

**SUPPORT FOR THE STRENGTHENING OF CONSUMER PROTECTION
IN THE SECTOR OF PUBLIC UTILITIES
(TC-98-02-03-5)**

EXECUTIVE SUMMARY

**BENEFICIARY AND
EXECUTING AGENCY:** Instituto Brasileiro de Defesa do Consumidor (IDEC).

OBJECTIVES: The principal objective of the project is to broaden consumer participation in the privatization process of public utilities sectors such as water, electricity and telecommunications, as well as in the monitoring and control of the provision of these basic services. The project also foresees supporting and training existing consumer associations in São Paulo, Rio de Janeiro and Paraná to become active in basic public utility monitoring (water, electricity and telecommunications) in addition to expanding training to other states.

To attain these objectives, the following components are foreseen: (i) Evaluation of the regulatory frameworks of the public utilities sectors (water, electricity and telecommunications) in the states of São Paulo, Rio de Janeiro and Paraná; (ii) Preparation of action plans; (iii) Training program for consumer associations; (iv) Public information campaign aimed at consumer rights, rational utility use and sustained consumption.

The project will be implemented in the states of São Paulo, Rio de Janeiro and Paraná.

FINANCING PLAN:	MIF (Window II):	US\$ 834,000
	Counterpart:	US\$ <u>834,000</u>
	Total:	US\$ <u>1,668,000</u>

EXECUTION:	Execution period:	36 months
	Disbursement period:	42 months

**EXCEPTIONS TO
BANK'S POLICY:** None.

**CONDITIONS PRIOR
TO FIRST
DISBURSEMENT:** As a condition prior to the first disbursement, IDEC will provide evidence to the Bank's satisfaction of the creation of the Project Coordination Team (see paragraph 4.2).

I. PROJECT ELIGIBILITY

- 1.1 Brazil was declared eligible for all forms of Multilateral Investment Fund (MIF) financing by the Donors Committee at its meeting on February 9, 1995. This project is eligible for grant financing through the Human Resources Facility, and is consistent with the MIF objectives to finance the training in consumer protection, as a means to strengthen regulatory functions essential for the market-oriented system.

II. BACKGROUND

- 2.1 The wave of privatization activity in the public utilities sectors in Latin America has made the establishment of adequate regulatory frameworks in the region an urgent task in the last decade. The transition of sectors such as water, electricity, telecommunications and transport from monopoly or public oligopoly to regulated private ownership has proven difficult at times, involving complex political, technical and financial negotiations. In their new role as regulators, governments must balance the competing interests of the investors, small consumers, large consumers and other public interests, while seeking to attain goals such as universal availability of service, efficiency and reliability, economic development and reasonable prices.
- 2.2 In this transition, the public needs to be widely involved if transparency is to be ensured, the necessary balance in the market achieved, consumer interests defended and public support assured; in short, consumer involvement is critical for long-term sustainability of the privatization itself. However, strong consumer participation is difficult to build quickly. In countries without a tradition of consumer participation, there is generally a lack of information and knowledge of these complex matters on the part of the public as well as various institutional obstacles.
 - A. Consumers and public utilities in Brazil
- 2.3 In 1988, the new Brazilian constitution included consumer protection as one of its economic principles and fundamental rights. In accordance with the constitution, a Consumer Defense Code was prepared and made effective in 1991. This Code defined the basic rights of the consumer, established clear rules for the suppliers' civil liability, created a new legal system for all types of contracts in consumer relations, established minimum standards to be met by the market and established mechanisms defending consumers in litigation.
- 2.4 During this period, the number of government organizations rose significantly. Today, almost all federal states have consumer protection services, the most important of which is the *Fundação Procon de São Paulo*. The *Conselho Nacional de Defesa do Consumidor* was created in 1988 in the Ministry of Justice. It was decommissioned in 1991, and replaced by the *Departamento Nacional de Defesa do Consumidor*.

2.5 However, government initiatives fostering consumer awareness and wider participation should be accompanied by private sector initiatives. Existing laws and important provisions for preventing and resolving consumer conflicts cannot be effective unless people fully comprehend the means at their disposal and utilize them. Despite various limitations (lack of organization, insufficient technical capacity to act in the area of consumer defense, lack of training), the non-governmental consumer defense movement has been gradually growing. The *Instituto Brasileiro de Defesa do Consumidor* (IDEC) in São Paulo, is recognized as the lead organization in the field.

