts and other researchers and entities that are relevant to the studies and research under way, the activity will promote discussion and dissemination of the outcomes of the structural projects to be developed under component 1.

In the selection of the IPEA researchers to be supported under this activity, the following eligibility criteria will be observed, which will be incorporated into the program's Operating Regulations: (a) letter from the organizers of the event accepting the research paper for presentation; (b) a minimum of one year between conferences for new support for the same researcher; and (c) participation in a research project already structured or to be structured in the area of the paper to be presented.

- c. *Support for the National Forum.* The National Forum is an association of close to 100 leading Brazilian economists, sociologists, and political scientists, that began in 1988 to offer concrete proposals for the modernization of Brazilian society.¹⁷ This activity is intended to support the National Advanced Studies Institute (INAE) in holding one four-day National Forum a year and one one-day special forum, increasing the opportunities for exchanges with institutions in the national research network. Based on its objectives—to make proposals to modernize the country and seek common ground to make them feasible—the National Forum has an agenda that covers all aspects of development: economic, social, political-institutional, and cultural. In many cases, it is one step ahead of the national debate, introducing new topics and always seeking to be relevant and innovative. The continuity of the partnership between IPEA and INAE, which had previously been supported by the IPEA network program, will ensure cooperation in studies for public policy formulation and widen the impact of IPEA's work, since the

¹⁷ In 1991, the National Forum was formalized and made permanent with the creation of the Instituto Nacional de Altos Estudos [National Advanced Studies Institute] (INAE), a not-for-profit civil association. INAE/National Forum is not merely an institution for research or discussion. It operates as an agent of civil society, with an independent and pluralistic nature that is not connected to political parties. Its mission is to contribute to dialogue among public and private national leaders (executive branch, congress, judicial branch, business, union, academic, and community organizations, and prominent opinion leaders).

forum deals with subjects that are complementary to IPEA's agenda and essential for the country's development.

- 2.6 The following table summarizes the main outcomes expected from this component and its activities:

Outcomes of component 2. Cooperation and national and international exchanges				
Activities and main outcomes	Cumulative goals			
	12 months	24 months	40 months (midterm evaluation)	60 months (final evaluation)
Exchange of visiting researchers and specialists				
Seminars in which visiting researchers participate	2 seminars held	4 seminars held	6 seminars held	8 seminars held
Guidance by the visiting researchers for IPEA researchers	4 researchers who have received guidance	8 researchers who have received guidance	12 researchers who have received guidance	16 researchers who have received guidance
Participation by experts in international scientific congresses				
IPEA experts at scientific congresses	5 participants	10 participants	15 participants	20 participants
Presentation of the outcomes of structural projects		1 presentation at events promoted by the IDB	2 presentations at events promoted by the IDB	3 presentations at events promoted by the IDB
Support for the National Forum				
Support for INAE in holding the forum	1 forum held	2 forums held	3 forums held	5 forums held
Support for INAE in holding mini-forums	1 mini-forum held	2 mini-forums held	3 mini-forums held	5 mini-forums held

3. Component 3. Institutional development (US\$1,520,000)

- 2.7 The objective of this component is to improve the management and performance of the institution. It will provide financing for the following activities: (i) development of a model and implementation of a pilot project to evaluate institutional production; (ii) formulation and implementation of a competencies development program consistent with IPEA's strategic planning; (iii) better knowledge management; (iv) better management of research projects; (v) development and introduction of a management plan for information technology and procurement of equipment and software to modernize the technological plant; and (vi) expansion and implementation of the plan for communication and dissemination of output to the general public.

- a. *Development of a model and implementation of a pilot project to evaluate institutional production.* The objective of this activity is to support IPEA in evaluating the impact of its output on its main stakeholders, including the government, Brazilian society, and the academic community, which will contribute to decision making and the development of new strategic directions. The expected outcomes involve learning and adopting best practices from other equivalent institutions in order to develop a stronger business model that will enable the institute to improve its medium- and long-term planning, maintain its relevance with its stakeholders, and be more competitive and identify other sources of income to ensure a flow of resources commensurate with its mission. One example of an improved practice is to offer executive education programs in specific public policy areas with the objective of teaching the processes and context in which public policy is formulated, which will contribute to achieving greater transparency in the process and represent a new source of funds.¹⁸ In this context, the activity will finance consulting services to: (a) compile and evaluate best practices in other similar institutions; (b) in parallel, perform a diagnostic assessment of IPEA's current production process; (c) develop a model for institutional evaluation of the impacts of IPEA's output based on the results of (a) and (b); and (d) support a pilot project to test the evaluation model in one of IPEA's technical research divisions. The pilot project will make it possible to analyze the model and make adjustments for a better fit with the institution's situation. Given the importance of this activity, the logical framework contains an interim target of completing a study on the practices followed by similar institutions in the first 24 months after the proposed program becomes eligible.
- b. *Formulation and implementation of a competencies development program pursuant to IPEA's strategic planning.* The objective of this activity is to contribute to the design of a training policy for the development of individual, collective, and institutional competencies. Specifically, the activity will support: (a) a diagnostic assessment to identify the competencies essential to the institution, based on the organization's strategy, mission, vision, strategic objectives, and organizational performance indicators; (b) mapping of existing competencies and identification of the gap between the competencies needed to achieve the expected performance and those available in the organization—existing competencies will be mapped with the support of tools such as a talents/competencies bank, which will deepen the knowledge of the public officials and the activities carried out by IPEA; and (c) development of a competencies plan, taking account of the narrowing of the competencies gap brought about by training (short and medium-length courses) and exchanges of experts and researchers to participate in internal and external events.

