

Integrated Safeguards Data Sheet (ISDS)

Section I – Basic Information

Date ISDS Prepared/Updated: May 10, 2004 Report No.: AC720

A. Basic Project Data

A.1. Project Statistics

Country: Brazil	Project ID: P087713
Project: BR Bolsa Familia 1st APL	TTL: Kathy A. Lindert

Total project cost (by component): (US\$ million)
 Total: 6,513.5¹
 Component 1 (conditional cash transfers / grants): 6,493, of which IBRD would reimburse 500¹
 Component 2 (System for identifying target population): 3.5
 Component 3 (Monitoring and Evaluation): 6.5
 Component 4 (Institutional Strengthening): 4.1
 Component 5 (Project Management Support): 0.7
 Front-End Fee: 5.2

Appraisal Date: April 20-May 7, 2004	Loan/Credit amount(\$m): IBRD: US\$520.2 million ¹
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Board Date: June 17, 2004

FEDERAL REPUBLIC OF BRAZIL & INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ¹	US\$6513.5 million (of which the IBRD loan will reimburse 500.0 in expenditures for conditional cash transfers under the BFP, provide 15.0 for technical assistance and project management, and provide 5.2 as capitalization of the front-end fee)
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Managing Unit: LCSHS-DPT	Sector: Other social services (60%); Health (20%); Primary education (20%)
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Lending Instruments: Adaptable Program Loan

Is this project processed under OP 8.50 (Emergency recovery)? Yes? No?

Environmental Category: C	Safeguard Classification: S ₂
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A.2. Project Objectives

The broad objectives of the BFP are to reduce poverty and inequality and promote human capital investments among poor families through the provision of direct monetary transfers to poor families and incentives for investing in human capital. As a Sector-Wide Approach, World Bank assistance would broadly support these same objectives. As the World Bank's financial contribution is relatively small (US\$520.2 million, or about 8% of total conditional cash transfers under the BFP), it would be most accurate to state that overall reduction of poverty and inequality is the *ultimate* objective of the Bank's assistance under the proposed project. The proposed project would seek to strengthen the BFP's ability to achieve these broader objectives of reducing poverty and inequality and promoting human capital development by supporting: (a) a consolidation of conditional cash transfer programs and reductions in gaps and duplications in coverage; (b) a strengthening of the system for identifying the target population; (c) the development of a monitoring and evaluation system for the BFP; and (d) a strengthening of the basic institutional functioning of the program.

The proposed project is at the center of one of the core pillars of the Bank's CAS – achieving a more equitable Brazil – and is closely aligned with corporate priorities of achieving the Millennium Development Goals (MDGs). The BFP will directly contribute to the reduction of poverty (MDG 1) and inequality in the short- and long-term. In coordination with other government programs, many of which are Bank supported, it will also contribute to reducing

¹ The total World Bank loan is US\$520.2 million, of which the IBRD loan will reimburse US\$500.0 million in expenditures for conditional cash transfers under the BFP, provide US\$15.0 million for technical assistance and project management, and provide US\$5.2 as capitalization of the front end fee. The BFP conditional cash transfers to beneficiaries (grants) to be reimbursed by the loan are funded with government resources that are largely earmarked for that purpose.

malnutrition (MDG 1), achieving universal education (MDG 2), reducing child mortality (MDG 4), and improving maternal health (MDG5) through the demand-side incentives it provides for investments in education, nutrition and health (for pregnant women and young children).

A.3. Project Description

The proposed first phase APL project (mid-2004 to end-2006) would consist of five components: one component that would reimburse the Government for expenditures on conditional cash transfers under the BFP; three mutually-reinforcing technical components to help improve the quality and basic architecture of the program; and a small component for project management.

Component 1: Conditional Cash Transfers (Grants) (US\$6,493 million in project costs; US\$500 million in loan financing). This component would provide support to the Government in consolidating and rationalizing conditional cash transfers, and in reducing duplications and gaps in coverage of the BFP, as part of a broader and balanced strategy for economic and human capital development. For this component, the World Bank would reimburse the Treasury a share of the expenses on conditional cash transfers made under the BFP during the project period. The category of disbursements would be cash transfers (BF grant transfers). Disbursement percentages would increase as key technical improvements (“milestones”) are made, as discussed above.

Component 2: Strengthening the System for Identifying the Target Population (US\$3.7 million in project costs including contingencies). This component would provide assistance to improve the mechanisms used to identify the target population of the BFP, which constitute a key element of the basic architecture of the program. With a more accurate system for identifying the target population, the program will achieve better redistributive efficiency, with a higher share of its resources going to the poor, and will be able to cover a larger share of the poor. It will thus serve as a more efficient instrument for reducing poverty and inequality in Brazil.

