

SUSTAINABILITY OF PROJECTS FOR AT-RISK YOUTH

(TC-98-03-30-6-BR)

EXECUTIVE SUMMARY

REQUESTER: The City of Rio de Janeiro

EXECUTING AGENCY: Social Development Department of the City of Rio de Janeiro (SMDS)

BENEFICIARIES: At-risk children and youth in the municipality of Rio de Janeiro

FINANCING:

IDB:	US\$ 600,000 (FSO/local currency/ nonreimbursable)
Local contribution:	US\$ 600,000
Total:	US\$1,200,000

TIME FRAMES:

Execution period:	6 months
Disbursement period:	8 months

OBJECTIVES: The objective of the project is to promote the introduction of mechanisms to ensure the continuity of up to 22 projects presented by 19 nongovernmental organizations (NGOs) in the city of Rio de Janeiro (document available in the Division's technical file) that participated in the Rio I Program, until the entry into force of the 1999 budget, under which the City will take over, using its own resources.

In specific terms, the 22 projects must improve the quality and coverage of high-quality, cost-effective preventive and remedial services that prevent and reduce risk factors for needy persons between 7 and 20 years of age, by (i) providing opportunities for their physical, psychological, social, and economic development; (ii) improving and consolidating targeted social policies, programs, and networks; (iii) promoting and strengthening the participation of civil society, businesses, and citizens in general in designing, providing, evaluating, and financing solutions; and (iv) launching the monitoring and evaluation system to be used for the loan and the parallel technical-cooperation operation being proposed by COFLEX and the Bank, the initial -actions of which correspond to this project. As a result, the technical cooperation profile approved for the afore-mentioned operation (TC-97-01-10-4-BR) on September 11, 1997, is being applied to the operation

presented herein, since it deals with the same program.

DESCRIPTION:

In order to achieve these objectives, the program will have four components: (i) Project fund (US\$500,000 IDB and US\$510,000 SMDS) - Eligible initial actions (in the first stage) under the projects out of the 22 proposed must fit the categories (preventive actions in the family, at school, and/or in the community; handling of extremely-high risk situations) and meet the quality and institutional eligibility criteria agreed upon with the SMDS. The specific amount from the fund (\$500,000) would only partially cover each approved project and will therefore be complemented, in time, by City resources and/or the loan requested from the Bank, if it is approved; (ii) Mass communication (US\$30,000 SMDS) - These actions are aimed at improving the attitude of the general public toward at-risk youth and the services offered and at facilitating the collection of funds by the participating NGOs; (iii) Institutional strengthening of civil society organizations (US\$100,000 IDB) - This involves an initial stage of training and technical assistance aimed at strengthening the managerial and coordination capacity of the participating civil society organizations (CSOs) in managerial and technical aspects, fundraising, and designing and managing projects, taking advantage of the experience from the *Comunidade Solidária* program; and (iv) Monitoring and evaluation (US\$60,000 SMDS) - This component will support the initial adoption of the system already designed by the SMDS team with the support of UNICEF, which will allow the processes, costs, products, impact, cost-effectiveness, and sustainability of the prospective program to be evaluated.

**ROLE OF THE
PROJECT IN THE
STRATEGY OF THE
BANK, THE COUNTRY,
AND THE SECTOR:**

The strategy agreed upon for the country consists of:

(i) promoting the reform and modernization of the federal government and subnational governments; (ii) supporting economic openness, reducing the "Custo Brasil," and rehabilitating infrastructure; and (iii) tackling social inequality and poverty, including programs to improve the efficiency of social spending, the decentralization of social services, and a close partnership with civil society.

The proposed program is consistent with this strategy and with the social policy in force in the City of Rio de Janeiro because of its (i) focus on the lowest-income population, placing emphasis on the

most vulnerable children and youth; (ii) preventive approach; (iii) linkage to civil society organizations; and (iv) contribution to the self-sustainability of the participating CSOs.

