

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

URUGUAY

SUPPORT PROGRAM FOR THE SOCIO-URBAN INTEGRATION OF THE MIGRANT POPULATION

(UR-J0001)

GRANT PROPOSAL

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ABBREVIATIONS

CCLIP	Conditional credit line for investment projects
CGN	Contaduría General de la Nación [Comptroller General of the Nation]
CSD/HUD	Housing and Urban Development Division
CUN	Cuenta Única Nacional [National Single Account]
DINAVI	Dirección Nacional de Vivienda [National Housing Bureau]
DNM	Dirección Nacional de Migración [National Migration Bureau]
EIRR	Economic internal rate of return
GRF	IDB Grant Facility
ICB	International competitive bidding
INE	Instituto Nacional de Estadística [National Statistics Institute]
MERCOSUR	Mercado Común del Sur [Southern Common Market]
MVOT	Ministerio de Vivienda y Ordenamiento Territorial [Ministry of Housing and Land Management]
NCB	National competitive bidding
PCU	Program coordination unit
SCL/MIG	Migration Unit
SIIF	Sistema Integrado de Información Financiera [Integrated Financial Information System]
TCR	Tribunal de Cuentas de la República Oriental del Uruguay [Court of Auditors of the Eastern Republic of Uruguay]
UCU	Universidad Católica del Uruguay [Catholic University of Uruguay]
UNHCR	United Nations High Commissioner for Refugees

PROJECT SUMMARY

URUGUAY SUPPORT PROGRAM FOR THE SOCIO-URBAN INTEGRATION OF THE MIGRANT POPULATION (UR-J0001)

Financial Terms and Conditions				
Beneficiary:			IDB Grant Facility (GRF) ^(a)	
Eastern Republic of Uruguay			Disbursement period:	18 months
Executing agency:				
The beneficiary, acting through the Ministry of Housing and Land Management (MVOT)				
Source	Amount (US\$)	%		
IDB (GRF):	5,000,000	97.39	Currency of approval:	U.S. dollars
Local:	134,000	2.61		
Total:	5,134,000	100		
Project at a Glance				
Project objective/description: The general objective of this operation is to expand the scope of the Neighborhood Improvement Program (loan 4651/OC-UR) by bringing the vulnerable immigrant population and its host communities closer together. Its specific objectives are to: (i) foster urban integration by providing formal basic infrastructure and adequate social and urban services, while guaranteeing secure property tenure and enhancing social capital, taking climate change issues into account; and (ii) provide affordable housing to the low-income population groups, while restoring rundown urban spaces in Montevideo's historic downtown area.				
Special contractual conditions precedent to the first disbursement of the financing: (i) the program coordination unit (PCU) for the Neighborhood Improvement Program (loan 4651/OC-UR) has been designated as the execution unit for this operation, and a coordinator has been contracted for migration-related matters; and (ii) the program Operating Regulations for the Neighborhood Improvement Program (loan 4651/OC-UR) have been updated to incorporate the agreements on the execution of resources and the activities financed with the grant contribution funds (paragraph 3.4).				
Special contractual conditions of execution: (i) before work begins on remodeling the building for the welcome center under Component 1, the Ministry of Social Development (MIDES) and the Ministry of Housing and Land Management (MVOT) will sign an agreement establishing their responsibilities for the center's management and maintenance and other matters; (ii) before funds are transferred to MIDES for the delivery of temporary housing solutions under Component 1, MVOT and MIDES will sign an agreement establishing their responsibilities and the mechanism for implementing those solutions; and (iii) before activities begin under Component 3, whose outputs are intended for the National Migration Bureau (DNM) of the Ministry of the Interior, MVOT and the Ministry of the Interior will sign an agreement establishing their roles and responsibilities for the implementation of those activities (paragraph Error! Reference source not found.).				
Exceptions to Bank policies: Waiver of fulfillment of Criterion 1 under paragraph 4.4(i) of document AB-3199, "IDB Grant Facility: Support to Countries with Large and Sudden Intraregional Migration Inflows" and under Section II.A of its Operational Guidelines (document GN-2947-6), to grant eligibility at the subnational level based on the impacts of migration flows in the city of Montevideo (paragraphs 2.5 and 2.6).				
Strategic Alignment				
Challenges: ^(b)	SI <input checked="" type="checkbox"/>	PI <input type="checkbox"/>	EI <input checked="" type="checkbox"/>	
Crosscutting themes: ^(c)	GE <input checked="" type="checkbox"/> and DI <input checked="" type="checkbox"/>	CC <input checked="" type="checkbox"/> and ES <input checked="" type="checkbox"/>	IC <input checked="" type="checkbox"/>	

^(a) Nonreimbursable financing: the IDB Grant Facility (GRF) is the nonreimbursable financing facility of the IDB. In accordance with document GN-2947-6, the nonreimbursable funds for this operation are supplemental to loan 4651/OC-UR, which combines a maximum of 20% in nonreimbursable resources (GRF) and 80% in reimbursable resources (Ordinary Capital). The GRF funds will be disbursed simultaneously and proportionally with the proceeds of loan 4651/OC-UR.

^(b) SI (Social Inclusion and Equality); PI (Productivity and Innovation); and EI (Economic Integration).

^(c) GE (Gender Equality) and DI (Diversity); CC (Climate Change) and ES (Environmental Sustainability); and IC (Institutional Capacity and Rule of Law).

I. PROJECT DESCRIPTION AND RESULTS MONITORING

A. Background, problem addressed, and rationale

- 1.1 **Background.** In November 2018, the Board of Executive Directors of the Inter-American Development Bank (IDB) approved the Neighborhood Improvement Program (loan 4651/OC-UR) for US\$70 million from the Ordinary Capital as the third individual operation under a conditional credit line for investment projects (CCLIP) with the aim of improving the quality of life of persons residing in informal settlements in Uruguay (UR-X0003). The loan's general objective is to help improve living conditions for the inhabitants of informal settlements and rundown areas. Its specific objectives are to: (i) foster urban integration by providing formal basic infrastructure and adequate social and urban services, while guaranteeing secure property tenure and enhancing social capital, taking climate change issues into account; and (ii) provide affordable housing to low-income population groups, while restoring rundown urban spaces in Montevideo's historic downtown area. The operation was declared eligible in December 2019, and the deadline for its last disbursement is currently 3 July 2024.
- 1.2 **Recent migration flows.** Since 2016, Uruguay has been witnessing a significant inflow of immigrants, most of whom are of Venezuelan or Cuban nationality. According to data compiled by the National Statistics Institute (INE), a total of 94,196 persons born outside the country were living in private dwellings in Uruguay in 2019. Of that total, 63% resided in Montevideo (approximately 59,000 persons), equivalent to 4.3% of the total resident population of the country's capital city. In terms of the migration flows involved, 21,673 immigrants arrived in Montevideo between 2016 and 2019, increasing the proportion of immigrants relative to the city's total population by 1.57% ([optional link 3, Migration eligibility profile](#)). According to information available on the Interagency Coordination Platform for Refugees and Migrants from Venezuela (R4V),¹ Uruguay has received the fourth largest inflow of Venezuelan migrants among the Southern Cone countries. The pandemic and border closures temporarily halted these flows, but since the post-COVID reopening of national borders the migrant population is once again on the rise, especially at the regional level. In 2021, 14,933 applications for residency and over 10,000 applications for asylum and refugee status were started, almost all of them from persons of Cuban or Venezuelan nationality, respectively.²
- 1.3 Between 2019 and 2022, applications for temporary resident status processed by the National Migration Bureau (DNM) of the Ministry of the Interior were up 129%, and those submitted under the terms of the Southern Common Market (MERCOSUR) Residence Agreement had increased 262%.³ Nearly 20,000 applications are being processed each year by the two agencies concerned (the Ministry of Foreign Relations and DNM), whereas only slightly more than 5,000 residency applications were submitted in 2014. In 2021, for example,

¹ This platform is used by nearly 200 different organizations (including United Nations agencies, civil society organizations, religious organizations, and NGOs, and others) to coordinate their efforts under the Regional Response Plan for Refugees and Migrants from Venezuela.

² Estudio sociodemográfico sobre personas solicitantes de asilo, refugiadas y otras personas de interés en diez departamentos uruguayos (UNHCR, 2022).

³ Residency comparison, January to April (2019 and 2022), Department of Statistics, DNM.

3,472 applications for refugee status were submitted in Uruguay, outpacing Chile (2,498) and Argentina (2,229).