As with its predecessors (pre-reform programs), the BFP selects beneficiaries from a national database of potentially poor households called the “Cadastro Único.” While the construction of the Cadastro Único sought to integrate household registries across the (previous) multiple programs in a very short period of time, there are several aspects of the system that could be improved. To do this, Component 2 of the proposed project will support activities to strengthen the system for identifying the target population of the BFP and overhaul the Cadastro Único system in several key areas: (a) clarifying the strategic framework for the overall system including conducting a study to identify other programs that could potentially use the Cadastro for eligibility determination; (b) revising the eligibility criteria for the BFP and the Cadastro questionnaire and data collection strategy, taking into account different local realities reflecting urban vs. rural settings (including population and poverty density) and diverse cultural, ethnic and racial characteristics of the populations; (c) reducing administrative errors in the Cadastro Único; and (d) enhancing the legitimacy of the Cadastro Único system; (e) strengthening the technical and technological capacity of the Cadastro Unit in MDS to monitor, verify and use the Cadastro Único, as well as the capacity of municipalities and other potential cooperating institutions for carrying out data collection and beneficiary selection.

Component 3: Developing a Monitoring and Evaluation System (US\$6.7 million in project costs including contingencies). This component would support the design and implementation of a solid monitoring and evaluation (M&E) system. Such a system would constitute a key element of the basic architecture of the program, and one that the Government has made a top priority since the launching of the BFP. To support this, Component 3 of the proposed project

will support: (a) the development of a strategy for the overall M&E system and support for capacity building in MDS in this area; (b) the strengthening of Bolsa Família's management information system (MIS) which would provide up-to-date information on program activities and outputs; (c) the development of instruments to monitor program processes to provide feedback on the quality of service delivery and program implementation and to detect problems so that they can be corrected early, including (i) inter-government processes; (ii) annual Quality Control Reviews to monitor BFP processes (including verification of health and education conditionalities, the selection of beneficiaries, and payments); and (iii) support for citizen oversight ("social control") mechanisms; and (d) the development, execution, and analysis of qualitative instruments and quantitative surveys to monitor and evaluate key outcomes and the impact of the program at both the "territorial" (municipal and sub-municipal) and family levels.

Component 4: Institutional Strengthening (US\$4.2 million in project costs including contingencies). This component would support the strengthening of the basic institutional functioning of the BFP in terms of:

- Strengthening of the operational institutional framework, including the legal architecture of the program (developing needed *regulamentos*, operational guidelines, norms, etc. for the BFP and the Cadastro Único);
- Strengthening program management, including: (a) clarifying and strengthening institutional roles for the basic functioning of the program itself, including developing a matrix of responsibilities, clarifying information flows for the Cadastro Único, and developing and implementing a system for verifying human capital conditionalities; (b) providing training and technical assistance on the system for verifying human capital conditionalities; (c) developing a strategy for operating the program in remote areas; (d) defining possible mechanisms for inter-governmental partnerships to help in expanding the program, increasing the level of benefits, and/or linking BFP beneficiaries to complementary services; and (e) developing an inter-municipal information network to share good practices, experiences with implementing conditional cash transfers and the BF Program across municipalities;
- Developing a solid communications and dissemination strategy with consideration of culturally- and ethnically diverse publics, including: (i) establishing a "hotline" number with trained operators to answer questions on the program and the Cadastro Único (for the general public, beneficiaries, other officials, etc.); and (ii) designing, printing and disseminating information booklets (*cadernetas*) for beneficiaries (including information about benefits and conditionalities); and
- Evaluating and piloting social welfare innovations in "self-sufficiency" and "bridging" approaches and service delivery. This sub-component would support initiatives (Subprojects) to help BFP beneficiaries develop tailored strategies for growing out of poverty (self-sufficiency or "*emancipação*" strategies) and gain access to complementary programs and services (bridging services). These initiatives could involve various approaches, including: (a) social worker support to help beneficiaries develop these self-sufficiency (*emancipação*) strategies and bridging access to complementary services; and/or (b) the development of "one-stop shops" where beneficiaries can gain access to information about a variety of social services (including the BFP). Some similar experiences have also been developed at the local level in Brazil. The sub-component would thus support; (a) international study tours and exchanges to share information on these various "*emancipação*" and "bridging" approaches; (b) consultancies and

workshops to help design mechanisms for piloting and evaluating such approaches under the BFP; and (c) an “Innovations Fund to Promote the Self-Sufficiency (*Emancipação*) of BFP Beneficiaries” (Subprojects). The adoption of Operational Guidelines satisfactory to the World Bank for these Subprojects will be required prior to disbursement on this sub-component.