¹⁸ <http://www.brookings.org/execed>.

- c. *Better knowledge management.* This activity consists of introducing a policy for knowledge management in IPEA that is closely linked to the institute's strategic objectives. A systematic process will be introduced for identification, creation, renewal, and application of knowledge that is strategic for IPEA, which will contribute greatly to adding value to the institution's products and processes and, above all, to human capital, which is its main asset. Even when it is supported by information technology resources, many of which are already available, this knowledge management policy in IPEA will set the stage for dissemination and for sharing knowledge among experts, spurring its increased use. The policy should establish that all research will produce a final report to be discussed internally and made available internally and externally for public consultation.
- d. *Better management of research projects.* This activity will support the planning and execution of research projects by performing a diagnostic assessment and introducing a computerized system to manage research projects. In the first stage, all the information on research will be centralized, permitting users to consult its status in real time and take corrective measures. Research monitoring and evaluation reports will be prepared during the entire execution process. This computerization will help to reduce the time required to prepare research projects and the time spent on contracting. In the second stage, the planning of research projects will be improved to bring them closer to reality and to reduce reprogramming and costs. By the end, information on project performance and outcomes, and an evaluation of those outcomes, will be made available to IPEA's experts over the Intranet.
- e. *Development and introduction of a management plan for information technology (IT) and procurement of hardware and software to modernize the technological plant.* This activity will strengthen research capacity by reducing the limitations imposed by the basic information technology infrastructure and through the use of multimedia, such as the Internet and videoconferencing in the dissemination of the institute's output. The activity will finance consulting services to implement a model for administering IT processes based on an information technology infrastructure library, promoting the development of best practices in IT management. The focus of this model is a description of the processes needed to administer IT infrastructure efficiently and effectively, assuring the service levels agreed on with the internal clients. To facilitate execution of this activity, a procurement plan for hardware and software has been prepared that complements the procurements made under the IPEA network program, particularly with regard to: work stations, statistical software, videoconferencing equipment, and servers to support the Internet, in order to expand the real-time availability of

technical events such as the *Debate sem Fronteiras* [Discussion across borders] event.¹⁹

- f. *Expansion and implementation of the output communication and dissemination plan to the general public.* This activity will support: (a) expansion of the plan to communicate IPEA's output to reach a wider audience, using accessible language; (b) modernization of the editorial project (improved formatting/layout of publications); and (c) greater responsiveness in updating information on the Intranet and Internet. The activity will also facilitate more intensive communications with opinion-shapers (professors, class leaders, journalists, etc.).

2.8 The following table summarizes the main outcomes expected from this component and its activities:

Outcomes of component 3: Institutional development				
Activities and main outcomes	Cumulative goals			
	12 months	24 months	40 months (midterm evaluation)	60 months (final evaluation)
Development of a model and implementation of a pilot project to evaluate institutional production				
Diagnostic assessment of the evaluation practices of similar institutions		Study conducted		
Model for evaluating the impact of IPEA's output			Model developed	
Evaluation in a research division				Pilot project implemented
Formulation and implementation of a competencies development program consistent with IPEA's strategic planning				
Talent/competencies bank	Bank developed			
Training plan	Plan developed			
Training programs abroad		2 experts participating	4 experts participating	6 experts participating
Better knowledge management				
Policy for knowledge management	Policy prepared and approved			

¹⁹ The event is held weekly at IPEA to promote discussion with society on issues that are important to the country. A position paper is also presented, which is published in the journal *Desafios*. The organizing committee is composed of a representative from each of IPEA's divisions.

Final research reports		100% available for consultation on the Intranet	100% available for consultation on the Intranet	100% available for consultation on the Intranet
Better management of research projects				
Diagnostic assessment of research project management processes	Study conducted			
Computerized research project management system		System implemented		
Reprogramming of IPEA projects		20% reduction	20% reduction	20% reduction
Compliance with the financial timetable in the AWP			60% compliance	100% compliance
Development and implementation of a management plan for information technology (IT) and procurement of hardware and software to modernize the technological plant				
IT management plan	Plan prepared and approved			
New work stations that allow for the simultaneous operation of statistical software and support for research planning, execution, and support activities	120 work stations installed			
Statistical software licenses	22 licenses	44 licenses	66 licenses	88 licenses
Simultaneous transmission of events at IPEA (local and international connections)	3 sets of videoconferencing equipment installed			
<i>Debate sem Fronteiras</i> event available in real time over the Internet	Video streaming installed			
Expansion and implementation of the output communication and dissemination plan for the general public				
Communications plan	Plan expanded and approved			
Access to IPEA portals	3% increase	3% increase	3% increase	3% increase
Citations of IPEA output in the written press	3% increase	3% increase	3% increase	3% increase

C. Cost and financing

2.9 The following table presents the total cost of the program, which is an estimated US\$8.8 million, with 81% financed by the Bank and the remainder by the local counterpart.