- 1.4 Considerable efforts have been made over the years, even before this new wave of migration, to adapt to the situation: (i) Law 18,076 of 2006, which deals with asylum and the rights of refugees, led to the establishment of the Refugees Commission to exercise authority in that area; (ii) Migration Law 18,250 of 2008 called for the establishment of the National Migration Board⁴ as a coordinating and advisory body on immigration issues; and (iii) Law 19,254 of 2014⁵ provides for the possibility of granting permanent residence status to nationals of MERCOSUR member and associate member countries, thereby promoting social and labor inclusion for refugees—including access to decent housing—on an equal footing with the local community. In addition, under the Rapid Response Plan that the DNM of the Ministry of the Interior has been implementing since 2012, foreign nationals who apply for permanent residency in Uruguay can submit basic documents and immediately receive a migration certificate that they can then use to obtain a two-year resident identity card. In 2015, the executive branch was empowered to grant legal residency to particularly vulnerable foreign nationals present in Uruguay whose migration status is irregular.⁶ Then, in 2018, authorization was given to waive the requirement for the notarization or apostille certification/legalization of unverifiable documents.⁷ That same year, different types of consular visas for entry into the country were introduced.
- 1.5 **New challenges for the program.** The recent, sudden inflow of migrants poses new challenges for the program. Since the launch of the Neighborhood Improvement Program, the presence of overcrowded migrant households located in informal settlements and semiformal areas have posed an additional challenge, above and beyond those initially addressed by the program. The increase in sudden inflows of vulnerable migrants is putting pressure on urban service delivery and on residency application processing capacity and has consequently added to the barriers impeding access to decent housing for both the immigrant population and their host communities. A large percentage of recent migrants, especially the most vulnerable among them, live in the historic center of downtown Montevideo (the “Old Town”) and the surrounding area. This includes persons of Cuban, Peruvian, and Dominican origin, most of whom live in overcrowded boardinghouses. Data indicate that recent immigrants are at a disadvantage in the labor market compared to the local population and that the degree of inequality increased amid COVID-19. Recent studies have found that migrants have less of a chance of being economically active and have fewer job opportunities, with the unemployment rate for recent migrants

⁴ The National Migration Board is composed of one delegate each from the Ministry of the Interior, the Ministry of Foreign Relations, the Ministry of Labor and Social Security, the Ministry of Social Development (MIDES), and civil society (the Advisory Council on Migration (CCAM)). The Board is authorized to call upon other institutions for consultations or advisory services.

⁵ Law 19,254 facilitates the granting of permanent resident status to nationals of MERCOSUR member and associate member countries and to persons related to naturalized or Uruguayan-born citizens (spouses, domestic partners, and siblings).

⁶ Article 162 of National Budget Law 19,355 of 2015, on the regularization of migrant status, sets out the implementing regulations for Decree 118/018.

⁷ Article 112 of Accountability Law 19,670 of 2018.

(10.7% in 2018) exceeding the rate for the nonmigrant local population (8.3%).⁸ Recent migrants are 43% less likely to be part of the labor market than nonmigrant nationals, and those migrants who are economically active are 55% less likely to find a job. Recent immigrants are also at greater risk of being employed in occupations for which they are overeducated and of earning less in these occupations than their Uruguayan counterparts. In addition, the stock of vulnerable migrant and host-community households has been hit hard by a decline in income levels as a consequence of COVID-19. A survey of immigrants indicates that some 20% of them lost their job or saw a considerable decrease in their wages⁹ as a result of the economic fallout from the pandemic. This, in turn, made it even harder for them to pay their rent, thereby generating further pressure in terms of the formation or redensification of informal settlements.¹⁰ The phenomenon of requests for immigrant assistance and support received by the Ministry of Social Development (MIDES) has increased fivefold over the last two years, according to data compiled by the International Organization for Migration (IOM). Most of these requests came from immigrants living in boardinghouses who were having difficulty in paying their rent.

- 1.6 Action therefore needs to be taken to promote the urban integration of immigrant households into their host communities. This can be done by providing formal basic infrastructure, social and urban services, and affordable housing to low-income people with a gender and diversity lens in the migrant population and their host communities. This initiative will also entail promoting the delivery of housing solutions that will expedite the integration of migrant households. The main problem identified in this connection is the increase in barriers to access to decent housing. Three causes of this situation have been identified, along with additional vulnerability factors having to do with gender and diversity and climate change impacts.
- 1.7 Cause 1. The migrant population has problems with access to public services, and information on the integrative social services available in the country is not systematically organized and does not reach the intended recipients as effectively as it should. Although existing laws guarantee access for the migrant population to a variety of public services on an equal footing with Uruguayan nationals, in practice there are various types of barriers that interfere with that access, in part as a result of the recent sudden increase in migrant inflows. Over half of the migrants who have applied for refugee status in Uruguay report that it takes more than six months for their applications to be processed.¹¹ Between 2018 and 2022, the number of migrants receiving the Equity Plan Family Allowance¹² and the Uruguay Social

⁸ Prieto Rosas, V., and Márquez Scotti, C. (2019). Inclusión social de inmigrantes recientes que residen en viviendas particulares de Uruguay, working paper FCS-PP; 04.

⁹ According to INE, mean income fell 10.2% in real terms during the pandemic.

¹⁰ Between 4% and 10% of these persons had to move because they were unable to pay their rent. UNHCR-UCU (2022).

¹¹ UNHCR-UCU (2022).

¹² The Equity Plan Family Allowance is a cash transfer granted to pregnant women, children and adolescents under 18 years of age, and persons with disabilities belonging to socioeconomically vulnerable households.

Card¹³ rose by 20.1% and 27.4%, respectively. The Montevideo district offices of MIDES responded to over 16,850 requests for information and/or assistance from migrants in the first half of 2022 alone. Most of these requests concern food, documentation, cash transfers, or employment.¹⁴

- 1.8 Information on different procedural mechanisms and processes is scattered across different offices and sources, paving the way for overlaps, confusion, and inaccuracies. A preliminary survey indicates that at least 115 different procedures or public services relating to identity documents, education, social services and resources, human rights violations, violence and justice, employment and job training, health, and housing are offered by a diverse range of 18 different government agencies. Only two of these offices explicitly require a Uruguayan identification document (identity card) to be presented. Nonetheless, in practice, access to some of these services is limited to persons who can produce a Uruguayan identity card (e.g., the Uruguay Social Card, socioeducational inclusion grants,¹⁵ and access via WhatsApp to the Automatic Processing System of the Ministry of Labor and Social Security).¹⁶
- 1.9 Similarly, the findings of the 2022 survey conducted by the United Nations High Commissioner for Refugees (UNHCR) and Universidad Católica del Uruguay (UCU) indicate that, even though primary education is readily accessible, the percentage of immigrant children and adolescents who are still not enrolled and/or do not attend secondary school is surprising (48.67%). Apart from respondents who stated that their nonattendance is due to the fact that they have only recently arrived in the country (24.6%), the rest of the stated reasons¹⁷ reflect a lack of information on the subject, as respondents did not know that the Uruguayan educational system is free of charge, that school materials and meals are provided to students in situations of vulnerability, and that a Uruguayan identity document is not required for enrollment.
- 1.10 Some public agencies have made efforts on their own to provide pamphlets or frequently asked questions (FAQs) sheets regarding the available public services to migrants. At least eight such guides in differing formats have been found that provide information that overlaps with the information on services offered by civil society or other institutions, such as private universities. The information provided on the main

¹³ This card is used to make various cash transfer payments aimed at improving people's incomes and providing them with greater access to staple foods, cleaning and personal hygiene products, clothing, and butane and propane fuels. These transfers are made to households and persons in situations of extreme socioeconomic vulnerability.

¹⁴ Source: MIDES Evaluation and Monitoring Division.

¹⁵ Grants covering early childhood care and education services are provided for children between the ages of 0 and 2 years (in exceptional cases, up to 3 years of age) from vulnerable households who live in areas that are underserved by public services and utilities.

¹⁶ For example, whereas Uruguay was one of the countries at the forefront of the COVID-19 response and one of the leaders in vaccination rates, persons who did not yet have a Uruguayan identity document were unable to sign up for vaccinations. Consequently, people—regardless of their age—who did not have an identity card had to wait for months before they could be vaccinated.