Component 5: Project Management (US\$0.7 million in project costs including contingencies). The project will support existing institutional structures in MDS and a Core Management Committee (“*Nucleo Gestor*”), led by the Executive Secretary (SECEX) and made up of managers of the relevant units in MDS, that would oversee the project. To provide such support, the proposed Project will finance incremental costs related to management and supervision of Project activities. These costs include a committee of external consultants that would help advise on overall project activities and strategy, consultants on each of the three technical components, consultants for the fiduciary and operational aspects (procurement, financial management, project planning and supervision), office equipment, and travel expenses.

A.4. Project Location and salient physical characteristics relevant to the safeguard analysis:
National.

B. Check Environmental Category A [], B [], C [X], FI []

Comments:

C. Safeguard Policies Triggered

	Yes	No
Environmental Assessment (OP/BP/GP 4.01)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Natural Habitats (OP/BP 4.04)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pest Management (OP 4.09)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cultural Property (draft OP 4.11 - OPN 11.03-)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Involuntary Resettlement (OP/BP 4.12)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Indigenous Peoples (OD 4.20)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Forests (OP/BP 4.36)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety of Dams (OP/BP 4.37)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects in Disputed Areas (OP/BP/GP 7.60)*	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways (OP/BP/GP 7.50)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

* By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas

Section II – Key Safeguard Issues and Their Management

D. Summary of Key Safeguard Issues.

D.1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts.

The project trigger's the Bank's Indigenous Peoples Policy (OD 4.20), which requires an IPDP to ensure that indigenous and quilombola peoples participate in and benefit from the project in a culturally appropriate way. The proposed project will make efforts to (a) ensure that household registry activities (which form the basis of beneficiary selection) are carried out in indigenous areas and *quilombolas* in a culturally appropriate way; and (b) monitor the participation and receipt of benefits by such populations.

D.2 Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area.

Reduction of poverty and inequality and promotion of human capital investments among the poor in Brazil, including indigenous and quilombola populations.

D.3. Describe the treatment of alternatives (if relevant)

n.a.

D.4. Describe measures taken by the borrower to address safeguard issues. Provide an assessment of borrower capacity to plan and implement the measures described.

The full IPDP was presented and discussed with the government (which also participated in consultations), which agreed to consider the recommendations while fine-tuning the Bolsa Família Program. Additionally, Government officials also met with representatives of indigenous and quilombola peoples to discuss these recommendations and it was agreed that this dialogue would continue during the BFP implementation. Finally, in the context of the technical assistance components of the proposed loan (US\$15 million), the following recommendations will be incorporated into the proposed project:

- Ensure that the updating of the *Cadastro Único* will consider cultural differences, including in the selection of indicators that will be used to determine beneficiary eligibility.
- Train agents responsible for registering indigenous and quilombola families so as to ensure cultural sensitivity and knowledge in the process.
- Ensure proper dissemination of BFP information, including eligibility criteria, operations, and conditionality, specifically tailored to indigenous and quilombola publics;
- Continuously monitor and evaluate the BFP to ensure that indigenous and quilombola communities have access and benefit from the program in a culturally appropriate manner and the that program does not have unexpected negative effects on the community;
- Provide technical assistance to the Government so that it develops a strategy to ensure that payments are accessible to groups living in reach remote areas, including indigenous and quilombola communities; and
- Establish a monitoring mechanism that includes representation from indigenous and quilombola peoples.

The BFP is managed by the *Secretaria Nacional de Renda de Cidadania* (SENARC) in the Ministry of Social Development. In addition, institutional arrangements for various functions of the program also involve a number of other actors, among which collaboration with FUNAI/FUNASA for registering indigenous households and monitoring the program in indigenous areas.

D.5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

Two consultation workshops were held in preparation of this project. The first one included a group of anthropologists specialized in indigenous and quilombola communities and the second one included consultations with representatives of indigenous and quilombola populations. During the consultations with representatives of indigenous and quilombola peoples, Government officials presented the BFP and discussed different aspects of the program that could be of impact to these groups. Furthermore, there were extensive discussions between Government officials and these groups, which presented their concerns about the program as currently presented and made recommendations on how to improve it. The project's IPDP was prepared with inputs from both events and reflect the recommendations made by participants in the consultations. The final version of the IPDP was disclosed to the participants of both events and is available at the infoshop.