B. Preliminary evaluation of the current status of the privatization process for basic water, electricity and telecommunications utility services in Brazil

2.6 The privatization process began in Brazil in 1990 in sectors such as steel and petrochemicals. Since then, the transfer of seventy-six companies out of the public sector has been initiated. The privatization process in the water, electricity and telecommunications sectors is currently underway, and is foreseen to be fully completed within two years. During this time, consumer associations must organize and obtain the necessary training in order to fulfill their important role as a partner and to ensure that consumer rights are defended in areas such as good quality of services and fair prices. The participation of consumers in the creation of transparent, impartial and effective frameworks governing the quality of services and regulating competition is also essential.

1. Electricity sector

2.7 In the electricity sector, the privatization process is already underway in ten of Brazil's twenty-seven states. The new federal regulatory agency for the sector, the *Agência Nacional de Energia Elétrica* (ANEEL), was created in December 1997 with a mandate to centralize all regulatory control, to implement sectoral policies and directives, as well as to impose penalties.

2.8 In the state of São Paulo, the *Comissão de Serviços Públicos de Energia do Estado de São Paulo* (CSPE) was created in 1997. The CSPE is mandated to regulate, control and oversee the quality of services and their rates. Although the CSPE has already been set up, regulations remain to be drafted. The four distribution companies of this state (*Companhia Paulista de Força e Luz* - C.P.F.L, *Eletropaulo Metropolitana*, *Electro-Eletricidade de São Paulo* and *Empresa Bandeirante*) are already privatized. In Rio de Janeiro, the public monopoly was privatized in 1996. There have been widespread complaints from the public regarding the services provided, especially because of recurrent blackouts. ANEEL has fined the private service provider for the blackouts and the state government has ordered the company to pay damages. In Paraná, the state government is expected to prepare the legal framework for the privatization of the *Companhia Paranaense de Energia Elétrica* (COPEL).

2. Water sector

- 2.9 In the state of São Paulo, CONESAN (*Conselho Estadual de Saneamento*) is the agency responsible for setting policy and guidelines for the sector. IDEC holds voting rights in this Council. In Rio de Janeiro, a regulatory agency called *Agência Reguladora de Serviços Públicos Concedidos* (ASEP) has been established and the law authorizing the privatization approved, but privatization of the water company has not yet taken place. In Paraná, the *Companhia Estadual de Saneamento* (SANEPAR) has already initiated some measures aimed at its privatization.
- 2.10 Although numerous Brazilian municipalities have concession processes underway, not all are producing the expected results. There are some examples of complaints about high rates, billing mistakes and problems in water distribution.

3. Telecommunications

- 2.11 Nineteen ninety-seven was a decisive year for the telecommunications sector's future, with the Band B tender for cellular telephone services taking place, the privatization of the *Companhia Rio-Grandense de Telecomunicações*, the publication of government cable television regulations and the passage of the telecommunications law itself. The giant telecommunications company Telebrás was restructured and privatized in July 1998, at a much higher price than expected. In Rio de Janeiro, the public telephone company, *Telecomunicações do Rio de Janeiro* (TELERJ), was sold to a consortium of eight Brazilian companies when it was privatized last July. In Paraná, the *Companhia de Telecomunicações do Paraná SA* (Telepar), which had the monopoly of fixed line telephones and the cellular phone system, was also privatized in 1997.
- 2.12 *Agência Nacional de Telecomunicações* (ANATEL) was established as the federal regulator in 1997. Its Advisory Board, consisting of 12 representatives of the executive and legislative branches and operators, does not include representatives of consumer bodies. As a result, it is feared that some of the inadequacies in the regulatory framework may leave residential customers unprotected. First, ANATEL is not an autonomous agency. Second, the law does not provide for mechanisms to ensure quality of services, supply and fair prices.

C. MIF activities in the sector

- 2.13 The MIF provides support for the expansion of private sector participation in the public utilities in the region, with the goal of improving and expanding the provision of these essential basic services. Its support to date has focused mostly on establishing and strengthening the legal and regulatory environment for private investment. The MIF also provides assistance for strengthening competition regulation, particularly in the newly privatized sectors, as private participation does not necessarily create competition and can sometimes raise further barriers to competition. Support to consumer associations and public defense and protection bodies complements MIF assistance to date by helping to attain the right balance between the crucial actors (regulator, service provider, consumer), to maximize efficiency and ensure the sustainability of the privatization process.