**ENVIRONMENTAL
REVIEW AND
SOCIAL ASPECTS:**

The operation would not have any negative impact on the environment (see paragraph 4.3). Nonetheless, environmental issues that contribute to the professional training and job placement of the participating youth will be included (for example, marketing of recycled products, urban reforestation, and tourism).

BENEFITS:

The project is expected to have a substantial social impact on at-risk youth, with special attention being paid to the differences between the needs of boys and girls and those of different ethnic groups.

RISKS:

The most notable risks are (i) the sustainability of the individual projects; and (ii) the violence associated with controlling drug trafficking in low-income neighborhoods.

**SPECIAL
CONTRACTUAL
CLAUSES:**

The agreements between the SMDS and the NGOs on the approved projects is to be presented prior to the first disbursement.

**FOCUS ON
POVERTY AND
SOCIAL SECTOR
CLASSIFICATION:**

The program targets poverty (PTI), given its concentration on poor, at-risk children and youth.

**EXCEPTIONS TO
BANK POLICY:**

None

PROCUREMENTS:

Regarding the procurement of goods and services, Bank procedures for civil society organizations will be followed. The goods and services required will be contracted through local competitive processes, and an ex post review is recommended.

I. BACKGROUND

A. Risks for Needy Children and Adolescents

- 1.1 Of Brazil's 170 million inhabitants (1998), 40.7% are under 20 years of age 1/ and 43.5% are poor. 2/ This universe of urban exclusion includes roughly 29.5 million children and adolescents (between the ages of 5 and 19) who are exposed to a wide array of risks on a daily basis, ranging from being in poor homes to ongoing exposure to adversity in the streets where some of them live and/or work. The number of children and youth who live and/or work on the streets of Brazil is not known, despite a number of attempts to quantify that number 3/, Brazil's official recognition of child labor as a serious problem to be resolved (2.8 million children between the ages of 10 and 14 are economically active) 4/ and the measures already taken in this regard. What is known is that (i) they are a floating population that goes on and off "the street," depending on various complex factors; (ii) among them, there is a smaller nucleus of young people whose only option is living and working on the street; (iii) the work they carry out is risky; (iv) their presence on the street dovetails with negative situations at home (for example, abandonment, rejection, or physical and sexual abuse) and in the neighborhood (such as discrimination, unemployment, crime, violence, drugs, or inadequate schools); (v) girls and adolescent and adult women in the same situation are at a comparative disadvantage; (vi) the national and municipal governments' economic and social policies have biases and gaps and ignore or make light of the needs of these groups, as reflected in the meager budget allocated to programs and services for at-risk children and youth.

B. Rio de Janeiro

- 1.2 The municipality of Rio has roughly 5.5 million inhabitants (1996, IBGE), one third of whom are poor and face a variety of risks in the metropolitan area every day, particularly children and adolescents between the ages of 5 and 20. Among the poor, the outlook for children and adolescents between 10 and 17 years of age living in these conditions is particularly limited, because of the cycle of poverty in which they live and the educational system's low level of efficiency and effectiveness in breaking this cycle.

1/ Report on The State of the World's Children, UNICEF, 1997, U.S. Census Bureau, International Database, 1998, WWW.

2/ Londoño, J.L. and Szekely, M., "Persistent Poverty and Excess Inequality: Latin American 1970-1995," Poverty line = monthly per capita R\$, in 1995 reais.

3/ De Moura Castro, C. and Morán, R., "Street Children and the Inter-American Development Bank: Lessons from Brazil," IDB, 1997.

4/ IBGE, PNAD, 1995.

The adversity of the environment is reflected in the level of premature deaths and homicides among persons between 10 and 19 years of age - 2,596 deaths, of which 1,872 were from external causes, including 1,520 from homicide and other violent causes (1994 and 1995). 5/ One important aspect that is frequently overlooked is the prevalent social attitudes towards the poor in general and towards street children and other vulnerable groups in particular, which contributes markedly to the reproduction of poverty.