Components and investment categories (in US\$ thousands)	IDB	LOCAL	TOTAL
I. Administration	200	69	269
1. Coordination unit	63	69	132
2. Monitoring and evaluation	137	-	137
II. Direct costs	6,729	1,127	7,856
1. Development of structural projects	4,213	797	5,010
2. National and international cooperation and exchanges	1,242	84	1,326
3. Institutional development	1,295	225	1,520
Subtotal	6,929	1,196	8,125
III. Unallocated (contingencies)	200	47	247
IV. Financial costs		428	428
TOTAL	7,150	1,650	8,800
%	81.25%	18.75%	100%

III. PROGRAM EXECUTION

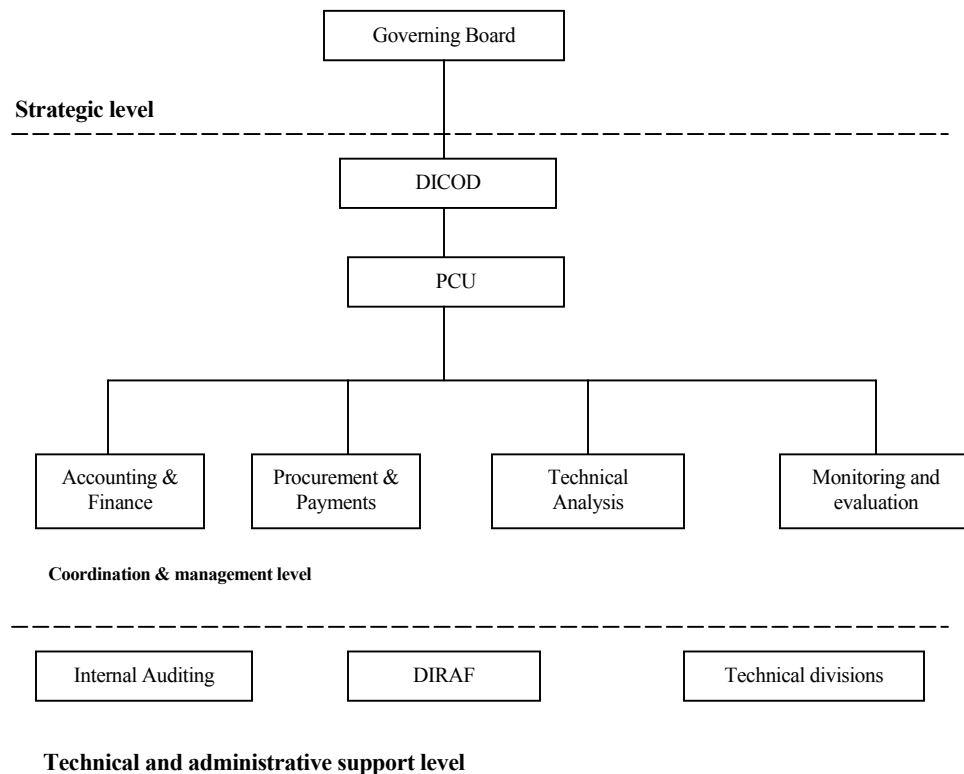
A. Borrower and executing agency

- 3.1 The federal government will be the borrower, through the Ministry of Planning, Budget and Management (MPOG). The Institute for Applied Economic Research (IPEA) will be the executing agency of the proposed program. Although it is connected to the MPOG and is a public foundation with its own legal and financial status, as a condition precedent to the first disbursement, IPEA will need to submit a legal instrument to the Bank, signed by the MPOG and IPEA, in which the latter assumes all the obligations to be established in the prospective loan contract (see paragraph 3.12 (a)).

B. Project execution and administration

- 3.2 Program management will come under the institutional and organizational structure already set up by the previous IPEA network program, under the responsibility of the Cooperation and Development Division (DICOD) which has the authority to: promote technical cooperation between IPEA and similar governmental and nongovernmental institutions; monitor technical-cooperation agreements; promote technical and institutional training for planning and evaluation; and coordinate the development and dissemination of generated information and knowledge.

- 3.3 The institutional arrangement for the program is composed of three levels: (i) a strategic level headed by IPEA's president and composed of the governing board of the institute; (ii) a level for the coordination, management, and execution of program activities; and (iii) a level to support technical management and execution of operations. The following graph shows the program's execution structure:



- 3.4 The composition and main responsibilities of each level are described briefly below.
- 3.5 **Strategic level.** The senior body is IPEA's governing board, which is responsible for representativity and strategic linkage. The board, chaired by IPEA's president, is composed of the directors of the institute's divisions—DISEC, DIRUR, DISOC, DIMAC, DICOD, and DIRAF, and has the following responsibilities: (i) strategic direction and definition of program priorities; (ii) linkage among the entities and areas involved; (iii) approval of the Operating Regulations and their revisions; (iv) approval of the annual work plans (AWPs); (v) approval of the program's procurement plan and its revisions; (vi) approval of the semiannual progress reports; and (vii) resolution of disagreements related to program execution.
- 3.6 **Coordination and management level.** The program coordination unit (PCU) will be responsible for program coordination and management. It was reorganized with the change of government in 2003 and now operates under DICOD (see paragraph 1.26). Keeping in mind that its creation has not been formalized as yet, it

will be necessary for execution of the proposed program, as a condition precedent to the first disbursement, to present evidence that the PCU has been formally established and that its coordinator has been appointed and that it has been adequately staffed (see paragraph 3.12c).