III. THE PROJECT

A. Objectives

- 3.1 The principal objective of the project is to broaden consumer participation in the privatization process of public utilities sectors such as water, electricity and telecommunications, as well as in the monitoring and control of the provision of these basic services.
- 3.2 The specific objectives are to: i) strengthen the technical capacity of IDEC (see paragraph 2.5); ii) strengthen the participation of consumer associations as representatives of consumer interests in the process of defining sectoral policies that will lead to the development of fair, transparent and effective regulatory frameworks and regulatory agencies; iii) support and train existing consumer associations in São Paulo, Rio de Janeiro and Paraná to become active in the monitoring of basic public utilities (water, electricity and telecommunications), in addition to expanding training to other states; and iv) promote consumer education on their rights, sustainable consumption and the rational, non-wasteful use of these services.

B. The selection of states

- 3.3 The project will be carried out in the states of São Paulo, Rio de Janeiro and Paraná, which together represent 37% of the total population of the country. São Paulo and Rio de Janeiro were chosen because they are in the process of privatizing public utilities, a change which has aroused much debate, and because IDEC is already solidly represented in both. Paraná was chosen because the privatization process is just getting started in this state, and because a very effective Consumer Association (ADOC) already exists. ADOC has a 20-year track record and a strong network, including a cooperation protocol with IDEC. The Paraná case will provide an opportunity to begin broadening consumer participation in the initial stages of the privatization process. Moreover, working with IDEC and ADOC ensures the effective execution of the project as well as maximum multiplier effects in the rest of the country.

C. Components

1. Evaluation of the regulatory framework of the states selected (US\$19,468)
- 3.4 In this component, the Project Coordination Team (PCT) (see paragraph 4.2) will analyze and evaluate the regulatory frameworks and compare them with regulations of other countries. The PCT will be assisted by three international consultants specialized in public utility regulation. The consultants and the PCT will use electronic means to exchange information and documentation. National experts will also be mobilized on a volunteer basis.
- 3.5 The component will include a workshop to analyze the report produced by the PCT and start the preparation of the action plans.

2. Preparation and implementation of action plans (US\$19,612)

- 3.6 The action plans will be prepared taking into account the possible differences between the regulatory frameworks for each sector (water, electricity and telecommunications) and existing conditions for consumer participation. The action plans should also include models for monitoring the provision of the public services covered by this project (quality/price ratio, level of consumer satisfaction, geographic coverage of the different services and others). International consultants will be hired for the preparation of the plans as well as to provide on-the-job training to the PCT in the area of consumer representation in public services. In implementing the action plans, the PCT should actively represent consumer interests in each of the states and monitor and evaluate the services provided.

3. Training program (US\$ 17,826)

- 3.7 In addition to know-how transfer through the participation of international specialists in the preparation of the action plans, an intensive training program will be executed. To maximize the multiplier effect, the workshops and the training program will be open to consumer organizations from other states. Fifteen organizations from 11 states, other than the three selected, are expected to benefit from this training program. It is also understood that the action plans prepared for the three states will be expanded to other states when the organizations from those states are interested in participating. IDEC, as the leader of the Non-Governmental Consumer Associations Forum (*Fórum Nacional de Entidades Cívis de Defesa do Consumidor*), in which 21 consumer organizations from 16 Brazilian cities participate, is in a particularly good position to coordinate the participation in the training program and in other activities financed by the project, and to ensure the multiplier effect of the activities and the results attained by the project. The training program will include:
- a) Specific training on the representation of consumer interests by IDEC technicians for all consumer organizations from other states interested in participating.
 - b) Visit by the PCT to U.S. consumer organizations specialized in monitoring public utilities. This activity will be financed by local counterpart funds. Support is also being sought from the European Union for visits to European consumer associations.
 - c) Training and Monitoring program, which will include seminars on specific topics: electricity, water, telecommunications services and consumer education. Four seminars on each of these specific topics and one on the general education of the public are envisaged so that work will be conducted in a coordinated fashion.
- 3.8 As suggested by the Committee on Environment and Social Impact (meeting TRG 33/98, held on September 4, 1998), among the topics to be covered by the training activities will be: (i) the environmental impact of certain consumer choices in the energy area; and (ii) the costs and benefits associated with these decisions. Other specific training needs may be identified during project execution. In such cases, national or international consultant(s) specialized in that area will be hired.

