



# Project Information Document/ Identification/Concept Stage (PID)

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Concept Stage | Date Prepared/Updated: 03-Sep-2020 | Report No: PIDC230204



**BASIC INFORMATION**

**A. Basic Project Data**

Project ID	Parent Project ID (if any)	Environmental and Social Risk Classification	Project Name
P174730		Low	SPF Peru: Emergency Response for Venezuelan Migrants and Refugees
Region	Country	Date PID Prepared	Estimated Date of Approval
LATIN AMERICA AND CARIBBEAN	Peru	03-Sep-2020	
Financing Instrument	Borrower(s)	Implementing Agency	
Investment Project Financing	International Organization for Migration	International Organization for Migration	

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**PROJECT FINANCING DATA (US\$, Millions)**

**SUMMARY**

<b>Total Project Cost</b>	4.00
<b>Total Financing</b>	4.00
<b>Financing Gap</b>	0.00

**DETAILS**

**Non-World Bank Group Financing**

Trust Funds	4.00
State and Peace Building Fund	4.00

**B. Introduction and Context**

Country Context

**Peru is the ninth country in the world most affected by the COVID-19 pandemic, and the second hardest hit in LAC, with 183,194 confirmed cases by June 5, 2020.** This crisis is dramatically affecting economic prospects for 2020 and beyond. The IMF has estimated that the Peruvian economy would fall 4,5% in 2020 due to the pandemic. This will bring substantial impacts on the economy and welfare broadly and, more specifically, on the incomes of the poor and vulnerable.[1] A largely aggravating factor has been that the first



contagion mitigation measure dictated by government was an order of complete social lockdown, leading to foregone employment and income among the country's informal workers.

**The health sector has been particularly affected, due to the combined effect of quick and widespread contagion, and preexisting deficits in service provision.** The health system has nearly collapsed, with hospital beds becoming unavailable in the areas with highest concentration of cases, including Lima, Loreto, Lambayeque and La Libertad. The shortage of intensive care units, respirators and other infrastructure and equipment is forcing the rejection of patients in several areas of the country.

**The COVID-19 emergency is hitting disproportionately the poor and vulnerable. While the entire country is affected, the Venezuelan migrant and refugee population in Peru is expected to be significantly and disproportionately impacted by the shock,** for several reasons. First, Venezuelan migrants and refugees in Peru are more likely to be employed in the informal sector and small firms, as such their sources of income are most likely to be affected in a more permanent manner. Likewise, Venezuelan migrants and refugees are overrepresented in the most affected economic sectors by the crisis: in 2018, 69 percent worked in highly vulnerable sectors including hotels, restaurants, commerce, transport, construction and manufacture; this share was higher for newcomers (at 77 percent). Third, Venezuelan migrants and refugees earned in average less than Peruvians and had higher poverty rates: the estimated hourly wage gap between Venezuelans and Peruvians is around 37 percent in almost all sectors and types of work and were overrepresented among the poor.

**The World Bank has estimated that the impact of losing 30 days of monthly labor income among informal Venezuelan workers due to the lock down measures would increase their income poverty rate from 18 to 92 percent.** Access to health services and insurance is extremely low among Venezuelan migrants and refugees in Peru: only 9% percent of them have health insurance. When sick, only 33% sought care in a health facility or doctor's office, due to financial constraints and lack of insurance. Finally, perceptions towards Venezuelans have worsened dramatically during the pandemic, as they are increasingly seen as a burden for the country, handicapping the response to the pandemic and the post- COVID-19 recovery.

[1] Transmission channels for this economic shock include: the direct and indirect cost of illness, the direct and indirect costs of prevention measures; and the broader global economic downturn. At the household level, the shock can be manifested through high, unanticipated medical costs, loss of income due to sickness or need to give care or lay-offs or business failure, higher prices for imported, etc.