¹⁷ Among the reasons cited, 21.8% of respondents said that they did not have the necessary information, 21.4% said that they did not have the required documentation, and 20% said that they did not have enough money to cover the education costs.

government portal concerning procedures and services available to the migrant population is incomplete.¹⁸

- 1.11 Additionally, 18.6% of the migrant population say they do not have access to health services. This can be attributed partly to the fact that health coverage in Uruguay is closely linked to access to the formal labor market and, while possession of an identity card is not an absolute requirement, delays in obtaining that card can translate into delays in entering the formal labor market (and, therefore, health coverage). One of the main reasons cited was that the respondents did not have enough money to cover the cost of health services. Since health care in Uruguay is universal and free of charge for the migrant population, this response reflects a lack of information on the part of migrants about how the Integrated National Health System operates, how access is provided, and what benefits are offered.
- 1.12 At a more general level, an additional constraint is that health workers need training in how to serve migrant users of public health services. More specifically, MIDES is the only institution that has a team with experience in working with vulnerable migrants.
- 1.13 The participatory evaluations carried out by UNHCR in 2021 with immigrants and refugees residing in the Montevideo, Canelones, and Rocha Departments delved into three main subject areas: (i) socioeconomic inclusion; (ii) housing; and (iii) youth. In regard to access to services, respondents underscored difficulties in finding formal employment in their occupational area and in obtaining information about employment opportunities, shelters, and housing. They also underscored the need for more opportunities for adolescents to meet up and interact with one another and a lack of access to childcare services, which has a differential impact on the labor inclusion of women.¹⁹
- 1.14 It is believed that part of the solution for these problems can lie in promoting urban integration by providing formal basic infrastructure and adequate social and urban services, while guaranteeing secure property tenure and enhancing social capital, taking climate change issues into account.
- 1.15 Cause 2. The mechanisms in place for providing housing solutions are not geared to meeting the needs of immigrants. The current immigration situation in the country is having a negative impact on access to essential services, particularly housing. This is reflected in the fact that a large percentage of immigrants live in boardinghouses (shared-use dwellings with common spaces) in which overcrowding, especially in the case of Peruvian and Dominican migrants, has often reached critical levels.²⁰ Regulated and unregulated boardinghouses are becoming one of the main housing solutions used by immigrant families in Montevideo.²¹ The

¹⁸ Migration portal on the Uruguayan government's official website: www.gub.uy/migración.

¹⁹ Fact sheet, Results in 2021, UNHCR (March 2022).

²⁰ Overcrowding, measured as the number of people per bedroom, is a problem faced by many migrants in the first dwelling that they occupy in Montevideo; this is especially a problem for those who live in boardinghouses (Bengochea and Madeiro, 2020). Peruvian migrants reporting that they resided in a boardinghouse when they first arrived in the country were subject to critical levels of overcrowding (4.3), as were Dominican migrants (3.6). The degree of overcrowding experienced by Cuban and Venezuelan migrants living in boardinghouses was more moderate (2.9 and 2.3, respectively).

²¹ Fossati and Uriarte, 2018; Prieto Rosas et al., 2019.

growing supply of unregulated housing options exacerbates and perpetuates the situation of immigrants living in boardinghouses that fail to meet minimum habitability standards. In addition, because of the problems that immigrants have in finding a decent housing solution, these boardinghouses often charge exorbitant prices that further impede the socio-urban integration of migrants. According to the census of boardinghouses conducted by Montevideo City Hall in 2018, 39% of the people residing in them were foreign nationals, and in Montevideo there were 233 temporary lodging establishments (boardinghouses), 80% of which had some type of structural defect. There is also another category of unregistered boardinghouses where overcrowding conditions and structural defects are even more critical.

- 1.16 In the lowest two income quintiles, which include 52.5% of migrant households, migrant household expenditure on rent represents 54% and 37% of total income, respectively, which is above the recommended international standard.²² Furthermore, the rents paid by these households is proportionally higher than the rents paid by Uruguayans. The difficulties encountered in gaining access to formal housing solutions are chiefly attributable to the following factors: (i) Immigrants generally know little about the Uruguayan real estate market. In fact, 91% state that they are unfamiliar with the country's housing plans. As a result, a large percentage of them live in boardinghouses or other poor-quality housing. The data also indicate that only 34% of the immigrant population lives in rental housing, while the other 76%²³ resides in improvised shelters or settlements, on the street, in boardinghouses or rooming houses, although they tend to find better housing as their situations improve; (ii) Few regulatory or other tools are in place in Uruguay to meet the housing needs of the population at a time when immigration inflows are fueling demand. No rental subsidization mechanism currently in place is tailored to the migrant population, there are no temporary shelters set aside for them, and no agency or center focuses on supporting them in their search for other housing solutions;^{24 25} and (iii) This population's income levels are too low to allow entry into the formal housing market.
- 1.17 Cause 3. Instructions regarding the information that has to be supplied in connection with various types of applications and procedures are not readily accessible, and the wait times for the processing of some of them are unclear, which hinders immigrants from gaining access to social services. Uruguay has made headway in standardizing entry and documentation procedures, but the increasing number of residency applications in recent years, as documented by the Ministry of the Interior, has

²² On average, migrant households use 40% of their income to pay for where they live. This prevents or delays their integration.

²³ UNHCR, 2022.

²⁴ Assistance will be provided to beneficiaries in the selection of a dwelling, and they will be coached on how to care for their home and run it efficiently (ways of saving on energy, water use and waste management techniques, etc.).

²⁵ MVOT has formal arrangements with 17 different agencies for the provision of rental subsidies to vulnerable members of the population, chiefly with "Mujeres para Mujeres" ["Women for Women"], an initiative to support women in their efforts to leave situations where they are subject to gender violence; the Institute for Children and Adolescents of Uruguay; a witness protection agency; and an agency serving returnees, representing approximately 1,100 subsidies per year.

slowed the processing of those applications. This, in turn, has made it take longer for immigrants to obtain a Uruguayan identity card.²⁶ Without that card, access to the formal labor market, housing, health care, and even education is more difficult. These delays are attributable, in part, to two issues: (i) 60% of the target population states that the process of applying for refugee status takes between 7 and 25 months, while 76.7% say that the main problems in obtaining a migrant visa are a lack of familiarity with and/or access to the necessary information, which is not available from a centralized source, and the difficulty for some highly vulnerable people of submitting applications online without support; and (ii) the agencies responsible for issuing resident visas have been overwhelmed by the number of applications because they lack a streamlined, modern system that would allow them to process applications for identity cards more rapidly.²⁷

- 1.18 **Gender and diversity challenges.** Some 54% of the vulnerable immigrants arriving in the country between 2009 and 2014 were women,²⁸ primarily from the Dominican Republic, Cuba, Peru, and Venezuela. Migrant women are the heads of most single-parent households, generally work in the informal domestic service sector, and have the highest unemployment rates (18% higher than the rate for Uruguayan women and 6 times higher than the rate for male immigrants).²⁹ Migrant women in Uruguay are also more likely than Uruguayan women to be victims of gender-based violence. In 2020, of all the women in Montevideo who required care as a consequence of gender-based violence, 40.5% were Uruguayan and 59.5% were women of other nationalities ([optional link 5](#)) ([optional link 3](#)). These factors will be taken into consideration in the design of this operation.
- 1.19 **Challenges posed by diversity-related factors.** Persons of African descent are the population group facing the most discrimination and exclusion. Members of this group represent 11% of the Uruguayan population, are generally among the poorest, and more have at least one unmet basic need³⁰ (51.3% of Afro-descendants versus 32.2% of persons not belonging to this group).³¹ MIDES data indicate that more migrant women of African descent are heads of household as compared to their peers (13.5% versus 10.3%) and their unemployment rate is higher as well (14% versus 6.6%).³² The trans population in Montevideo includes a large percentage of

²⁶ To obtain an identity card, the applicant must have a residency certificate or a certificate issued by the DNM showing that they are applying for refugee status.

²⁷ Sociodemographic study on asylum-seekers, refugees, and other groups in 10 Uruguayan departments, UNHCR, 2022.

²⁸ United Nations Children's Fund (UNICEF) and MIDES. 2017. Caracterización de las nuevas corrientes migratorias en Uruguay: Nuevos orígenes latinoamericanos: estudio de caso de las personas peruanas y dominicanas.

²⁹ Idem.

³⁰ The Uruguayan government uses a system of unmet basic needs metrics in which certain items are identified as basic needs and thresholds are set for each one. If access falls below those thresholds, the level of deprivation is classified as critical. The elements used to calculate these unmet basic needs are: (i) access to decent housing; (ii) drinking water supply; (iii) sanitation services; (iv) electricity; (v) basic household amenities; and (vi) education.

³¹ Cabella W. et al. 2011. Atlas sociodemográfico y de la desigualdad del Uruguay. La población afro-uruguaya en el Censo.

³² MIDES post on [Twitter](#), 2015. Inequidades persistentes: datos sobre la situación de las mujeres afro en Uruguay.

migrants from other parts of Uruguay or abroad (35%).³³ National data indicate that most of this population group live in outlying areas and are subject to overcrowding, 5% are homeless, fewer have access to housing title (16% versus 59% of the general population), 45% live in substandard housing,³⁴ and 45% are victims of violence connected with their gender identity. Relatively little data on the migrant population in Uruguay is disaggregated by race, disability, ethnicity, and gender identity. But, taking an intersectional approach to analysis of the data,³⁵ it can be assumed that the challenges faced by Afro-descendants and LGBTQ+ persons are even greater if they are also migrants ([optional link 5](#)).³⁶ These considerations will be incorporated into the design of activities under this operation involving the delivery of services to these population groups, and records will be kept on the services provided to different population groups.