4. Public information campaign (US\$ 241,400)

3.9 A consumer education campaign aimed at promoting consumer rights, rational utility use and sustained consumption will be conducted by means of:

- a) Educational television and radio programs. Two national experts in television and radio campaigns will be hired as well as two national editors to prepare the programs. The educational television programs will be broadcast by the Brazilian channels *TV Bandeirantes* and *TVE Brasil* in the three selected states. A public of 3,571 million people is expected to be reached. The educational radio programs will be broadcast by the Brazilian radio stations *CBN* and *TRIANON*. A public of 604,270 persons is expected to be reached. The broadcasting of the programs will be financed by counterpart funds.
- b) Publication of Consumidor S.A.. Information on the utilities, the project's evolution, the indicators and the monitoring of the utilities will be published in twelve issues of *Consumidor S.A.* magazine (published by IDEC) during the execution of the project. *Consumidor S.A.* is the only Brazilian magazine specialized in consumer protection issues. A market research study will be conducted on each utility, as well as one test per year on the quality and energy performance of electrical and electronic products, water quality and telephone products, and the results will be published in the magazine.
- c) Informational materials such as booklets and brochures aimed at low-income communities. A booklet will also be prepared on consumer rights to basic services.
- d) Internet Home Page. A site in the IDEC home page exclusively dedicated to the dissemination of information related to this project will be created and maintained. The maintenance and updating of the site will be ensured by a part-time technician.
- e) Information and education campaigns for primary and secondary schools. The PCT will organize several workshops in selected primary and secondary pilot schools in the three states in the cities of São Paulo, Rio de Janeiro and Curitiba, in coordination with the respective state and municipal education authorities. These workshops will aim to inform grade school teachers of the need to educate students about consumer rights and responsibilities, especially in the area of public services. Workshops will be organized in: (i) 70 schools in São Paulo, reaching approximately 76,900 students (4% of the total number of students of the city); (ii) 50 schools in Rio de Janeiro, reaching approximately 37,500 students (4.3% of the total); and (iii) 20 schools in Curitiba, reaching approximately 23,000 students (10.5% of the total). Material targeted at professors and students will be prepared specifically for this pilot project and will be distributed in the schools.

- f) National seminar. The results of the project will be discussed and disseminated through a national seminar. All interested parties (businesses, government, consumer organizations, unions, NGOs, academics, representatives of civil society and others) will be invited, as will consumer associations from other Mercosur countries and Chile. The results of the project will be published by IDEC and made available on the Internet.

IV. EXECUTION

- 4.1 The project will be executed by the Instituto Brasileiro de Defesa do Consumidor (IDEC). IDEC, a civil, non-profit organization was created in July 1987, and is a member of Consumers International (International Organization of Consumers Unions). IDEC has participated in the CONSUPAL (Consumidores y Servicios de Utilidades Públicas en América Latina) program since 1997. This program is managed by the regional office of Consumers International for Latin America and the Caribbean, and aims to provide specific training to NGOs in the public utilities sector. IDEC is widely recognized as the most qualified consumer organization in Brazil.
- 4.2 As a condition prior to the first disbursement, a Project Coordination Team (PCT) consisting of a Coordinator and Assistant in São Paulo and an Assistant for each of the two other states will be created. The PCT will be a major actor of the training component of this project. Its members will receive training both from the international consultants hired for that purpose and during the visits organized to North American and European consumer organizations. They will also train other consumer organizations in Brazil, and teachers and students during the campaign that will take place in the schools. In addition, they will draft several texts to be used in the different campaigns and in the booklets and other publications, ensuring the multiplier effect that is one of the important elements of this project.
- 4.3 Candidates for the PCT have already been identified and drafts of the terms of reference for the consultants have been prepared.
- 4.4 The project will be executed over a period of 36 months and will have a 42 month disbursement period. A revolving fund of 20% of MIF grant resources will be established once the condition prior to the first disbursement has been met.
- 4.5 The procurement of goods and consulting services and the preparation of external audits of the project will be carried out observing the procedures of the Bank.

V. COST AND FINANCING

- 5.1 Total cost of project: US\$1,668,000 for three years. US\$834,000 is funded by the MIF. US\$834,000 is IDEC counterpart funding as shown in the following budget.