C. Social Response

- 1.3 In Brazil, the social response to the historical presence of youth in the aforementioned circumstances has evolved 6/, 7/ from a stage of forced confinement in religious or other institutions to the implementation of "legalized" coercive measures (for example, imprisonment) to "protect society from criminals" to the modern-day recognition of children's rights and the introduction of more humanitarian means for caring for them and programs that take action against the causes of the above-mentioned risks. In Rio, the first efforts to this end stressed actions in the street (for example, street educators, school on wheels, shelters), dealing with the children in their street environment. Today, with the lessons learned from this common social history, a radical change can be seen in the policies and actions of the government and civil society, which now are aimed at preventing the risks and offering alternatives to the street.
- 1.4 There are recent experiences in Brazil, some of which are supported by the Bank, that have been seeking cost-effective and feasible solutions to this issue. They include CURUMIM of Minas Gerais and the State of Rio de Janeiro, UNICEF's "Creche-Cásulo", and the Agência Brasileira de Cooperação (ABC) of Ceará, and have had positive results. The programs financed by the Bank began with a remedial approach that has been incorporating more comprehensive, preventive, and sustainable approaches with concrete actions on the family, community, schools, and recreational centers, ranging from the Rio I Program and the programs for six cities in Brazil, street children, and vulnerable groups from Argentina to the program for Ceará approved in 1997. The Bank's Sustainable Development Department (SDS), in a review of these experiences, noted the importance of preventive strategies, "mainstream" programs to reintegrate beneficiaries with their families, schools, and jobs,

5/ Source: SIM - DATASUS, 1997.

6/ De Moura Castro, C. and Morán, R., op cit.

7/ Dewees, A. and Klees, S.J., "Social Movements and the Transformation of National Policy: Street and Working Children in Brazil," Comparative Education Review 39(1):76-100, 1995.

the cost-effectiveness of remedial activities, and the participation of the beneficiaries. ^{8/}

- 1.5 The operation presented herein seeks to support the assimilation of these lessons, particularly with regard to (i) the **preventive and comprehensive** approach aimed at the community and families of at-risk youth; (ii) **mass communication** to change society's attitude toward these children and other groups; (iii) special care for at-risk **girls**; and (iv) the **sustainability and institutional capacity** of the civil society organizations (CSOs) working in this field. It should be noted that the priority they have been given by the City of Rio de Janeiro, by effectively incorporating the type of social policies promoted in Rio I, justifies the Bank's investment in that initial stage.
- 1.6 The NGOs in Rio I that are eligible to participate in the new program requested by the City of Rio have very heterogeneous characteristics, scales, and institutional capacities. They include religious, musical, social, recreational, and academic groups; small and medium-sized organizations; sound structures and ones in financial difficulty; and professional and small-scale organizations (see Annex I-1). Nonetheless, all these organizations need to strengthen their managerial capacity to some extent, which is clearly reflected in the marked differences in the quality of the projects presented.

D. The City of Rio de Janeiro - Municipal Social Development Department

- 1.7 Since 1994, the City of Rio de Janeiro, through the Municipal Social Development Department (SMDS), has been implementing a broad strategy that seeks to meet the basic needs of the most vulnerable groups - children, adolescents, women, the elderly, and the disabled - and stresses family advocacy and services for at-risk children and adolescents. The SMDS delivers its services through a decentralized network of 10 regional offices, 26 municipal integrated social services centers, 320 day-care centers (*creches*) (which now cover 25,000 children and are scheduled to be expanded through a loan requested from the IBRD), four centers of other types, and the Fundação Lar Escola Francisco de Paula (FUNLAR) and through its policy of rapprochement with civil society organizations in the field of social welfare. This policy has been implemented at the local level through regional intersectoral committees made up of representatives of the Municipal Departments of Health, Education, and Housing, civil society organizations, and private enterprises.

^{8/} De Moura Castro, C., and Morán, R., "Street Children and the Inter-American Development Bank: Lessons from Brazil," IDB, 1997.