Sectoral and Institutional Context

**In Peru, the Ministry of Social Development and Inclusion (MIDIS) is responsible for leading strategies focused on the poorest and most vulnerable population, while the Ministry of Foreign Affairs is the national entity in charge of coordinating the response to the Venezuelan influx in the country.** The MIDIS manages the most important social Management Information Systems (MIS), targeting system (SISFOH), and Social Assistance programs, including cash transfer programs for the poor. Through MIDIS, the GoP has implemented several interventions to cope with the impacts of the current health crisis.[2] The Ministry of Foreign Affairs on the other hand, has been mobilizing support of bilateral, multilateral and humanitarian partners to respond to this crisis, and in particular, to mitigate the impacts among Venezuelan migrants and refugees, with limited success given the global nature of the crisis.

**Despite the expansion of safety nets for the poor and vulnerable during the crisis, and the current dire circumstances of the Venezuelan population in Peru, the GoP measures announced including the use of emergency cash transfers do not target Venezuelans.** While it is estimated that an important share of Peruvian informal poor workers and as many as 81% of Peruvian informal non-poor workers will benefit from at least one of the Government emergency cash transfer program, Venezuelans will not receive emergency transfers, leaving them with no means to mitigate the impact of the pandemic. This would increase the overall vulnerability of the country to surmount the crisis, as migrants and refugees will be less likely to enforce social distancing measures, increasing chances of new outbreaks.

**In response, the Grant objective is to support the inclusion of and support for Venezuelan migrants in Peru, improve the country's response to COVID-19, and reduce exclusion and xenophobia.** In particular, the grant will provide urgent assistance through emergency cash transfers to vulnerable Venezuelan migrants and refugees in Peru who have been negatively affected by the social distancing measures taken to contain and mitigate the spread of COVID-19, and have not benefited so far from any relief effort. Depending on the component, the activities will be concentrated in five key regions with heightened pressure due to migration and COVID-19: Lima, Tumbes, Piura, Trujillo and Arequipa. The project is fully aligned with the State Peacebuilding Fund's focus area on forced displacement, as it supports conditions that foster social and economic integration of refugees and refugee-like population and addresses spillovers of an FCV situation (the Venezuelan crisis). It is also aligned with the SPF's core objective of peaceful, stable, and sustainable development by reducing a significant social and economic stressor in the host country.

[2] These include the expansion of cash transfers to households in poverty and extreme poverty in urban areas under health risk; 4 months advance payments for non-contributory pension and disability cash transfer programs' beneficiaries; monitoring and support of high-risk elderly population and people with a



severe disability; and the expansion of cash transfers for vulnerable people in affected sectors, due to the lock-down of the country for several weeks.

#### Relationship to CPF

**The proposed project closely resonates with the objectives postulated in the Country Partnership Framework for FY17 to FY21 between the Government of Peru and the World Bank Group.** It must be highlighted that resonance with CPF is despite the project responding to two specific junctures that have unfolded after the CPF was developed in 2017— the surge in Venezuelan migration in 2018 and the spread of Covid-19 in Peru since March 2020. Specifically, the project is closely linked to Objective 6 (Strengthening delivery of health and nutrition services for the poor) under Pillar II (Services for Citizens across the Territory), as it seeks to prevent that particularly disadvantaged groups are disproportionately affected in the context of the pandemic and are further submerged in poverty.

**The CPF is clear in emphasizing that significant, but insufficient progress has been made in reducing exclusion and inequality for the poor.** Specifically, the CPF highlights that the joint World Bank Group and Government of Peru program will pay close attention to health and nutrition, and it recognized that there are important pockets of the population where progress in these areas have been much slower than in the rest of the country. The context diagnosed in the CPF has become significantly more acute by 2020, making this project highly relevant in achieving its intended objectives. As thousands of families have forgone income during the Covid-19 pandemic, food security and nutrition have been greatly affected—it is imperative that cash relief is provided to affected families, so they prevent falling into malnutrition shocks with long-lasting effects. Furthermore, the surge in Venezuelan migration has multiplied the number of pockets in the population where the progress of the past decade is not yet evident. It has now become clear that, as with previously unattended population groups, the social progress of the country as postulated in the CPF, requires that effective social and economic inclusion reaches all members of society, including migrants.