- 1.20 **Barriers associated with climate change impacts.** In 2021, Uruguay unveiled its National Long-Term Climate Strategy for achieving a low-emissions, climate-resilient form of development³⁷ in fulfillment of the commitments it has made under the Paris Agreement. This strategy establishes an aspirational scenario of achieving CO₂ neutrality by 2050 and delivering on the pledge to make adaptation a national climate policy and action priority for Uruguay, which is particularly vulnerable to the impacts of climate change. The housing sector has a role to play in attaining this goal, since it is a source of greenhouse gas emissions, primarily from: (i) construction; (ii) energy and water use; and (iii) urban solid waste and wastewater management. In addition, severe climate events (chiefly flooding and droughts) have an impact on the sector that extends to households, their residents, urban infrastructure, utilities, livelihoods, and the economy. According to estimates of the National Water Resources Bureau, over 95,000 people in Uruguay reside in floodplains.³⁸ Their situation could become more tenuous, given current climate projections for the country, which point to increased precipitation and temperatures under the strong influence of El Niño – Southern Oscillation (ENSO).³⁹ In view of the challenges posed by climate change and in keeping with the international commitments assumed by the country, the National Policy on Climate Change was approved in 2017. One of the objectives of that policy is to promote the development of sustainable cities, communities, human settlements, and infrastructure that are resilient to climate change and climate variability while helping to reduce greenhouse

³³ Montevideo City Hall. 2016. Sexual Diversity and Social Equality Agenda 2016-2020.

³⁴ World Bank. 2020. Social Inclusion in Uruguay.

³⁵ The concept of intersectionality has to do with the fact that each person may suffer oppression as a result of their association with many different social categories, such as gender, ethnicity, race, age, nationality, disability, and gender identity. As one example, a woman migrant of African descent might be subject to intersectional discrimination.

³⁶ National Census of Trans Persons, 2016, MIDES.

³⁷ [Long-term climate strategy for low greenhouse gas emissions and climate-resilient development](#) (Uruguay, 2021).

³⁸ Estimates prepared by the National Water Resources Bureau (DINAGUA) indicate that 95,375 people are living in floodplains (2021). Accessed in July 2022, available at <https://www.gub.uy/ministerio-ambiente/politicas-y-gestion/inundaciones>.

³⁹ [Fourth National Communication to the Conference of the Parties to the United Nations Framework Convention on Climate Change](#), Uruguay, 2016.

gas emissions.⁴⁰ The activities to be funded by the program, including the refurbishments of buildings, will take climate change impacts into account and thus contribute to the implementation of the national policy. In addition, the work to be done in the area of housing subsidies will be designed to avoid the formation of informal settlements and will be guided by established standards for the placement of rental housing and the materials to be used. These considerations have been incorporated into the program design (see paragraph 1.32).

- 1.21 **The country's sector strategy.** An absence or shortfall of decent housing interferes with access to basic social services. It is difficult for people to find work, go to school, or obtain health care if they do not have a dwelling that meets basic standards of habitability. The country's strategy aims to change this situation by providing support to families from the time they enter the country until they are in a position to participate in the habitat and housing programs that Uruguay has in place. This support continuum starts with the provision of temporary lodging and continues on to rental subsidies, the government-run Rental Guarantee Fund⁴¹ or other market-based options (40% of this fund's resources were granted in the form of guarantees to migrants in 2019), and lastly, the housing solutions offered by the government, such as subsidies for house payments, cooperative housing, and others.
- 1.22 **Request.** In view of the foregoing, the Government of Uruguay, acting through the Ministry of Economy and Finance, expressed interest in accessing resources from the IDB Grant Facility to Support Countries with Large and Sudden Intraregional Migration Inflows. Preparation of an investment grant operation was requested to supplement the third individual operation (loan 4651/OC-UR), now in execution, under the conditional credit line for investment projects (CCLIP) for the Neighborhood Improvement Program (UR-X1003). This operation will strengthen the components of loan 4651/OC-UR by improving the access of the immigrant population in Montevideo to affordable housing and job opportunities. The request meets the eligibility requirements for use of such nonreimbursable resources as set out in documents AB-3199 and GN-2947-6 (see paragraphs 2.2 and 2.3). The program also has synergies with other Bank operations now in the design stage, including a program to increase financing to improve habitability conditions for households in informal settlements.
- 1.23 **Progress of loan 4651/OC-UR.** This third individual operation under the CCLIP for the Neighborhood Improvement Program (UR-X1003) was approved by the Bank's Board of Executive Directors on 1 November 2018 and met the relevant eligibility requirements on 18 December 2019. To date, two disbursements for a total of US\$7.05 million have been made out of the total financing of US\$70 million. The last disbursement of the US\$30 million in local counterpart funds is currently scheduled for 3 July 2024. The program has generated an investment project portfolio involving at least 20 informal settlements. Headway has also been made on the implementation of Component 2 with approval of the bidding specifications for the rehabilitation of four buildings. The activities to be supported by this operation will complement those of program 4651/OC-UR, which will increase its disbursements and improve its performance due to two factors: (i) an increase in the physical space

⁴⁰ [National Policy on Climate Change \(2017\)](#).

⁴¹ The Rental Guarantee Fund will enable recipients to obtain a government-backed guarantee certificate.

agreed upon with the Ministry of Economy and Finance for this program; and (ii) a possible one-year extension for the corresponding resource commitments. The investment grant financing operations will be agreed upon with the beneficiary country, reflecting the *pari passu* disbursement requirements described in paragraph 3.7, so the two operations will be interdependent. The actions of this investment grant will thus make it possible to expand the program's scope in: Component 1, through the generation of urban services for social and urban integration with emphasis on human capital; in Component 2, through rental housing subsidies to prevent the formation of new informal settlements; and Component 3, through the strengthening of government agencies involved in granting residency status allowing access to social and urban services. All actions as part of this operation will focus on the Department of Montevideo, based on the eligibility criteria listed below in paragraph 2.5.

- 1.24 **Strategic alignment.** This operation is aligned with the second Update to the Institutional Strategy: Development Solutions that Reignite Growth and Improve Lives (document AB-3190-2). Specifically, it is aligned with the development challenges to: (i) social inclusion and equality, as many of the immigrants who have recently arrived in Uruguay are women; and (ii) economic integration, as it will seek to improve living conditions for migrant households as a means of promoting their integration into the labor market. It is also aligned with the IDB Group Corporate Results Framework 2020-2023 (document GN-2727-12), specifically the indicators of: (i) social inclusion and equality, indicator 6 (beneficiaries of initiatives that support migrants and their host communities); and (ii) institutional capacity and rule of law, indicator 26 (agencies with strengthened digital technology and managerial capacity). Additionally, it is aligned with the crosscutting themes of: (i) gender equality and diversity, as it prioritizes women heads of household, persons with disabilities, Afro-descendants, and the LGBTQ community; (ii) institutional capacity and rule of law, as it will take steps to strengthen institutions and instruments of the Government of Uruguay in order to better serve the immigrant population; and (iii) climate change and environmental sustainability, as it will focus on degraded areas subject to climate risk and support housing solutions in centrally located areas. According to [the joint methodology of the multilateral development banks, 21.53%](#) of the operation's resources are invested in climate change mitigation and adaptation activities. These resources contribute to the IDB target of increasing financing for climate-related projects to 30% of approvals in 2022.
- 1.25 The operation is also aligned with the IDB Group Country Strategy with Uruguay 2021-2025 (document GN-3056) and specifically with the strategic objective of facilitating urban services and housing in the priority area of equality and social inclusion. Additionally, it is consistent with three of the four lines of action of the Housing and Urban Development Sector Framework Document (document GN-2732-11), particularly as it will help to overcome structural social exclusion by improving informal neighborhoods and promoting access to adequate housing, build climate resilience by averting the formation of new informal settlements, and promote urban good governance by strengthening data management capacity, improving coordination, and fostering citizen participation. The operation is also aligned with the Gender and Diversity Sector Framework Document (document GN-2800-8), as it puts priority on regularizing the property title of women heads of household. It is aligned with the objectives of the IDB Grant

Facility to Support Countries with Large and Sudden Intraregional Migration Inflows (documents GN-2947-1 and AB-3199). Lastly, it was included in Annex III of the Operational Programming Report 2022 (document GN-3087).