- 1.8 Services for the population in the most needy neighborhoods of Rio are concentrated in the following nine programming areas aimed at reversing social exclusion: (i) "Rio Creche," which provides educational opportunities for children from birth to six years of age and their families; (ii) "Oficina da Criança," with scholastic reinforcement and incentives to remain in school and to strengthen the ties between schools and families; (iii) "Rio Jovem," which involves young people between the ages of 15 and 18 in the processes of citizen training, vocational training, and job placement; (iv) "Trabalha Rio," which concentrates on generating income through small investment loans, professional and managerial training, and support for microenterprises and cooperatives; (v) "Vem Pra Casa" which works to reintegrate youth living on the street into families, communities, and schools; (vi) "Rio em Família," which advocates for and supports needy families; (vii) "SOS Cidadania," which takes emergency actions for the immediate needs of youth and families at extreme risk; (viii) "Rio Experiente," which provides social, family, food, and recreational support to the needy, elderly population; and (ix) FUNLAR, which cares for the disabled.
- 1.9 Note should also be taken of the Municipal Council on the Rights of Children and Adolescents (CMDCA), an independent organization with a mandate to ensure the fulfillment of the Child and Adolescent Statute. Representatives from the SMDS, civil society, and the private business sector participate in the CMDCA. This council administers the Child and Adolescent Fund, which today is the only entity eligible to receive contributions for children and adolescents that are federal income tax deductible, which limits its growth. SMDS attempts to bridge this gap include (i) the "Rio Voluntario" initiative that promotes volunteering and donations in kind; and (ii) promoting project sponsorship by enterprises in Rio.

E. Civil society organizations

- 1.10 There are roughly 850 civil society organizations involved in providing services for children and adolescents. Of those, approximately 300 are active and 65 work with at-risk youth. The latter include religious, political, military, and independent organizations, encompassing the 41 organizations that participated in the program to assist children in especially difficult circumstances (Rio I) (ATN-SF-4237/BR). Generally speaking, these CSOs work in isolation, with no connection to the City's strategy, and have managerial, technical, and financial shortcomings. The experience gained in Rio I has allowed for the incorporation of more rigorous eligibility criteria that should lead to measurable improvements in the quality and sustainability of the actions to be financed.

F. The Bank's experience with previous operations

- 1.11 The program to assist children in especially difficult circumstances in Rio de Janeiro (ATN-SF-4237/BR), approved in 1993 at a total cost of US\$13 million (US\$8 million from the Bank), helped 10,500 minors. The final disbursement was in December 1997. EVO completed the mid-term evaluation, which found the execution to be "satisfactory." Its recommendations, which were incorporated in August 1996, have been borne in mind in the new operation proposed herein (particularly concerning the prevention and correction of the causal factors impelling children onto the streets, coordination with other efforts of the Bank and other agencies such as SENAC, SENAI, and CESGRANRIO, the importance of actions that facilitate keeping at-risk youth in the formal educational system, the coordination of vocational training efforts with the labor market through internships, and strengthening the management of the participating NGOs and the sustainability of the projects). The 41 projects financed include shelters (9); support for community projects (9); daycare centers (2); job training (11); health care (5); services on the street (2); legal support (1); and artistic training (5).
- 1.12 In 1994, the Bank approved a program with the same name for six cities in Brazil - Salvador, Recife, Fortaleza, San Luis, Teresina, and Campinas (ATN/SF-4575-BR - ATN/SF-4579-BR). That program includes 34 preventive and remedial projects that will benefit 52,000 children and adolescents. Those projects include daycare centers, programs in communities and families at the greatest risk of losing their children, homes for abandoned children, day shelters, rehabilitation centers, services for adolescent mothers and their children, and legal assistance. An employee from the Bank's Country Office oversees the program on a full-time basis and has markedly facilitated the execution of the individual projects. The progress reports have been positive, and a mid-term evaluation is scheduled for the first half of 1998.
- 1.13 These experiences and the evaluations carried out by the Bank 9/ 10/ and others have highlighted the importance of (i) open approaches in the community and on the street; (ii) identifying and disseminating successful experiences and strengthening care methods (for example for drug addicts and others); (iii) giving more emphasis to serving the needs of girls and adolescent women; (iv) social marketing aimed at families; (v) greater selectivity of participating entities and actions to ensure their managerial capacity and financial sustainability for the continuity of the services; (vi) well-designed evaluation and