### C. Project Development Objective(s)

#### Proposed Development Objective(s)

The Grant objective is to support the inclusion of and support for Venezuelan migrants in Peru and improve the country's response to COVID-19, through the provision of emergency cash transfers to poor and vulnerable Venezuelan migrants, and through actively mitigating discrimination and xenophobia.

#### Key Results

1. Beneficiaries (migrant and refugee households) receiving cash transfers (number, disaggregated by gender)
2. Beneficiaries (migrant and refugee households) receiving prepaid cards (number, disaggregated by gender)



3. Beneficiaries reporting satisfaction with Multipurpose cash (percentage)
4. Beneficiaries (Peruvians) with improved perceptions towards Venezuelan migrants and refugees (percentage)

#### D. Preliminary Description

##### Activities/Components

The project will consist of two components:

Component 1: Implementation of emergency Cash Transfers to Venezuelan Migrants and Refugees (Implementing partner: IOM). This component aims to reach 13,535 vulnerable families, covering approximately 54,140 Venezuelans with a one-time emergency transfer of PEN 760 (USD235 aprox).[3] This amount is based on what the Peruvian government is currently providing to nationals, avoiding any distortions between hosts and migrants and refugees. According to international evidence, one-time cash transfers are preferred for emergency responses, as they inject money quickly to the families, as opposed to several installments, which are preferred for regular safety nets schemes (such as CCTs). The amount is also estimated based on the Minimum Expenses Basket (MEB) established in the country. The delivery mechanism for this project will be through mobile transfers that will be distributed per family/household, in order to reduce direct contact and therefore, risks of contagion. As mobile transfers require a valid ID and a Peruvian mobile number for registration and anticipating that these requirements may be difficult to fulfill for some of the most vulnerable families, a second modality of prepaid cards for consumption in specific local establishments will be included for up to 3,000 households. Vulnerability criteria to determine eligible households will include: single-parent headed households; households with dependent children and/or people over 60 years old; pregnant and breastfeeding women; households with members with mental and physical disabilities and/or in need of medical treatment; irregular migrants; asylum seekers and refugees; victims of GBV and/or human trafficking; people with chronic illnesses; LGBTIQ+ population in vulnerable conditions; people in the process of family reunification; people without support networks; and people with no income to meet their basic needs.

Component 2: Strengthened response coordination, policy making and antixenophobia, and project supervision (Bank Executed TF): The lack of experience dealing with massive displacement and overstretched operational capacity due to the COVID-19 emergency, is hindering coordination roles at all levels. This is likely to have a negative effect on the mobilization capacity of the GoP to respond to this humanitarian emergency, impacting therefore in the economic integration of migrants and refugees. This component, requested and discussed with the Ministry of Foreign Affairs, will finance the provision of technical assistance to the Ministry of Foreign Affairs based on international best practices for an enhanced coordination of the emergency response, and to strengthen their institutional capacities by supporting the development of consolidated framework for the recovery of Venezuelan migrants and their integration with host areas. The component will additionally support the implementation of innovative solutions towards social cohesion and combating xenophobia and discrimination. Studies in Peru have found that a single interaction with Venezuelans is sufficient for locals to change their perception towards them. Also, research shows that



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unconscious biases towards people we perceive as different can be overcome through targeted trainings. Strategic communications and messaging highlighting the contributions of migrants and refugees to host communities can also support successful integration. This is a key component as the health emergency is triggering rejection of Venezuelans, even by political parties, some of which are advocating for the non-compliance of international treaties, the cancellation of temporary permits of residency, and the expulsion of all Venezuelans from Peru.