- 3.7 The PCU's basic functions and activities will consist of: (i) general coordination of program execution; (ii) representation of IPEA with the IDB; (iii) preparation and presentation to the Bank of the Operating Regulations and their revisions and, by 1 December of each year, the AWP for the following year, with the board's consent; (iv) preparation and presentation to the Bank of the consolidated periodic reports on the status of program execution: (a) the audited financial reports; (b) the semiannual progress reports within 30 days after the end of each six-month period and the midterm and final program reports; and (c) other reports required by the Bank and the federal government; (v) supervision, monitoring, and evaluation of the program's outcomes with respect to the logical framework; (vi) dissemination of the program's outcomes; (vii) maintenance of the accounting and financial records on consolidated execution of the program and the baseline indicators for the midterm and final evaluations; (viii) preparation of the program execution manual; (ix) maintenance of the project management system; (x) selection, contracting, and administration of contracts for goods and services, in accordance with the activities planned in the approved AWP and in accordance with procedures agreed on with the Bank; and (xi) oversight of compliance with the conditions established in the loan contract.
- 3.8 **Administrative and technical support level.** The program will rely on the structure of IPEA's Administration and Finance Division (DIRAF), which will be operationally responsible for the following functions: (i) budget and financial planning and execution; (ii) administration of personnel, general services and logistics, and maintenance of the goods procured by the program; and (iii) planning, supervision, and coexecution of bid and contracting processes. For execution of the activities in the program's components, the other divisions will be responsible for: (i) presenting and discussing proposals and topics of interest for the program; (ii) preparing the terms of reference and technical specifications for program procurements; (iii) supporting the bid processes; (iv) monitoring the development of the contracted products/projects/research; (v) analyzing the outputs and certifying their technical quality; (vi) requesting payments; and (vii) preparing and presenting reports on monitoring and outcomes.
- 3.9 Based on the evaluation of the Institutional Capacity Assessment System (ICAS), an institutional strengthening plan was designed for the PCU and other IPEA units directly involved in program execution. The purpose of the plan is to prepare a strategic plan for the PCU, defining targets and performance and outcome indicators. In addition, the program Operating Regulations will be drafted and presented to the Bank as a condition precedent to the first disbursement (see paragraph 3.12d(i)), which will incorporate the program's policy and operational provisions, including: (i) component and activity eligibility criteria; (ii) the linkage,

reporting chain, structure, positions, functions, and responsibilities of the PCU; (iii) the work processes and operating procedures; (iv) the format of the AWP, the procurement plan, the tools for procurement and contracting, and the semiannual progress reports; (v) the system for monitoring and evaluation of program activities; (vi) adaptation and introduction of the project management system, which will be a condition precedent to the first disbursement (see paragraph 3.12d(ii)); and (vii) preparation and implementation of a training plan for planning, coordination, management, execution, monitoring, and evaluation of the program outcomes and implementation criteria, which will also be a condition precedent to the first disbursement (see paragraphs 3.12d (iii) and (iv)).

C. Execution period and disbursement schedule

- 3.10 The program will be executed and the loan disbursed over five years. The period for committing the funds will be 54 months. The disbursement schedule for each year of execution is shown in the following table (in thousands of U.S. dollars, excluding contingencies and financial costs):

Source	2007	2008	2009	2010	2011	2012	TOTAL
IDB	754	1,509	1,453	1,313	1,267	633	6,929
LOCAL	97	420	194	194	194	97	1,196
Total	851	1,929	1,647	1,507	1,461	730	8,125
%	10%	24%	20%	19%	18%	9%	100%

D. Revolving fund

- 3.11 A revolving fund of up to 5% of the loan will be established to execute the operation.

E. Conditions precedent to the first disbursement

- 3.12 The following are to be presented to the Bank as conditions precedent to the first disbursement of the loan:
- The legal instrument signed by the MPOG and IPEA, in which IPEA assumes all the obligations set out in the loan contract.
 - The AWP for the first period of program execution.
 - The administrative resolution issued by IPEA's president that formally establishes the PCU with the subsequent designation of its coordinator and proper assignment of staff.
 - The administrative resolution by IPEA's president approving: (i) the program Operating Regulations; (ii) the project management system to be implemented in the PCU; (iii) the training plan for planning, execution, monitoring, and evaluation of projects for the public officials assigned in the PCU, extending

to other IPEA units involved in program execution; and (iv) the criteria for implementing the training plan in the PCU and other IPEA units.