9/ De Moura Castro, C. and Morán, R., "Street Children and the Inter-American Development Bank: Lessons from Brazil," IDB, 1997.

10/ EVO, Summary Report: Children in Especially Difficult Situations, IDB 1996.

monitoring components; and (vii) the need to arrange effective commitments from relevant public (federal, state, and municipal) and private organizations.

G. The Bank's strategy

- 1.14 The Bank's operational strategy agreed upon with country authorities during the July 1997 programming mission consists of (i) promoting the reform and modernization of the federal government and subnational governments; (ii) supporting economic openness and reducing the "Custo Brasil" through productive and financial sector modernization and infrastructure rehabilitation; and (iii) tackling social inequalities and poverty, improving the efficiency of social spending, and improving the social distribution of land. It supports decentralization of social services and more closely links them to the community and civil society. Furthermore, it stresses basic sanitation and the environment.
- 1.15 The loan requested by the City (BR-0291) and the bridge financing proposed herein would support this strategy and SMDS objectives, by allowing for the timely consolidation of the new municipal social policies for these groups that seek to effectively integrate them into society through actions aimed at the most needy populations that focus on strengthening the family, schools, and the community. It is hoped that the scheduled ongoing evaluations of the impact, quality, and cost-effectiveness of the programs (see paragraph 2.7) will facilitate the efficient allocation of resources for public and private actions.

H. Justification

- 1.16 Work is being carried out to prepare the aforementioned loan (BR-0291), which would support the described SMDS programming areas for at-risk children and youth between the ages of 7 and 20, through funds awarded by competition accessible to eligible public and civil society organizations (CSOs). Furthermore, it would finance mass communication, institutional strengthening, and evaluation activities. Profile I of a parallel technical-cooperation project originally scheduled for this program (TC-97-01-10-4-BR), approved on September 11, 1997, therefore, corresponds to the operation presented herein since it deals with the initial actions thereof. Based on the criteria agreed upon

11/ by the SMDS and the Bank, of the 43 projects financed under the Rio I program, 22 involving 19 civil society organizations (see list in Annex I-1) were identified as being essential in terms of their continuity, given the needs of the population they serve. The financing proposed herein would ensure the sustainability of those 22 projects while the preparation of the aforementioned loan is completed. Their priority to the SDMS is confirmed by the fact that US\$600,000 have been allocated in the 1998 municipal budget for that purpose (see table of costs).

- 1.17 The City of Rio de Janeiro, through the ABC, presented a request to the Bank on April 2, 1998, for nonreimbursable technical-cooperation funding from the FSO in local currency.

II. OBJECTIVES AND PROJECT DESCRIPTION

- 2.1 The project seeks to support human and social development in order to achieve equitable economic growth. It seeks to tackle the causes of the problems through innovative initiatives that will improve the quality and coverage of services that prevent and reduce the risks of the needy population between the ages of 7 and 20.
- 2.2 In terms of specific objectives, it seeks to make progress with the 19 organizations identified (see Annex I-1) through 22 new projects aimed at (i) reducing the degree of risk of poor children and youth and providing opportunities for their physical, psychological, social, and economic development; (ii) improving and consolidating social policies, programs, and networks that are targeted and coordinated to prevent, deal with, and reverse situations of risk for youth in needy communities in the city of Rio; (iii) promoting and strengthening the participation of civil society organizations and their beneficiaries in designing, providing, and evaluating high-quality and cost-effective preventive and remedial solutions; (iv) strengthening the coverage, service methodologies, and sustainable institutional capacity of the participating entities; (v) promoting positive attitudes in society toward at-risk children and adolescents, as well as the participation of businesses and civil society in financing services for these minors; and (vi) launching the monitoring and evaluation system that would be