In this sense, this activity would promote positive intergroup interactions through (virtual) between-group activities. Behind these activities is the rationale that these interactions have shown to change the perceptions of Peruvians about Venezuelan migrants and refugees in a way that reduce discrimination/xenophobia. The specific activities to be carried out under this component would be selected through a call for proposals to disseminate positive stories through different media (e.g. short-film, photography, storytelling) carried out jointly by Venezuelan and Peruvian population and creating and featuring positive stories. Beyond the national and/or local Government, partners for this activity could come from the private sector, academia, NGOs, and others. Support from the World Bank in designing and implementing this activity in a rigorous way would serve as proof of concept of the potential impact of these behavioral interventions that could be then tried in other spaces and communities across Peru. The perceptions monitoring would allow complementary budget to the proposed activities to evaluate and monitor perception changes over time, measuring the impact of interventions in a rigorous way and recommending options for future scale-up. The two activities most amenable to be evaluated are the interventions around spaces for positive interaction and the behavioral training to address unconscious biases among decisionmakers. The decision on which specific perceptions/indicators will be monitored will be defined later. Here again, the Bank has an important role to play to show how these innovative behavioral interventions can be designed and evaluated.

[3] There is not an accurate estimation of the total number of Venezuelan families in vulnerable conditions. Yet, from the 1,2 million Venezuelans in Peru, according to the GTRM projection for 2020, there will be 886 thousand Venezuelans in need.

**Environmental and Social Standards Relevance**

**E. Relevant Standards**

ESS Standards		Relevance
ESS 1	Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10	Stakeholder Engagement and Information Disclosure	Relevant
ESS 2	Labor and Working Conditions	Relevant
ESS 3	Resource Efficiency and Pollution Prevention and Management	Not Currently Relevant



ESS 4	Community Health and Safety	Relevant
ESS 5	Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Not Currently Relevant
ESS 6	Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
ESS 7	Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
ESS 8	Cultural Heritage	Not Currently Relevant
ESS 9	Financial Intermediaries	Not Currently Relevant

Legal Operational Policies

Safeguard Policies	Triggered	Explanation (Optional)
Projects on International Waterways OP 7.50	No	
Projects in Disputed Areas OP 7.60	No	

Summary of Screening of Environmental and Social Risks and Impacts

The project aims to provide support for Venezuelan migrants and refugees in Peru, improve the country's response to COVID-19 and reduce exclusion and xenophobia. In particular, the grant will provide urgent assistance through emergency cash transfers to vulnerable Venezuelan migrants and refugees in Peru who have been negatively affected by the social distancing measures taken to contain and mitigate the spread of COVID-19, and have not benefited so far from any relief effort. The project will rely on the use of cash transfers using mobile transfers and pre-paid cards. These mechanisms will be used to reduce the risk of more COVID-19 infections in the selected geographic areas. Besides, the project will provide the necessary personal protective equipment (PPE) and training on their use and disposal and will implement proper prevention strategies in alignment with WHO and Ministry of Health guidelines. Details on these protocols will be described in the Labor Management Procedures (LMP) to be prepared. The project will neither finance nor support any civil works activities; therefore, a specific Environmental and Social Assessment is not needed. The project is expected to reach 13,535 vulnerable families, covering approximately 54,140 Venezuelans with a one-time emergency transfer of PEN 760 (USD 235 approx.). The selection of the final target beneficiaries will be based on a prior socio-economic assessment that uses vulnerability criteria such as gender, age, disabilities, GBV, households with COVID-19 cases, ethnicity, sexual orientation, human trafficking, single-parent headed households, people in the process of family reunification, people without support networks, and so forth. The selection of a limited number of Venezuelan beneficiaries represents a risk related to loss of social and political support to provide help to migrants from Peruvian society and the potential tensions originating from a lack of clarity or misunderstanding regarding the eligibility criteria to receive the benefit. To mitigate these risks, the team proposes to prepare communication campaigns that highlight the positive collective impact of these efforts, through reduced economic vulnerability and risks of contagion and the contribution of Venezuelans to the COVID-19 mitigation and recovery process of the country. A Stakeholder Engagement Plan (SEP) and a Grievance Redress Mechanism (GRM) will be developed

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under ESS 10, including a stakeholder mapping and a communication strategy to guide the interactions with beneficiaries and ensure that any concerns and grievances are properly managed during project execution.

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