F. Procurement

- 3.13 Procurements of goods and contracting of services will be carried out in accordance with the Bank's policies and procedures, particularly those established in GN-2349-7 (for works, goods, and related services) and GN-2350-7 (for consulting services), and as stipulated in the loan contract. The program's procurement plan covers the 60-month execution period. The plan will be updated semiannually or when necessary, and must be approved by IPEA's board and the Bank.
- 3.14 The following thresholds have been established for the procurement of goods and contracting of services (other than consulting services): (i) with an estimated cost **equal to US\$500,000 and over**, international competitive bidding will be required; (ii) with an estimated cost **below US\$500,000 and above US\$100,000**, national competitive bidding may be used; (iii) with an estimated **cost below US\$100,000**, shopping may be used.
- 3.15 The Bank may recognize as eligible for financing the following types of procurements established in federal legislation: (i) e-procurement (*pregão eletrônico*) using the ComprasNet system for generic goods estimated to cost **US\$500,000 or less**; (ii) official price list for goods of any kind estimated to cost **US\$500,000 or less**, provided the list has received the Bank's nonobjection in advance; and (iii) on-site bidding for generic goods estimated to cost **US\$30,000 or less**. The Bank may eliminate the option of using one or more of the methods described in this paragraph at any time.²⁰
- 3.16 For consulting services estimated to cost **US\$500,000 and under**, the short list may be comprised entirely of national consulting companies. For individual consultants, IPEA's consultants registry will be used, which is open to all and continuous and can be consulted at IPEA's web site: <http://www.IPEA.gov.br>.
- 3.17 The costs related to the stays (between one and six months) of visiting researchers may be financed with Bank resources and, in this case, the single-source selection of researchers is permitted. For the activity in support of the National Forum, IPEA will send a well-grounded request to the Bank regarding the execution procedures that will be used when services with third parties are contracted. In principle, the direct contracting of the National Advanced Studies Institute (INAE) is anticipated, in view of its experience and excellent performance in executing this event under the current IPEA network program and also because of its capacity to coordinate and attract a wide variety of segments from government and society.

²⁰ Use of the electronic *pregão* and the official price list will conform to the terms and conditions approved by the Bank's Project Procurement Committee (case 04/2006 of 10 May 2006).

- 3.18 Should IPEA deem it necessary to receive support from a specialized agency for program execution, the respective legal instrument between the parties will be submitted to the Bank for prior authorization.

G. Bank review

- 3.19 The first three procurement processes for goods and services (other than consulting services) financed with the Bank's resources will be submitted for prior review by the Bank, regardless of their cost. After this phase, a joint evaluation will be performed by the Bank and the executing agency to determine whether the post review method should be applied. The Bank will give its prior nonobjection to at least one bid process in each of the three methods—e-procurement (ComprasNet), the official price list, and on-site bidding—before considering the possibility of moving to post reviews.
- 3.20 The first three selection and contracting processes for consulting firms financed with the Bank's resources will be subject to prior review by the Bank regardless of the price. After this phase a joint evaluation will be performed by the Bank and the executing agency to determine whether the post review method should be applied.
- 3.21 All processes for the selection and contracting of individual consultants at an estimated cost of **US\$50,000 and over** will be subject to prior review by the Bank. Contracts costing less may be subject to post reviews, in light of IPEA's experience with this type of process.

H. Accounting and external auditing

- 3.22 The executing agency will maintain adequate records related to contract administration, accounting, and financial administration of the program, and appropriate files of original documents supporting the contracts and transactions, in accordance with Bank requirements. These records, integrated or reconciled with IPEA's general accounts, should make it possible to identify and verify the sources and uses of program funds, in the manner required by the Bank. External audits will be performed by the Secretaria Federal de Controle (SFC) [Federal Audit Department], keeping the Bank's external auditing requirements in mind.

I. Monitoring and evaluation

- 3.23 The PCU and the Bank will supervise and monitor program execution. The program will finance the costs of these activities to be performed by the PCU, particularly with respect to the redesign of project management processes and implementation of the monitoring and evaluation system.
- 3.24 The monitoring and evaluation processes will use the following tools:
- a. The annual work plan (AWP). This document consolidates all the activities to be carried out during each fiscal year, by component and activity, contained in the logical framework and based on the corresponding physical and financial timetables. The first AWP will cover the period from signature of the loan contract to 31 December of that same year. The subsequent AWP's will run

from 1 January to 31 December each year. The document should be presented to the Bank for nonobjection by 1 December of the year prior to the year it covers.