11/ Consistency with the programming areas of the SMDS, target population among high-risk groups, preventive orientation and content (remaining in school, vocational training), technical quality, demonstrated managerial and fundraising capacity of the executing agency, effective counterpart contribution, and technical commitment to the project's goals and results (coverage, quality, cost-effectiveness).

used for the prospective loan and parallel technical-cooperation operation being negotiated (see paragraphs 1.16 and 1.17).

- 2.3 These objectives would be fulfilled through four components: (i) a project fund; (ii) mass communication; (iii) institutional strengthening; and (iv) monitoring and evaluation.
- 2.4 **Component 1 - Project Fund (US\$1,010,000).** Projects presented by the 22 aforementioned CSOs have access to this fund. To be eligible, projects must fit the topology, quality parameters, and institutional eligibility criteria described below, which are consistent with the lessons learned and the demands detected in the population of children and adolescents during the execution of Rio I, as well as the special gender needs of the beneficiary youth. ^{12/} This financing is only intended to partially fund each project; it will be complemented, in due course, by City's own resources and/or the loan requested from the Bank, if approved. The projects presented may include resources for the specific institutional strengthening needs of the executing agencies.

a. Risk-prevention for children and adolescents

- (i) Actions aimed at schools and the family: for example, keeping children and adolescents in school through incentives and support, culture and sports, family advocacy, support networks, sponsorships, etc.
- (ii) Actions in the community: organizing young people, leadership, early pregnancy, the disabled, mutual-support networks of families, etc.
- (iii) The workplace: professional training scholarships, introduction to work (basic skills), internships in enterprises, access to job placement services, identification of new areas of work, installation and operation of productive workshops as teaching centers, etc.

b. Services involving extremely high-risk situations

- (i) Shelters for children, adolescents, and families living on the street.
- (ii) Family advocacy, aimed at families at extremely high-risk and substitute and host families; *Repúblicas* (group homes)

^{12/} All the actions will incorporate gender considerations by taking into account the differences in the situations and needs of boys and girls. See paragraph 5.6.

- (iii) Specific approach for groups at extremely high risk (drug addiction, prostitution, violence) and alternatives to the street, with special provisions given the floating nature of these population groups.

- 2.5 **Component 2 - Mass Communication (US\$30,000).** This component will address several objectives aimed at different groups, including most notably (a) communications to the *general public* to change their attitude towards at-risk youth and the services offered; (b) the *potential beneficiaries* - stimulating demand for services and projects, producing and disseminating educational materials, information on the program's progress; (c) encouraging *governmental and non governmental organizations* that are potential bidders to participate in the competitions; and (d) internal dissemination among *personnel and organizations participating in the program*.
- 2.6 **Component 3 - Institutional strengthening (US\$100,000).** This component will proactively supply and finance training, technical assistance, exchange activities, the formation of networks, and managerial equipment to strengthen, in stages, the management and coordination capacity of the CSOs in managerial and technical aspects and fundraising, and project design and management, among other areas. To this end, the experience from the *Comunidade Solidária* program will be used.
- 2.7 **Component 4 - Monitoring and Evaluation (US\$60,000).** This component would support the initial implementation of the formula designed by the project team with the support of UNICEF. That formula will allow for the evaluation of the potential program's processes, costs, products, impact, cost-effectiveness, and sustainability. This will be done with the active and ongoing participation of the beneficiaries. (In terms of impact, both the specific and interactive, immediate and nonimmediate effects of the different components will be measured.) The evaluation system will also pay particular attention to gender and ethnicity, using separate indicators. Through "community development workers," key elements of the formula will be institutionalized into a surveillance system for situations that pose social risks in the most needy areas of Rio. This system, which will operate based on family files, will allow for medium- and long-term follow-up on and evaluation of the different programs aimed at these groups.
- A. Nature, sizing, and cost of the operation
- 2.8 The program has been conceived as having multiple purposes. The size of the project fund (Component 1) has been determined based on the estimated need for initiatives and innovations for consolidating the technical and financial sustainability of the 22 above-mentioned organizations.