- 1.26 **Lessons learned.** The Migration Unit (SCL/MIG) and the IDB Grant Facility to Support Countries with Large and Sudden Intraregional Migration Inflows are fairly new additions to the Bank. The Housing and Urban Development Division (CSD/HUD) has recently approved an operation that will use GRF funds to help reduce the number of local and immigrant households residing in informal settlements in Chile (loan 5313/OC-CH; grant 5314/GR-CH). That operation will seek both to improve existing informal settlements and to prevent the establishment of new ones. There have also been a number of success stories around the world that involve the application of comprehensive migrant service models, especially in the areas of housing and urban integration. For example, the German town of Altena has set up an integrated center that provides support for new arrivals and helps them to enroll in school, find housing, and become a part of the local community. Ashley Community Housing in the United Kingdom (2009) is another example, as this initiative has succeeded in ensuring that refugees become self-sufficient, find work, and make a positive contribution to the economy of their new community.
- 1.27 “Fundación Idas y Vueltas” (the “Coming and Going Foundation”) in Montevideo helps uphold the right to migrate by providing advisory assistance and information to the migrant population about rental guarantees and following up on the progress being made by people applying for a rental contract in order to identify any potential blockers. The program has demonstrated that making information available in a clear and organized fashion helps to empower vulnerable people and promote the use of legal protections.
- 1.28 Another innovative example is the Co-Housing and Case Management for Unaccompanied Young Adult Refugees project in Antwerp, Belgium ([CURANT](#)), which promotes the social integration of refugees there. This initiative uses a combination of tools to provide a safe living environment for people between 17 and 22 years of age who wish to share affordable housing with local inhabitants. This project puts social bonds at the heart of the conversation around migration issues. In most cases, the close bonds that are formed among these young people when they share the same dwelling better prepare foreign nationals for their new life in an unfamiliar society and counter social prejudice against them. Another interesting case is that of [Startblok Riekerhaven](#). This initiative of the Amsterdam municipal government has set up a residential cooperative where the participants not only live together but also engage in cultural and social integration experiences.
- 1.29 “Chile Te Recibe” (“Chile Welcomes You”) is a Latin American initiative focused on safeguarding the rights of migrants under 18 years of age by regularizing their migration status. This is accomplished by providing these immigrants with special visas, regardless of the migration status of their families, that give them access to educational, health, recreational, and other services. Another initiative is MigrApp in Chile, a website and smart phone application of the Jesuit Migrant Service (SJM), provides a virtual platform that facilitates migrants’ and refugees’ access to relevant, personalized information about their rights and a digital means of connecting with members of the local population. All these experiences have facilitated dialogue in the country around finding innovative solutions for the housing access problems

faced by the migrant population and will be incorporated into the design of the proposed solutions.

- 1.30 More recently, some countries have begun to offer rental subsidies to the migrant population. One of those countries is Colombia, where the migrant population accounted for a large percentage of total rentals in 2019, especially in cities such as Cúcuta (27.4%) and Barranquilla (14.7%). In 2021, Colombia introduced the “Semillero de Propietarios” (“Homeowner Incubator”) low-income rental program. The regulations governing that program defined the category of “migrant household,” the corresponding targeting standards, and the main operational aspects and parameters of the subsidy. They also set a ceiling of the equivalent of 0.4 times the minimum wage for up to 12 months at 100%, together with a guarantee covering nonpayment of rent and utilities, and provided for an authorized real estate broker to act as an intermediary. This subsidization program was not actually used during its first year, however, mainly because of the lack of available housing for this population group and because of the size of the subsidy. In June 2022, new regulations were issued that increased the subsidy and did away with the provision for a real estate broker to play an intermediary role; instead, the regulations now provide for a third party, proposed by the renter, to verify the quality of the living conditions afforded by the dwelling in question. In addition, the Office of the Mayor of Bogotá has implemented the supply-side Plan Terrazas (“Terraces Plan”) based on the idea that families in Bogotá could build an additional unit on the second floor of their house as a way of expanding the supply of available rentals. The lessons learned from the programs introduced in Colombia have been taken into account in calculating the sizes of the subsidies to be offered under this operation and the management mechanisms to be used.

B. Objectives, components, and costs

- 1.31 The general objective of this operation is to expand the scope of the Neighborhood Improvement Program (loan 4651/OC-UR) by bringing the vulnerable immigrant population and its host communities closer together. Its specific objectives are to: (i) foster urban integration by providing formal basic infrastructure and adequate social and urban services, while guaranteeing secure property tenure and enhancing social capital, taking climate change issues into account; and (ii) provide affordable housing to the low-income population groups, while restoring rundown urban spaces in Montevideo’s historic downtown area.⁴²

⁴² Paragraph 4.2 of the Operational Guidelines for the Use of Resources from the IDB Grant Facility to Support Countries with Large and Sudden Intraregional Migration Inflows states: “... In order to ensure that the migration component or operations financed through loans and a grant with GRF resources follow a common vertical logic and to facilitate the *pari passu* disbursement, a single results matrix will be used for the loan and the associated grant. For both, the loan and the GRF grant, the progress monitoring report (PMR) will use the performance methodology applicable to the corresponding lending instrument and modality of the loan, as stated in document OP-1072-5.” The indicators have been designed on the basis of the existing execution period for loan 4651/OC-UR on the understanding that, for the time being, no extension has been granted and that this is a matter that will be considered during the next portfolio review to be undertaken with the country. The indicators for this matrix focus on this grant. The rest of the indicators are being captured by operation 4651/OC-UR.

- 1.32 **Component 1. Neighborhood improvement (Welcome Center for the Migrant Population) (GRF: US\$2,016,900).** Financing will be provided for opening a Migrant Welcome Center for activities aimed at increasing the socio-urban integration of the migrant population. To support the implementation of this comprehensive migrant services management model, financing will be provided for: (i) a Welcome Center for the Migrant Population. The welcome center will be located in a building belonging to the Ministry of Housing that will be remodeled and equipped with improved infrastructure for that purpose. The building will be managed by the Ministry of Housing in coordination with MIDES and will be used to provide the immigrant population with appropriate information and support for accessing government social services and the labor market. This building is located in downtown Montevideo (“Old Town”), where a majority of the immigrant population in Montevideo lives.⁴³ The design of the welcome center will incorporate gender and diversity and climate change considerations; (ii) the design and implementation of a comprehensive management model for migrant services provided by the government and possibly other agencies with a view to expediting the social and urban integration of the migrant population. This will include at least nine services dealing with gender and diversity issues.⁴⁴ The welcome center will keep administrative records on the population it serves that consider gender, disability, race, gender identity, and other factors. It will also have a grievance system; (iii) temporary housing solutions for particularly vulnerable members of the immigrant population, giving priority to households headed by women and households located in nonmitigable risk areas.⁴⁵ An estimated 430 subsidies are to be provided for periods of between three and six months, with the expectation being that these households will then go on to take part in the pilot rental subsidy program or make use of other solutions offered by Uruguay’s housing system. The family eligibility requirements and prioritization criteria for participation in these arrangements will be described in the program Operating Regulations and will include such variables as ties with networks in the migrants’ place of origin, recent arrivals, women heads of household or single-parent households, and diversity-related factors such as race, disability, and sexual orientation or identity; and (iv) social services support for families in finding housing solutions and their subsequent maintenance/use starting at the stage of the temporary housing solutions.⁴⁶
- 1.33 **Component 2. Pilot project for the socially driven restoration of centrally located rundown buildings (Rental Subsidy for the Immigrant Population) (GRF: US\$2,000,000).** Financing will be provided for actions aimed at improving the quality of housing and access to public services for the immigrant population by

⁴³ During the operation’s design stage, support was provided to the country to ensure that the remodeling plans met Edge climate-change certification requirements and incorporated gender and diversity elements such as breastfeeding rooms, playrooms for children, at least one gender-neutral bathroom (for LGBTQ+ persons), universal-access infrastructure for persons with mobility disabilities, and signage appropriate for hearing- and sight-impaired persons. The welcome center will also have areas for future activities for members of both the host community and immigrants, such as courses on starting a business and finding a job, financial education courses, technology bootcamps, and other courses on job categories that are in high demand; some of these will focus on women and other diverse groups, with their exact nature to be determined depending on the demand for services.

designing and launching a pilot project for providing rental subsidies to migrants, giving priority to socioeconomically vulnerable migrant households. The purpose of these subsidies will be to provide access to adequate rental housing in the private real estate market. The eligibility and prioritization criteria both for families and for housing units will be described in the program Operating Regulations⁴⁷ and will include such factors as household income level, status as a single-parent household, and gender and diversity considerations. The criteria to be used in selecting housing units will include such factors as good access to urban services and location in areas not prone to flooding. Rental subsidies are to be provided for an 18-month period to approximately 264 households as a means of expediting their social and urban integration. Administrative records will be kept on the subsidies that cover gender identity, ethnicity, sex, disability status, and other factors.