- b. Semiannual progress reports. These reports will be prepared in a format agreed on in advance with the Bank. They will describe progress made and the extent of fulfillment of the targets, based on the level 1 and 2 indicators in the logical framework (outcomes by component and activity) and will be presented within 30 days after the end of each semiannual period at the latest.
- c. Administration missions. These missions are basically intended to evaluate the status of the program, identify any problems and their causes, and define and agree on opportunities to improve the program with the executing agency and the local authorities. The events promoted by the Bank to disseminate the outcomes of the structural projects (component 1) will be used to evaluate progress in the other components of the operation together with IPEA, rather than waiting until the midterm evaluation is performed.
- d. Midterm and final evaluation reports. These reports describe progress and the extent of fulfillment of the targets, particularly the level 3 indicators in the logical framework (purpose and goal of the program). A midterm evaluation will be performed during the program and a final evaluation at the end. The terms of reference for commissioning the two evaluations will be submitted in advance to the Bank for approval. The evaluations will be presented to the Bank at the following times: midterm, 30 months after the start of the program or when 50% of the loan proceeds have been disbursed, whichever comes first; and final, which should consolidate all the program's outcomes and lessons learned, 60 days after the end of the program.

IV. FEASIBILITY AND RISKS

A. Institutional feasibility

- 4.1 When the program was being prepared, an evaluation was performed of the institutional capacity of the institute and its PCU, using ICAS. The evaluation verified good installed capacity, with proven experience and competence. The evaluation also found that the PCU was not yet formally integrated into IPEA's organizational structure and the fact that its staff had recently joined the civil service, which is why formalization and a training plan were turned into contractual conditions precedent to the first disbursement.

B. Financial feasibility

- 4.2 The financial feasibility of the program is based on the flow of funds that IPEA receives directly from the federal government, through the Ministry of Planning, Budget, and Management, and through external financing operations with international organizations, with the Bank being an important source. During the frequent budget cuts suffered by the institute over the life of the current loan, the

Bank's support for IPEA's budget, with respect to the execution of its studies and research activities, was significant.²¹ In the last three years specifically, Bank participation amounted to 73% in 2004, 79% in 2005, and 66% in 2006 out of the institute's total budget of US\$50,379,023 and US\$65,893,915 in 2004 and 2005, respectively, and US\$74,228,420 up to August 2006. In the same period, IPEA's investment in its studies and research (excluding personnel costs) amounted to 7.1% in 2004, 5.84% in 2005, and 4.69% in 2006 of its total budget.

- 4.3 As can be seen in the following table, for 2007 the investment is expected to be 4.49%, which explains the reduction in Bank funds from the current loan and the availability of funds from the proposed program in the second half of 2007, as well as the increase in IPEA's own resources. To ensure stability in the allocation of IPEA funds for the final activities of its studies and research during the proposed program, a target and indicator has been included in the logical framework of maintaining 4.49% as the minimum percentage of participation in IPEA's total budget.

Budget levels	2004	2005	2006/available	2007/proposed
Overall total	50,379,023	65,893,915	74,228,420	86,772,880
Research	3,575,525	3,845,192	3,480,955	3,895,290
Percentage of participation	7.10	5.84	4.69	4.49

C. Social and environmental impact

- 4.4 There will be no significant negative impacts, given the nature of the program. Rather, the impact will be positive by strengthening IPEA's capacity to monitor and evaluate the impact of public policies on Brazilian society. In this context, the role played by IPEA in social research through its *Textos para Discussão* [discussion papers] and other publications such as *Radar Social* (see paragraph 2.3(b)) and the *Boletim de Políticas Sociais: Acompanhamento e análise* [Social policy bulletin: Monitoring and analysis] are worth highlighting.
- 4.5 With regard to the indigenous sector, IPEA is in the early stages of conducting research, systemizing specific data, and participating in the government's working groups to discuss inequality in this population group and the need for its social inclusion. These discussions are taking place within a broader framework on the subject of combating inequalities.

D. Benefits and beneficiaries

- 4.6 The program identifies the executing agency IPEA, a public planning and research institution, as the prime beneficiary. The federal and state governments and institutions involved in statistics, planning, and research on public policies, and the

²¹ This Bank participation refers to the IPEA network program (991/OC-BR) and the program to strengthen the international evaluation function in IPEA (ATN/SF-5574-RG). The latter refers to the 2004 financial year.

academic community are seen as second-line beneficiaries, and society at large as the end beneficiary, particularly those segments (area specialists, nongovernmental organizations, enterprises and the general public) that use the different outputs from its activities in their work (databases, studies, books, journals, policy monitoring bulletins, and events). The benefit to be obtained by IPEA with the program will be the strengthening of its institutional mission, which will allow it to promote its knowledge and raise the visibility of the results of its work.

E. Risks

- 4.7 The external risks of the operation are associated with the public spending restrictions decided by the Brazilian government and fluctuations in the exchange rate caused by the market. Although they occurred during the IPEA network program and were beyond that program's control due to the exchange system and a policy of extreme fiscal austerity, they are less likely to recur due to the macroeconomic management model followed by the government since 2003, which involves continuing to maintain more flexible fiscal austerity, a floating exchange rate, and strict inflation targets. The main risk identified that has the potential to affect execution of the proposed operation and the outcomes of components 1 and 2 consists of a delay in getting activities under way at the start of the project to develop the strategic and operational management capacity under component 3 on institutional development. To mitigate this risk, the logical framework and the action and investment plan for component 3 were designed to ensure that the key activities would be executed within 24 months after the operation becomes eligible (also see the table in paragraph 2.8).