CONSOLIDATED BUDGET (in thousands of US\$)				
Budget category	IDB/FSO	RIO/SMDS	TOTAL	%
A. PROJECT FUND				
1. Consulting services	200		200	16.7
2. Overhead	150	510	660	55.0
3. Equipment	75		75	6.3
4. Works	75		75	6.3
SUBTOTAL	500	510	1,010	84.1
B. MASS COMMUNICATION				
1. Consulting services		30	30	2.5
SUBTOTAL		30	30	2.5
C. INSTITUTIONAL STRENGTHENING OF THE NGOS				
1. Consulting services	50		50	4.2
2. Training	50		50	4.2
SUBTOTAL	100		100	8.4
D. MONITORING AND EVALUATION				
1. Consulting services		60	60	5.0
SUBTOTAL		60	60	5.0
OVERALL TOTAL	600	600	1,200	
Percentages	50.0	50.0		100.0

2.9 The technical cooperation operation will be financed using nonreimbursable resources in local currency from the Fund for Special Operations, which will be aimed exclusively at NGOs. The resources will be disbursed in keeping with current Bank procedures and a work plan agreed upon with the SMDS at the beginning of the execution period, in accordance with the specific needs of the projects approved and the timetables to be adopted for the specific activities on mass communication, institutional strengthening, and launching the evaluation and monitoring system, as well as with the overall timetable for disbursements (see paragraph 2.13).

B. Execution

2.10 Execution of the program, expected to take six months, with a disbursement period of eight months, will be the responsibility of the unit attached to the executive office of the SMDS. The handling of the funds and financial reports will be the responsibility of the Office of Advisory Services on External Funding of the City's Treasury Department, in coordination with the Rio Fund, established by the City for handling external resources, and/or the executing unit of the Rio I program.

- 2.11 The 19 CSOs were invited to present proposals, which are being evaluated by the Projects Office of the SMDS, with the support of ad hoc committees of experts in the relevant technical areas and the beneficiaries of the projects.
- 2.12 The eligibility and selection criteria being applied are those agreed upon by the city and the Bank and incorporate the lessons learned from the aforementioned experiences. The criteria will include (a) the project being in harmony with the typology and demands identified, quality standards, and reference costs agreed on by the SMDS and the Bank; (b) being geared toward priority groups identified, with a focus on prevention, and technical quality, and relevance based on the level of demand; (c) the commitment of the CSO to the project's goals and results; (d) acceptance of and participation in the scheduled institutional strengthening activities recommended by the SMDS; and (e) the endorsement of the beneficiaries and/or their communities, when possible. Criteria to prevent the duplication of coverage by the NGOs will also be included.
- 2.13 The Bank's financing resources will be disbursed monthly, in keeping with the following plan, taking into consideration the disbursement of the US\$600,000 in counterpart funds by the City during the budget cycle that coincides with the execution period. Therefore, the revolving fund will have advances of up to 25%, in keeping with Bank accounting procedures.

TIMETABLE FOR DISBURSEMENT OF THE IDB'S CONTRIBUTION		
Month of Execution	US\$	%
1	60,000	10.0
2	120,000	20.0
3	120,000	20.0
4	100,000	16.7
5	100,000	16.7
6	100,000	16.7
Total	600,000	100.0

- 2.14 The projects will be administered through management contracts based on the results identified (impact indicators), to which the CSOs will commit at a reasonable cost, determined by cost-effectiveness benchmarks from the progressive analysis of unit costs and the impact of the different services to be provided. The proposals from the competing CSOs will focus on their

methodological approach and prices to achieve their goals (which will also be presented in the investment categories used by the Bank).