- 1.34 **Component 3. Institution-strengthening (GRF: US\$850,000).** This component seeks to strengthen the delivery of comprehensive services to immigrants by streamlining and facilitation processes and procedures. The emphasis will be on the creation of a single system for residency procedures⁴⁸ to facilitate centralized access to information on the various steps involved such procedures. The Migrant Welcome Center will provide a physical location as a one-stop window to provide information and referrals for all the different government services and procedures relating to immigration and residency. Financing will be provided for: (i) the design and implementation of information and communication technology (ICT) systems used by the National Migration Bureau (DNM) of the Ministry of the Interior⁴⁹ to process residency applications; (ii) office computer equipment;⁵⁰ (iii) training in use of the new system and outreach materials, including specialized training on gender and diversity in the migrant context, to orient DNM public agents in terms of basic

⁴⁴ Gender- and diversity-related services to be provided at the welcome center include: (i) advisory services concerning the procedures for changing a person's name and sex as registered in administrative records; (ii) applications for the "Accesos" social and employment inclusion program, which includes affirmative action components (with quotas) for women, trans persons, and Afro-descendants; (iii) information on the Uruguay Social Card and how trans persons can apply for it; (iv) access to training for trans persons; (v) applications for reparation pensions for trans persons; (vi) guidance and referrals to services for victims of gender-based violence; (vii) contact information for the Sexual Diversity Department; (viii) Contact information for CRAM (an LGBT+-friendly psychological support service provided for under an agreement between MIDES and university psychology department); and (ix) contact information for the Public Policy for Afro-descendants Division.

⁴⁵ The eligibility requirements for housing as stated in the [Low-Income Housing Performance Standards and Requirements](#) include: (i) environmental conditions; (ii) risk conditions; (iii) basic infrastructure; and (iv) topographic conditions.

⁴⁶ The support to be provided to households will include assistance from teams of social workers under Components 1 and 2.

⁴⁷ As in the case of temporary housing solutions, the criteria to be used will include single-parent households, family income levels, and membership in such groups as Afro-descendants, households whose members include persons with disabilities, and LGBTQ persons.

⁴⁸ This new interoperable back-end single system for residency procedures will make it possible for the different agencies involved to align the criteria that they use and will provide a channel for strengthening them and providing them with training, especially with regard to regularization, entry, residency, and documentation procedures.

⁴⁹ The systems will need to be designed in such a way as to permit the necessary coordination with the Ministry of Foreign Relations.

⁵⁰ This computer hardware will have a high energy-efficiency rating.

knowledge and the specific needs and challenges of women, Afro-descendants, and LGBTQ+ persons in the migration context, to combat discrimination, xenophobia, unconscious bias, and gender violence; and (iv) strengthening of the offices of the National Housing Bureau (DINAVI) for implementation of the subsidies.

- 1.35 **Management, evaluation, and audit (Total: US\$267,100. IDB: US\$133,100; Counterpart funds: US\$134,000).** These funds will cover the cost of program audits and capacity-building of the program coordination unit (PCU) to administer the grant. They will also finance the evaluation of the various pilots and program management expenses.⁵¹
- 1.36 **Beneficiaries.** The target population will be migrants living in Montevideo. The program is expected to directly benefit approximately 430 migrants, 54% of whom are women. The program will also benefit the rest of the population of Montevideo because the welcome center will be a multicultural space offering programs intended to attract other residents of Montevideo and contribute to the integration phenomenon. The rental subsidy pilot project will also benefit the rest of the population because Uruguay currently has no rental subsidy program, so this pilot will provide a model for the design and development of such a program for the Uruguayan population.

C. Key results indicators

- 1.37 **Results.** The expected outcomes are as follows: Components 1 and 3: (i) percentage of procedures available for the migrant population at the welcome center; and (ii) residency system improved and in operation. Component 2: (i) households that, after receiving the rental subsidy, access one of the housing policies of the Ministry of Housing and Land Management (MVOT) and/or other market solutions; and (ii) housing solutions⁵² located in Montevideo's historic center as a % of total subsidies granted.
- 1.38 **Economic viability.** The economic assessment methodology has been selected for the ex ante economic evaluation of this program ([optional link 1](#)). The ultimate aim of all actions under the three program components is the urban integration of immigrant families. The migrant welcome center, the comprehensive services pilot model, as well as the temporary housing response, Rental Subsidy Fund, and the single system for residency procedures are all intended to expedite and improve the migrant population's process of regularization and access to services for better socioeconomic integration.
- 1.39 The analysis, using a 12% discount rate and a 15-year evaluation horizon, yielded a positive net present value of US\$399,000 on an investment of US\$5,134,000 (US\$5,031,000 at economic cost) and an economic internal rate of return (EIRR) of 15.8%. The sensitivity analysis indicates that there are nine key variables that do not reverse the conclusion in favor of the program, in negative and positive scenarios with variations of up to 20%, since the EIRR remains above the rate used for the

⁵¹ The Neighborhood Improvement Program has arranged for the United Nations Development Programme (UNDP) to manage some of the program's contracts, and it is expected that the grant will be managed in the same manner.

⁵² The term "housing solution" is understood to refer to a rental housing unit located in the historic center or its area of influence in Montevideo.

opportunity cost even in the negative scenarios, or very near it. However, there are three other variables that do not support the conclusion in favor of the program in the negative scenarios because they yield a lower EIRR, which indicates conditions in which the program benefits would not outweigh the opportunity costs of the funds used for these interventions. These variables are, in descending order of impact, the percentage of the amount borne by MIDES and MVOT for continuation of the pilots on temporary housing solutions and rental subsidy funds, the amount of the current cost for MIDES of the temporary housing solutions for migrants, and the number of migrants recently arriving in the country.

II. FINANCING STRUCTURE AND MAIN RISKS

A. Financing instruments

- 2.1 The program is structured as an investment operation to be financed by an investment grant of US\$5 million from the IDB Grant Facility (GRF) and a local counterpart contribution of US\$134,000. The GRF financing will be drawn from the resources authorized for the support of countries with large and sudden intraregional migration inflows (per documents AB-3199 and GN-2947-6). The estimated costs for each component are shown in Table 1. The disbursement period will be 18 months according to the flows in Table 2, under which the GRF funds will be disbursed simultaneously and proportionally with the loan proceeds of the Neighborhood Improvement Program (loan 4651/OC-UR).⁵³

⁵³ The project will be executed in 18 months (following the execution timetable for loan 4651/OC-UR), due to the following factors: (i) the country is already working on the bidding specifications for the work involved in remodeling the buildings and managing the Migrant Welcome Center; (ii) the rental subsidy component will not take long to implement because it will be carried out by means of bank transfers; and (iii) contracting will be conducted by a management firm already working on loan 4651/OC-UR, thereby making it possible to meet the contracting deadlines established in Annex III.

Table 1. Estimated program costs (US\$)

Subcomponents/Categories	Total budget	IDB (GRF)	Counterpart
Component 1	2,016,900	2,016,900	
Component 2	2,000,000	2,000,000	
Component 3	850,000	850,000	
Administration, total	267,100	133,100	134,000
Total	5,134,000	5,000,000	134,000

Table 2. Disbursement flows (US\$)

	Year 1	Year 2	Total
IDB (GRF)	3,595,533	1,404,467	5,000,000
Counterpart	109,360	24,640	5,134,000
Percentage (%)	72	28	100

- 2.2 **Eligibility.** In accordance with document GN-2947-6 (paragraph 4.4), the operation is eligible for GRF financing via a supplementary investment grant when: (i) there are components of the operation whose original scope can be scaled up in order to directly benefit migrants living in overcrowded conditions in informal settlements in Montevideo; (ii) the operation meets all eligibility criteria (see paragraph 2.5 and [optional link 3](#)); and (iii) not more than 30% of the original loan amount has been disbursed.
- 2.3 **Additionality of the grant funds.** The unprecedented migrant flows present Latin America and the Caribbean with a novel challenge and could have adverse effects on host communities, if not dealt with appropriately. Responding to these exceptional circumstances, the IDB Board of Governors approved the use of up to US\$100 million in Ordinary Capital resources, through the IDB Grant Facility to Support Countries with Large and Sudden Intraregional Migration Inflows (documents GN-2947-6 and AB-3199). The use of this facility is intended to help countries to design appropriate actions for migrants and their host communities to access to basic and social services, and to provide economic opportunities benefitting both groups, to promote inclusive development and foster a positive relationship.
- 2.4 **Fulfillment of migration GRF eligibility criteria and partial waiver of Criterion 1.** The results of an analysis of the eligibility criteria established in the Operational Guidelines for the Use of Resources from the IDB Grant Facility to Support Countries with Large and Sudden Intraregional Migration Inflows (document GN-2947-6) and of the need for a waiver of Criterion 1, to establish eligibility at a subnational level based on the impacts of the migration flows described in [optional link 3](#) are summarized as follows: (i) Uruguay is not on the list of eligible countries, as defined in document GN-2947-1 and in paragraph 3.2 of the Operational Guidelines, but the 21,673 immigrants (1.57% of the total population, well in excess of the 0.5% requirement)⁵⁴ who arrived in the City of Montevideo (a subnational geographic area;