**ASSESSMENTS, PROSPECTS, AND ALTERNATIVES FOR DEVELOPMENT IN BRAZIL—IPEA RESEARCH
(BR-L1060)
LOGICAL FRAMEWORK**

Narrative summary	Indicators	Means of verification	Assumptions
<p>Goal</p> <p>To help improve the design, monitoring, and evaluation of Brazil’s public policies.</p>	<ul style="list-style-type: none"> • Perception of relevant actors about IPEA’s contribution to public policies. 	<ul style="list-style-type: none"> • Compilation of information on the perceptions of representatives of government, civil society, and the academic community about IPEA’s contribution to public policies 	<ul style="list-style-type: none"> • The government and Brazilian society recognize the importance of IPEA’s output.
<p>Purpose</p> <p>To improve the production, systematization, and dissemination of knowledge about the country’s development challenges and propose alternative solutions.</p>	<ul style="list-style-type: none"> • Number of IPEA experts participating in work groups, committees and councils of the executive, legislative, and judicial branches. • Number of citations of IPEA output in the written press. • Number of papers by IPEA researchers presented at technical and scientific events. • Number of articles published in periodicals indexed by CAPES¹ (national and international). • At least 4.5% of the annual budget is used for research and studies (final activities). 	<ul style="list-style-type: none"> • Records of participation by IPEA’s experts in work groups, committees, and councils • Report by the communications advisor • IPEA’s talent/competencies bank • IPEA’s approved multiyear plan and annual budget • Annual management reports 	<ul style="list-style-type: none"> • Budget restrictions do not affect the program. • The exchange rate does not fluctuate significantly. • Current legal-administrative conditions for program execution are maintained.

¹ CAPES - *Coordenação de Aperfeiçoamento de Pessoal de Nível Superior* [Coordination Office for the Professional Development of Senior Staff].

Narrative summary	Goals and indicators	Means of verification	Assumptions
Component 1: Development of structural projects			
To develop projects that build the capacity for public policy research, formulation, monitoring, and evaluation.	Targets: <ul style="list-style-type: none"> 5 structural projects conducted and published each year. Indicators: <ul style="list-style-type: none"> Structural projects conducted. Structural projects published. 	<ul style="list-style-type: none"> Annual management reports Final project report Publication 	<ul style="list-style-type: none"> The capacity to retain and attract talent is maintained.
Component 2: National and international cooperation and exchanges			
To strengthen ties of cooperation with national and international researchers and institutions.	Target: <ul style="list-style-type: none"> 2 work plans a year in association with visiting researchers. Indicator: <ul style="list-style-type: none"> Number of studies conducted in coauthorship or directed. 	<ul style="list-style-type: none"> Studies available on the Internet and the Intranet 	<ul style="list-style-type: none"> There is no loss of flexibility for entering into agreements with national and international institutions. The IDB will facilitate opportunities for joint events.
Component 3: Institutional development			
To improve the institution's management and performance.	Targets: <ul style="list-style-type: none"> 60% compliance with the financial timetable in the AWP 40 months after the program becomes eligible.² 100% compliance with the financial timetable in the AWP 60 months after the program becomes eligible. Reduction of 20% a year in the reprogramming of IPEA research projects after the first year of the program. Indicator: <ul style="list-style-type: none"> Financial timetable executed. Financial timetable programmed. Project reprogramming index. 	<ul style="list-style-type: none"> AWP and progress reports Access to the project management system Reports by the project management unit 	

² The program will be eligible once spending authorization is granted.

Narrative summary	Goals and indicators	Means of verification	Assumptions
1.1 Expansion of the project <i>Brasil: O Estado de uma Nação</i>	Targets: <ul style="list-style-type: none"> • 1 <i>Brasil: O Estado de uma Nação</i> project each year. • Gradual increase in participation by IPEA experts in the project each year. • 10 background papers published each year. • Increase of 3% in the number of downloads of book chapters each year. Indicators: <ul style="list-style-type: none"> • Number of final publications. • Absolute number of IPEA experts who participate in the project. • Background papers published. • Downloads of book chapters. 	<ul style="list-style-type: none"> • Annual management reports • Publication • Internet 	1,507,500
1.2 Design and execution of other structural projects	Target: <ul style="list-style-type: none"> • 4 structural projects executed each year. Indicators: <ul style="list-style-type: none"> • Studies conducted. • Number of final publications. 	<ul style="list-style-type: none"> • Annual management reports • Publications 	3,502,200
2.1 Exchange of visiting researchers and specialists	Goal: <ul style="list-style-type: none"> • 2 seminars held each year with the participation of visiting researchers. • 4 IPEA researchers receive direction from visiting researchers each year. Indicators: <ul style="list-style-type: none"> • Number of seminars held. • Number of researchers who received direction. 	<ul style="list-style-type: none"> • Annual management reports • Work program and activities reports by visiting researchers available on the Intranet 	168,750