BUDGET				
Components	MIF	Local	Total	%
<u>Evaluation of the regulatory frameworks</u>				
1. Consultants	19,468		19,468	
2. General Support and Services		2,000	2,000	
Subtotal	19,468	2,000	21,468	1.3%
<u>Preparation of action plans</u>				
1. Consultants	19,612	2,900	22,512	
Subtotal	19,612	2,900	22,512	1.4%
<u>Training Program</u>				
1. Consultants	435	7,300	7,735	
2. Training	17,391	125,218	142,609	
Subtotal	17,826	132,518	150,344	9.0%
<u>Public Information Campaign</u>				
1. Consultants	44,400	175,230	219,630	
2. General Support and Services	15,200	58,500	73,700	
3. Publications	181,800	51,000	232,800	
Subtotal	241,400	284,730	526,130	32.0%
<u>Management and Project Administration</u> *				
1. Consultants	425,250	140,000	565,250	
2. Equipement	14,844	9,200	24,044	
3. Training		21,000	21,000	
4. General Support and Services	23,600	241,652	265,252	
Subtotal	463,694	411,852	875,546	52.0%
1. Evaluation	31,000		31,000	
2. Contingencies	41,000		41,000	
Subtotal	72,000		72,000	4.3%
Total (US\$)	834,000	834,000	1,668,000	100.0%

* The Project Coordination Team will be a major actor of the training component of this project. Its members will receive training both from the international consultants hired for that purpose and during the visits organized to North American and European consumer organizations. They will also train other consumer organizations in Brazil, and teachers and students during the campaign that will take place in the schools. In addition, they will draft several texts to be used in the different campaigns and in the booklets and other publications, ensuring the multiplier effect that is one of the important elements of this project.

VI. JUSTIFICATION AND RISKS

A. Justification

- 6.1 Consumer participation is needed to ensure that the large-scale privatization taking place in Brazil leads to lasting welfare gains. As a stakeholder, consumer organizations can play a crucial role in establishing the framework for monitoring the quality, coverage and price of services so that the privatization results will be sustainable. However, the organization of the consumer movement in Brazil is still in its initial stages and does not have the resources to deal with the subject efficiently. The consumer is poorly informed of the basic concepts of consumer rights and responsibilities. This MIF project will play an important role in supporting the consumer organizations in their efforts to improve their technical knowledge and organizational strength so they are

better able to deal with the private provision of basic utilities. The project is structured to ensure that not only are good results obtained in the three states involved, but that they are also expanded to other states and other consumer defense organizations in Brazil.

B. Risks

- 6.2 The main risk the project could face is that its multiplier effect could be limited and that other consumer organizations would not be able to take advantage of its results because of their lack of resources and basic organization. This risk has been minimized by the selection of a strong executing agency which can effectively disseminate the project results.

VII. PROJECT SUSTAINABILITY

- 7.1 At the end of the project, the participating organizations will ensure the continuation of its activities and will take over costs related to equipment maintenance and other monitoring expenses. IDEC has an annual budget of approximately US\$2,300,000, of which more than 75% comes from contributions from its 40,000 associate members and subscriptions to the Consumidor S.A. magazine and other publications.
- 7.2 IDEC has also suggested specific ways to financially support the civil organizations, such as making them partners in the testing of goods and services and in the distribution program for Consumidor S.A. magazine. The existing partner organizations (currently in five states) receive part of the income from the sale of magazines in their states.

VIII. PROJECT PERFORMANCE CRITERIA AND EVALUATION OF RESULTS

- 8.1 The results of the project will include: (i) a set of evaluations of the regulatory frameworks of the public utilities in the three states; (ii) action plans which include models for monitoring the provision of public services; (iii) IDEC staff trained in the area of public utilities; and (iv) wide dissemination of information on consumer rights, rational utility use and sustainable consumption. The project is expected to have multiplier training/dissemination effects in the other states and to provide a model for consumer associations in the region.
- 8.2 The execution of the project will be closely monitored through the country office and periodic reports will be submitted to the Bank. During the execution of Component 1, the PCT will gather information and prepare a progress report containing a preliminary analysis of the regulatory frameworks by Month 7, and submit a final report on the results of the workshop at the end of Month 9. Dissemination of the project results will be ensured through the workshop, publications, the Internet and a national seminar. The

project coordinator will present an annual report detailing its implementation. A final report will be presented no more than 60 days after the end of the project.

- 8.3 There will be two external assessments of the project: a preliminary review to design the methodology and a final review at the end of the project. IDEC will engage the services of a consultant(s), selected in consultation with the Bank, to conduct both reviews. The consultant(s) will be hired according to Bank and MIF procedures.

IX. EXCEPTION TO POLICIES AND PROCEDURES

- 9.1 None.

X. CONDITIONS PRIOR TO FIRST DISBURSEMENT

- 10.1 As a condition prior to the first disbursement, IDEC will provide evidence to the Bank's satisfaction of the creation of the PCT (see paragraph 4.2).