⁵⁴ [Optional link 3](#).

see paragraph 2.5) between 2016 and 2019 are compromising the response capacity of vulnerable subnational host communities; (ii) this is a rapid, massive inflow in which: (a) many of the immigrants are living in what are often overcrowded conditions (see paragraph 1.5) in boardinghouses (shared-use dwellings with common areas); and (b) the immigrants living in unregulated boardinghouses are the ones who are most likely to be so poor that they are obliged to live in informal settlements far from places of employment and bereft of social safety nets, which heightens their vulnerability; (iii) this operation is consistent with the thematic area of intervention of the migration facility described in subparagraph 3.16(iii) of document AB-3199 (GN-2947-1), as it will provide access to basic services and benefit both the migrant population and host communities; (iv) the potential beneficiary migrant population for the operation is composed of approximately 430 vulnerable migrants, the overall migrant population, and, in particular, the women in that population, who account for 54% of recent migrants, in addition to the members of their host communities residing in informal settlements in Montevideo; and (v) the operation is included in Uruguay's 2022 country programming document (UR-O1159, paragraph 1.31). A detailed account of the fulfillment of those criteria is provided in [optional link 3](#).

- 2.5 **Rationale for waiver of Criterion 1.** Criterion 1 as set out in paragraph 4.4(i) of document AB-3199, IDB Grant Facility: Support to Countries with Large and Sudden Intraregional Migration Inflows, and in Section II.A of document GN-2947-6 is that: "the beneficiary country received a number of intraregional cross-border immigrants in the last three years equivalent to 0.5% of its total population." The partial waiver of this criterion being sought so that a subnational unit may be deemed eligible, as provided for in paragraph 4.5 of document AB-3199, is necessary because the Eastern Republic of Uruguay as a country does not currently meet that requirement. The subnational unit covered by this operation is the City of Montevideo. This legally defined administrative area for program activities to be financed by GRF resources has received a migrant population three times as great as the 0.5% benchmark, which is jeopardizing the response capacity of vulnerable host communities (see paragraph 2.4), thereby meeting the requirements set out in paragraphs 2.4 to 2.6 of document GN-2947-6. In 2021, a similar waiver was authorized by the Board of Executive Directors for the Gender Equality and Women's Empowerment Program (ProWomen) (loan 5404/OC-UR and UR-J0002).
- 2.6 The possibility of using GRF funds to support countries with large and sudden intraregional migration inflows in operations at the subnational level is expressly provided for in document AB-3199 (paragraph 4.5) and document GN-2947-6 in the Operational Guidelines (paragraphs 2.4 to 2.6). Specifically, paragraph 4.5 of document AB-3199 states that the Board of Executive Directors "may approve a waiver for the eligibility criterion outlined in paragraph 4.4(i) if an operation presents data to support the impact of large and sudden intraregional migration flows in recipient communities at the subnational level. A clear justification of the waiver request, including an analysis of the migration and population data, must be included in every loan proposal." The project team has reviewed and analyzed the data furnished by the Government of Uruguay at the time that the GRF resources were requested and has verified the fulfillment of the requirements established in document GN-2947-6 for a program focused on the City of Montevideo ([optional link 3](#)).

B. Environmental and social safeguard risks

- 2.7 The social benefits of the original program associated with this operation (loan 4651/OC-UR) are positive and improve the living conditions of the residents of informal settlements and rundown areas.
- 2.8 The activities ultimately planned under this operation consist of small-scale civil works⁵⁵ that do not involve structural elements of a building currently being used to store discarded furniture from various government offices. Consequently, it is not expected to have any negative environmental or associated social impacts and has therefore been reclassified as category “C.”

C. Fiduciary risks

- 2.9 The fiduciary performance of the Ministry of Housing and Land Management (MVOT) in connection with loan contracts 2052/OC-UR, 3097/OC-UR, and 4651/OC-UR has been good. The overall fiduciary risk level is low, given the fact that MVOT has an adequate organizational and administrative structure and sufficient fiduciary systems in place for execution of the operation. In the course of program preparation, a medium-high risk was detected in connection with: (i) the time required to process the payment of eligible expenditures owing to prior review actions by the Court of Auditors (TCR) and the Comptroller General’s Office (CGN); and (ii) the transfer system used by MVOT (the Temporary Housing Fund and Rental Subsidy Fund) and the time it takes the Ministry of Social Development (MIDES), the National Housing Bureau (DINAVI), and the National Migration Bureau (DNM) to provide fiduciary information to MVOT (a mitigation measure is identified in paragraph 3.7). The Bank will continue to implement its risk identification and management procedures during execution.

D. Other risks

- 2.10 Additional risks identified include the following: (i) some of the program actions will entail coordinating work with various government agencies at the national level and subnational level (Department of Montevideo), especially in connection with the welcome center under Component 1. The work will also have to be coordinated with a number of different government ministries in order to arrange for the various services to be provided to the migrant population. This may lead to delays in the full operation of the welcome center; (ii) delays could arise in the conclusion of agreements with the agencies concerned, which could slow down the implementation of program activities; and (iii) if the Neighborhood Improvement Program (loan 4651/OC-UR) does not execute its resources as planned and on schedule, the requirement for *pari passu* disbursements may not be met. The Bank team will continue to implement risk identification and management procedures during execution.

⁵⁵ The operation’s environmental and social impacts were originally classified as category “B” because the procurement plan provided for a wide range of construction works in boardinghouses occupied by socioeconomically vulnerable migrants, which would have required them to be temporarily relocated in other lodgings.

- 2.11 To mitigate these risks, work will be done to raise awareness of the program with the various agencies that provide services to the migrant population in order to ensure their participation at the welcome center. To mitigate the second risk identified above, model agreements are being prepared and will soon be signed. To mitigate the third risk identified above, the contracting activity of the Neighborhood Improvement Program (loan 4651/OC-UR) is being monitored on a weekly basis.

III. IMPLEMENTATION AND MANAGEMENT PLAN

A. Summary of implementation arrangements

- 3.1 The program executing agency will be the Ministry of Housing and Land Management (MVOT), which will execute the activities through the program coordination unit (PCU) of the Neighborhood Improvement Program (loan 4651/OC-UR). The PCU will be responsible for liaison with the Bank and for coordinating the necessary actions with the Ministry of Social Development (MIDES), the National Housing Bureau (DINAVI), and the National Migration Bureau (DNM) for the execution of Components 1, 2, and 3, respectively. PCU capacity will be strengthened for program execution with the contracting of a coordinator for migration-related matters. The PCU will also assume the same functions as under program 4651/OC-UR in relation to the grant resources.
- 3.2 For the execution of Component 1, MVOT will coordinate the following areas of work with MIDES: (i) the remodeling of the building that will house the welcome center, to be managed by MIDES; (ii) implementation of the temporary housing solutions; and (iii) social support services for the families. For Component 2, the PCU will coordinate with DINAVI, which reports to MOVOT. DINAVI will be responsible for the technical aspects involved in the delivery of the subsidies, and specific measures will be adopted to strengthen its capacity for this purpose. Migrant families will be provided with assistance in the selection of housing solutions, which must meet certain requirements in terms of location, habitability conditions, and other criteria. For Component 3, MVOT will have the support of the DNM of the Ministry of the Interior. The DNM will coordinate with the Ministry of Foreign Relations and the e-Government and Information and Knowledge Society Agency (AGESIC). Detailed execution requirements will be incorporated into the [program Operating Regulations](#). The PCU will be responsible for the meeting Bank fiduciary requirements. Any resource transfers will be covered in the relevant agreements as outlined in paragraph 3.5. The Operating Regulations will include the appropriate guidelines and will specify the supporting documentation required for the justification of advances of funds disbursed by the Bank.
- 3.3 **Program Operating Regulations.** Program execution will be governed by the Operating Regulations of the Neighborhood Improvement Program (loan 4651/OC-UR), which will be updated to include this operation. The Operating Regulations establish guidelines and operational procedures regarding: (i) the structure of program execution and the responsibilities of the PCU; (ii) the responsibilities of other agencies and offices involved in its implementation; (iii) procedures for planning and programming the activities to be financed; (iv) technical management, financial administration, and procurement procedures and processes; and (v) operational instructions for monitoring and evaluation (included in [optional link 2](#)).