Narrative summary	Goals and indicators	Means of verification	Assumptions
2.2 Participation by technical staff in international scientific congresses and events	<p>Targets:</p> <ul style="list-style-type: none"> • 5 experts participate in scientific congresses and events each year. • 3 presentations of results of projects with structuring effects at events promoted by the IDB by the end of the program. <p>Indicators:</p> <ul style="list-style-type: none"> • Annual number of technical staff attending events. • Presentations made. 	<ul style="list-style-type: none"> • Annual management reports • Certificates of registration at the event and/or letters of invitation • Information on events in which IPEA participated available on the Intranet 	107,585
2.3 Support for the National Forum	<p>Targets:</p> <ul style="list-style-type: none"> • 1 INAE forum in each year of program execution. • 1 mini-forum in each year of program execution. <p>Indicator:</p> <ul style="list-style-type: none"> • Number of forums held. • Number of mini-forums held. 	<ul style="list-style-type: none"> • Reports published 	1,050,000
3.1 Development of a model and implementation of a pilot project to evaluate institutional output	<p>Targets:</p> <ul style="list-style-type: none"> • Study on the evaluation practices used by similar institutions up to 24 months after the program becomes eligible. • Model for evaluating the impact of IPEA output designed up to 40 months after the program becomes eligible. • Pilot project implemented in one research division by the end of the program. <p>Indicator:</p> <ul style="list-style-type: none"> • Not applicable. 	<ul style="list-style-type: none"> • Study report • Evaluation model • Report on the results of the pilot project 	180,195

Narrative summary	Goals and indicators	Means of verification	Assumptions
3.2 Design and implementation of a program to build competencies in accordance with IPEA's strategic planning	Targets: <ul style="list-style-type: none"> • Talents/competencies bank developed 9 months after the program becomes eligible. • Training plan developed up to 12 months after the program becomes eligible. • 2 experts participate in training programs abroad each year. Indicators: <ul style="list-style-type: none"> • Number of staff trained/total planned per year. • Number of experts trained. 	<ul style="list-style-type: none"> • Access to the talents/competencies bank • Training reports • Course completion certificates 	313,075
3.3 Better knowledge management process	Targets: <ul style="list-style-type: none"> • Policy for knowledge management approved up to 12 months after the program becomes eligible. • 100% of final research reports written since the beginning of IPEA Research are available for consultation on the Intranet after the first year of the program. Indicator: <ul style="list-style-type: none"> • Final research reports published on the Intranet/final research reports. 	<ul style="list-style-type: none"> • Policy instructions published • Intranet 	179,550
3.4 Better research project management	Targets: <ul style="list-style-type: none"> • Diagnostic analysis of IPEA's research project management processes up to 8 months after the program becomes eligible. • Computerized research project management system up to 20 months after the program becomes eligible. 	<ul style="list-style-type: none"> • Report containing the diagnostic analysis of research project management processes • Access to the project management system • Reports by the project management unit 	218,750

Narrative summary	Goals and indicators	Means of verification	Assumptions
	Indicator: <ul style="list-style-type: none"> Projects reprogrammed/total projects. 		
3.5 Development and implementation of an information technology (IT) management plan and procurement of hardware and software to modernize the technological plant	Targets: <ul style="list-style-type: none"> IT management plan prepared and approved up to 9 months after the program becomes eligible. 120 new work stations that enable the simultaneous use of statistical software and software to support planning, execution, and research support activities up to 12 months after the program becomes eligible. 88 licenses for statistical software purchased by the end of the program. Capacity to simultaneously transmit 3 events by videoconferencing in IPEA (local and international connections) up to 6 months after the program becomes eligible. <i>Debate sem Fronteiras</i> event available in real time over the Internet in video streaming 6 months after the program becomes eligible. Indicators: <ul style="list-style-type: none"> Number of new work stations in operation. Number of statistical software licenses. Number of videoconferencing points. 	<ul style="list-style-type: none"> IT management plan approved by the governing board Property inventory Internet access 	539,430

Narrative summary	Goals and indicators	Means of verification	Assumptions
<p>3.6 Expansion and implementation of a plan for communications and dissemination of output for the general public</p>	<p>Targets:</p> <ul style="list-style-type: none"> • Communications plan expanded and approved up to 6 months after the program becomes eligible. • Annual increase of 3% in visits to the IPEA website. • Annual increase of 3% in citations of IPEA output in the written press. <p>Indicators:</p> <ul style="list-style-type: none"> • Communications plan under development. • Number of visits to the IPEA website. • Number of citations of IPEA output in the written press. 	<ul style="list-style-type: none"> • Minutes of the meeting of IPEA's governing board • Logs of IPEA's Internet server • Annual report by the communications advisor • Google 	<p>88,750</p>

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION

Brazil. Technical Cooperation Loan /OC-BR to the Federative Republic of Brazil
Program Assessments, Prospects, and Alternatives for
Development in Brazil - IPEA Research

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Federative Republic of Brazil, as Borrower, for the purpose of granting it a financing aimed at cooperating in the execution of the program assessments, prospects, and alternatives for development in Brazil - IPEA Research. Such financing will be in the amount of up to US\$7,150,000, from the resources of the Single Currency Facility of the Bank's Ordinary Capital, and will be subject to the Financial Terms and Conditions and the Special Contractual Conditions of the Project Summary of the Technical Cooperation Loan Proposal.