<i>F. Disclosure Requirements</i>	<i>Date</i>
<i>Environmental Assessment/Audit/Management Plan/Other:</i>	
Date of receipt by the Bank	Not Applicable
Date of "in-country" disclosure	Not Applicable
Date of submission to InfoShop	Not Applicable
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	Not Applicable
<i>Resettlement Action Plan/Framework/Policy Process:</i>	
Date of receipt by the Bank	Not Applicable
Date of "in-country" disclosure	Not Applicable
Date of submission to InfoShop	Not Applicable
<i>Indigenous Peoples Development Plan/Framework:</i>	
Date of receipt by the Bank	April 8, 2004
Date of "in-country" disclosure	April 19, 2004
Date of submission to InfoShop	April 19, 2004
<i>Pest Management Plan:</i>	
Date of receipt by the Bank	Not Applicable
Date of "in-country" disclosure	Not Applicable
Date of submission to InfoShop	Not Applicable
<i>Dam Safety Management Plan:</i>	
Date of receipt by the Bank	Not Applicable
Date of "in-country" disclosure	Not Applicable
Date of submission to InfoShop	Not Applicable
If in-country disclosure of any of the above documents is not expected, please explain why.	

**Section III – Compliance Monitoring Indicators at the Corporate Level
(To be filled in when the ISDS is finalized by the project decision meeting)**

<i>OP/BP 4.01 - Environment Assessment:</i>	<u>Yes</u>	<u>No</u>
Does the project require a stand-alone EA (including EMP) report?		X
If yes, then did the Regional Environment Unit review and approve the EA report?		
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?		
<i>OP/BP 4.04 - Natural Habitats:</i>	<u>Yes</u>	<u>No</u>
Would the project result in any significant conversion or degradation of critical natural habitats?		X
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?		

OP 4.09 - Pest Management:	<u>Yes</u>	<u>No</u>
Does the EA adequately address the pest management issues?		
Is a separate PMP required?		
If yes, are PMP requirements included in project design?		
Draft OP 4.11 (OPN 11.03) - Cultural Property:	<u>Yes</u>	<u>No</u>
Does the EA include adequate measures?		
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on physical cultural resources?		
OD 4.20 - Indigenous Peoples:	<u>Yes</u>	<u>No</u>
Has a separate indigenous people development plan been prepared in consultation with the Indigenous People?	X	
If yes, then did the Regional Social Development Unit review and approve the plan?	X	
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit?		
OP/BP 4.12 - Involuntary Resettlement:	<u>Yes</u>	<u>No</u>
Has a resettlement action plan, policy framework or policy process been prepared?		
If yes, then did the Regional Social Development Unit review and approve the plan / policy framework / policy process?		
OP/BP 4.36 – Forests:	<u>Yes</u>	<u>No</u>
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?		
Does the project design include satisfactory measures to overcome these constraints?		
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?		
OP/BP 4.37 - Safety of Dams:	<u>Yes</u>	<u>No</u>
Have dam safety plans been prepared?		
Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?		
Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?		
OP 7.50 - Projects on International Waterways:	<u>Yes</u>	<u>No</u>
Have the other riparians been notified of the project?		
If the project falls under one of the exceptions to the notification requirement, then has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?		
What are the reasons for the exception?		
Please explain:		
Has the RVP approved such an exception?		
OP 7.60 - Projects in Disputed Areas:	<u>Yes</u>	<u>No</u>
Has the memo conveying all pertinent information on the international aspects of the project, including the procedures to be followed, and the recommendations for dealing with the issue, been prepared, cleared with the Legal Department and sent to the RVP?		
Does the PAD/MOP include the standard disclaimer referred to in the OP?		
BP 17.50 - Public Disclosure:	<u>Yes</u>	<u>No</u>
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	X	
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	X	
All Safeguard Policies:	<u>Yes</u>	<u>No</u>
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of the safeguard measures?	X	
Have safeguard measures costs been included in project cost?	X	
Will the safeguard measures costs be funded as part of project implementation?		X
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures?	X	

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?		X
<i>Signed and submitted by:</i>		<u>Andréa C. Guedes - April 7, 2004</u>
Task Team Leader:	Kathy A. Lindert	<u>Date</u>
Project Safeguards Specialist 1:	Zeze Weiss, Civil Society Specialist	
Project Safeguards Specialist 2:	Clarice Cohn, Anthropologist (consultant)	
Project Safeguards Specialist 3:		
<i>Approved by:</i>		<u>Name</u>
Regional Safeguards Coordinator:	Juan Quintero	<u>Date</u>
Comments:		
Sector Manager:	Helena Ribe	
Comments:		

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