- 2.15 For the execution of the mass communication component, a specialized organization or enterprise may be hired, and the institutional strengthening component will be implemented with the support of specialized organizations (for example, universities and institutes). For the monitoring and evaluation component, one or more specialized agencies will be hired directly (for example, UNICEF or CNPQ), as an exception to policy.
- 2.16 The Bank's Country Office in Brazil will follow up on and supervise this operation, by appointing a staff member at the Country Office to carry out these activities.

C. Disbursements and procurement of goods and services

- 2.17 Considering the nature of the operation and the small volume of goods and services to be procured, there will be a competitive mechanism to speed up the hiring process and the processing of disbursements of the program's resources, in keeping with the procedures accepted by the Bank for civil society organizations. To this end, in its technical and/or financial inspection visits, through simple random sampling, the Bank will confirm that there is support documentation in the files of the program executing unit (PEU) for the contracting and/or disbursement requests made and that the resources are being used as indicated in the prospective loan contract. If errors are found, a greater percentage will be checked, and the PEU will be notified of the respective actions and deductions in Bank financing.

III. JUSTIFICATION

- 3.1 The use of FSO local currency resources for this nonreimbursable technical-cooperation operation (Policy AT-8010) is justified by (i) the fact that these are essential social services aimed at the vulnerable population with the lowest levels of income in Rio de Janeiro; (ii) the fact that the proposed solutions are innovative because they take a **preventive and participatory** approach and are geared toward **cost-effective results**; (iii) the fact that all of the nonreimbursable contribution is channeled to civil society organizations that are unable to request loans in the national market; (iv) the scale of the effort required to innovate and systematize methodologies to deal with the problem; and (v) the City's commitment to take on the recurring expenses of the different projects once their execution with Bank resources is complete.

IV. SPECIAL CONSIDERATIONS AND RISKS OF THE OPERATION

A. Sustainability

- 4.1 When designing the program, special attention will be paid to the sustainability of the projects once the Bank's contribution used up, particularly with reference to recurring expenses. Therefore, in addition to the aforementioned eligibility criteria, the program calls for strengthening the capacity of the participating CSOs to collect funds and get business sponsors through the mass communications component.

B. Violence

- 4.2 The close link between the current levels of violence and drug trafficking control in low-income neighborhoods poses a clear risk. There is a history of agreements with residents that have made it possible to introduce activities not controlled by drug traffickers. This type of risk has also been reduced with some success by placing the services outside the favelas. These alternatives and others will be explored in order to reduce this risk.

C. Environmental and social impact and proposed measures

- 4.3 This project is expected to have a substantial social impact on the entire population, particularly at-risk children and adolescents. During its preparation, attention will be paid to the different needs of boys and girls and those of different ethnic groups. To this end, the actions proposed in the eligible typologies will be checked to see that they incorporate considerations of gender and ethnicity and that these considerations are reflected in the eligibility criteria.
- 4.4 The operation will not have any negative impact on the environment. Nonetheless, it will incorporate environmental issues into the programming area "alternatives to the street" that contribute to the professional training and job placement of the participating youth, such as recycling and marketing recycled products, urban reforestation, and tourism.

PROPOSED RESOLUTION

**BRAZIL. NONREIMBURSABLE TECHNICAL COOPERATION FOR
THE SUSTAINABILITY OF PROJECTS FOR AT-RISK YOUTH**

The Board of Executive Directors

RESOLVES:

1. 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 agreements as may be necessary with the City of Rio de Janeiro, and to adopt such measures as may be pertinent for the execution of the plan of operations referred to in Document AT-_____, with respect to a nonreimbursable technical cooperation for the sustainability of projects for at-risk youth.
2. That up to the sum of US\$600,000, in reais, is authorized for the purposes of this resolution, chargeable to the net income of the Fund for Special Operations.
3. That the above-mentioned sum is to be provided on a nonreimbursable basis.