LOGICAL FRAMEWORK

**SUPPORT FOR THE STRENGTHENING OF CONSUMER PROTECTION IN THE SECTOR OF PUBLIC UTILITIES IN BRAZIL
(TC-98-02-03-5)**

Principal Objective of the Project

The principal objective of the project is to broaden consumer participation in the states of São Paulo, Rio de Janeiro and Paraná in the privatization process of public utilities sectors such as water, electricity, and telecommunications, as well as in the monitoring and control of the provision of these basic services.

Specific Objectives:

The specific objectives are: (a) strengthen the technical capacity of IDEC; (b) strengthen the participation of consumer associations as representatives of consumers interested in the process of defining sectoral policies that will lead to the development of fair, transparent, and effective regulatory frameworks and regulatory agencies; (c) support and train existing consumer associations in São Paulo, Rio de Janeiro and Paraná to become active in the monitoring of basic public utilities (water, electricity and telecommunications); (d) promote consumer education on their rights, sustainable consumption and the rational use of these services, avoiding waste.

Components	Specific Activities	Expected Results
Evaluation of the regulatory frameworks of São Paulo, Rio de Janeiro and Paraná	<ul style="list-style-type: none"> • Organization of project • Creation of the project team • Evaluation of the regulatory frameworks • Preparation of a report on the regulatory frameworks • Workshop to analyze the report and start the preparation of the action plans 	<ul style="list-style-type: none"> • Project team created and operational • Preliminary analysis, discussion workshop and final report on regulatory framework completed.
Preparation of action plans	<ul style="list-style-type: none"> • Preparation and implementation of the action plans 	<ul style="list-style-type: none"> • Action plan giving details of the approaches to be adopted in each case (water, electricity and telecommunications) • Training program for the project team • Models for monitoring the provision of the public services
Intensive training program	<ul style="list-style-type: none"> • Specific training on the representation of consumer interests. 15 consumer organizations from 11 other states are expected to participate in the training program. • Project team visit to North American and European consumer organizations specialized in public utilities • Seminars on specific topics: electricity, water, telecommunications and consumer education 	<ul style="list-style-type: none"> • Project team well trained and capable of representing and defending consumer interests • Multiplier effects expanded to 11 other states and other consumer defense organizations in Brazil

LOGICAL FRAMEWORK

**SUPPORT FOR THE STRENGTHENING OF CONSUMER PROTECTION IN THE SECTOR OF PUBLIC UTILITIES IN BRAZIL
(TC-98-02-03-5)**

Public information campaign	<ul style="list-style-type: none"> • Educational television and radio programs • Publication in the IDEC 's magazine Consumer S.A. of the results of the project and other information concerning the public utilities • Publication of information materials such as booklets and brochures • Creation of a site in the home page Internet dedicated to the dissemination of information related to this project • Information and education campaigns for primary and secondary schools • National seminar 	<ul style="list-style-type: none"> • Public better informed of their rights and responsibilities, including the students from primary and secondary schools. Approximately 76,900 students from 70 schools in São Paulo, 37,500 students from 50 schools in Rio de Janeiro and 23,000 students from 20 schools in Curitiba are expected to be reached by the workshops. The educational programs on television (TV Bandeirantes and TVE Brasil) are expected to reach a public of approximately 3.571 million people. The radio programs (CBN and Radio Trianon) are expected to reach a public of 604,270 persons. • Basic concepts related to consumer rights and responsibilities, as well as the results of the project disseminated to all sectors concerned: businesses, government, consumer defense organizations, universities, NGOs, professors, representatives of civil society and others.
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LEG/RG1/BR-0730

TC-98-02-03-5

Original: Spanish

PROPOSED RESOLUTION

BRAZIL. NON REIMBURSABLE TECHNICAL COOPERATION SUPPORT FOR THE STRENGTHENING OF CONSUMER PROTECTION IN THE SECTOR OF PUBLIC UTILITIES

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank, or such representative as he shall designate, is authorized, on behalf of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Instituto Brasileiro de Defesa do Consumidor (IDEC) and to adopt such other measures as may be pertinent for the execution of the plan of operations incorporated in the donors memorandum referred to in Document MIF/AT-_____ with respect to a technical cooperation, the purpose of which is to support the strengthening of consumer protection in the sector of public utilities.
2. That up to the amount of US\$834.000 is authorized for the purpose of this resolution, chargeable to the Human Resources Facility of the Multilateral Investment Fund.
3. That the above mentioned sum is to be provided on a non-reimbursable basis.