- 3.4 **Special contractual conditions precedent to the first disbursement of the financing:** (i) the program coordination unit (PCU) for the Neighborhood Improvement Program (loan 4651/OC-UR) has been designated as the execution unit for this operation, and a coordinator has been contracted for migration-related matters; and (ii) the program Operating Regulations for the Neighborhood Improvement Program (loan 4651/OC-UR) have been updated to incorporate the agreements on the execution of resources and the activities financed with the grant contribution funds.
- 3.5 **Special contractual conditions of execution:** (i) before work begins on remodeling the building for the welcome center under Component 1, MIDES and MVOT will sign an agreement establishing their responsibilities for the center's management and maintenance and other matters; (ii) before funds are transferred to MIDES for the delivery of temporary housing solutions under Component 1, MVOT and MIDES will sign an agreement establishing their responsibilities and the mechanism for implementing those solutions; and (iii) before activities begin under Component 3, whose outputs are intended for the DNM of the Ministry of the Interior, MVOT and the Ministry of the Interior will sign an agreement establishing their roles and responsibilities for the implementation of those activities.
- 3.6 **Procurement.** Procurements financed in whole or part with grant funds will be conducted in accordance with the Policies for the Procurement of Goods and Works Financed by the Inter-American Development Bank (document GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank (document GN-2350-15). Use of the country procurement system, as approved by the Bank's Board of Executive Directors via resolution of 26 February 2020, is subject to the limitations set out in the approval document, the provisions established in Annex III to this document, and the procurement plan for this operation.
- 3.7 **Disbursements and audits.** The grant funds will be disbursed on a *pari passu* basis in accordance with fiduciary agreements and requirements similar to those applied to loan 4651/OC-UR, and with the requirements of documents AB-3199 and GN-2947-6. Disbursements will primarily in the form of advances of funds or other modality as specified in the Financial Management Guidelines for IDB-financed Projects (document OP-273-12). Advances of funds will be made in accordance with a financial plan covering the project's actual liquidity needs for up to 12 months. Advances subsequent to the first will be processed when justification has been provided for at least 60% of the total cumulative balances pending justification. This is necessary because sufficient funds must be available to MVOT in the project bank account to contract new obligations. In addition, the processing of payments calls for prior review by the Court of Auditors (TCR) and the Comptroller General's Office (CGN). This is also required for the system used by MVOT to make transfers to the relevant technical offices. MVOT will use the National Single Account (CUN) to manage the funds. MVOT will deliver final audited financial statements under the terms and on the dates required by Bank policies. The financial statements may be audited by an independent auditing firm or by the TCR.

- 3.8 **Direct contracting.** The coordinator for the Migration Unit is expected to be contracted directly for a total sum of US\$57,600 under the terms of paragraph 5.4(d) of document GN-2350-15. The auditing firm engaged to audit loan 4651/OC-UR by means of a competitive process is also expected to audit this grant.
- 3.9 **Advance procurement and retroactive financing.** A total of US\$370,000 in retroactive financing may be requested, divided into up to US\$70,000 for consulting services for the design of the welcome center and up to US\$300,000 to cover the expenditures involved in providing temporary housing solutions. These expenditures must have been made on or after 5 May 2021 but will not in any case include expenditures incurred more than 18 months before the grant approval date. (See document GN-2349-15, document GN-2350-15, and the Bank Policy on Recognition of Expenditures, Retroactive Financing, and Advance Procurement (document GN-2259-1)).
- 3.10 **Maintenance.** After the work involved in remodeling the welcome center has been completed, the borrower, acting through the executing agency, will ensure that the works and equipment financed by the program are satisfactorily maintained in accordance with generally accepted technical standards. The borrower, acting through the executing agency, must develop an annual maintenance plan and deliver an annual maintenance report to the Bank on the status of the program works and equipment in the first quarter of each calendar year, starting in the year that the first construction project financed by the program is completed and continuing on until the year after the disbursement period has ended.

B. Summary of arrangements for monitoring results

- 3.11 The executing agency and the Bank have agreed to monitor program execution closely in order to track progress, using a results matrix, program execution plan, annual work plans, and six-monthly performance monitoring reports. To facilitate monitoring, the Housing and Urban Development Division (CSD/HUD) and/or the Migration Unit (SCL/MIG), in cooperation with the IDB Country Office in Uruguay, will, insofar as possible, make periodic field visits and meet with the work team to discuss needs as identified in those reports. A project completion report will be prepared at the end of program execution. The monitoring and evaluation plan ([required link 2](#)) describes the monitoring activities to be conducted. Financing for the evaluation is included in the program budget.

Development Effectiveness Matrix		
Summary		UR-J0001
I. Corporate and Country Priorities		
Section 1. IDB Group Strategic Priorities and CRF Indicators		
Development Challenges & Cross-cutting Issues	-Social Inclusion and Equality -Economic Integration -Gender Equality and Diversity -Climate Change -Institutional Capacity and the Rule of Law	
CRF Level 2 Indicators: IDB Group Contributions to Development Results	-Households with improved access to water and sanitation (#) -Households with improved access to energy services (#) -Beneficiaries of initiatives that support migrants and their host communities (#) -Targeted beneficiaries of public services that have been adapted for diverse groups (#) -Beneficiaries of enhanced disaster and climate change resilience (#) -Agencies with strengthened digital technology and managerial capacity (#)	
2. Country Development Objectives		
Country Strategy Results Matrix	GN-3056	Priority area of equity and social inclusion and the strategic objective of facilitate urban services and housing.
Country Program Results Matrix	GN-3087	The intervention is included in the 2022 Operational Program.
Relevance of this project to country development challenges (If not aligned to country strategy or country program)		
II. Development Outcomes - Evaluability		Evaluable
3. Evidence-based Assessment & Solution		9.2
3.1 Program Diagnosis		2.5
3.2 Proposed Interventions or Solutions		3.2
3.3 Results Matrix Quality		3.5
4. Ex ante Economic Analysis		7.5
4.1 Program has an ERR/NPV, or key outcomes identified for CEA		1.5
4.2 Identified and Quantified Benefits and Costs		3.0
4.3 Reasonable Assumptions		0.0
4.4 Sensitivity Analysis		2.0
4.5 Consistency with results matrix		1.0
5. Monitoring and Evaluation		9.5
5.1 Monitoring Mechanisms		4.0
5.2 Evaluation Plan		5.5
III. Risks & Mitigation Monitoring Matrix		
Overall risks rate = magnitude of risks*likelihood		Medium Low
Environmental & social risk classification		C
IV. IDB's Role - Additionality		
The project relies on the use of country systems		
Fiduciary (VPC/FMP Criteria)	Yes	Financial Management: Budget, Treasury, Accounting and Reporting, External Control, Internal Audit. Procurement: Information System, Price Comparison, Contracting Individual Consultant, National Public Bidding.
Non-Fiduciary	Yes	Strategic Planning National System.
The IDB's involvement promotes additional improvements of the intended beneficiaries and/or public sector entity in the following dimensions:		
Additional (to project preparation) technical assistance was provided to the public sector entity prior to approval to increase the likelihood of success of the project	Yes	0

Evaluability Assessment Note: The proposal presents an operation for a total of US\$5,134,000 to be financed through a Non-Reimbursable Fund (GRF) in the amount of US\$5,000,000. This operation is associated with the "Neighborhood Improvement Program III (PMB III) (UR-L1146)". The specific objectives of this operation will be: (i) foster urban integration by providing formal basic infrastructure and adequate social and urban services, while guaranteeing secure property tenure and enhancing social capital, taking climate change issues into account; and (ii) provide affordable housing to low-income population groups, while restoring rundown urban spaces in Montevideo's historic downtown area. The achievement of these objectives will contribute to the General Objective of complementing the scope of the PMB III (UR-L1146), linking the vulnerable immigrant population and its host community.

The proposal presents an adequate diagnosis of the problem. Specifically, the main problem identified is the increase in barriers to access to decent housing, particularly among the migrant population. The proposed solutions are appropriate to respond to the identified problem and its contributing factors, and are related to the General Objective. The results matrix is congruent with the vertical logic of the project and includes appropriate indicators at the outcome level associated with several of the Specific Objectives' attributes and the General Objective. The result indicators are correctly defined to measure the achievements attained by the program and the contribution to the fulfillment of its specific objectives, while the strategic alignment with cross-cutting themes is reflected in output and result indicators.

The proposal presents a cost-benefit analysis for the two projects that make up the program. The IRR for the program interventions is 15.8%. Given that the reference rate is 12%, the aggregate analysis suggests that the project is socioeconomically viable. The methodology for monetizing the benefits consists of valuing the effects of access to housing on human capital, mainly on health and education.

The project includes a monitoring and evaluation plan that is in line with Bank standards. The effectiveness of the proposed intervention will be measured following two approaches: an ex-post cost-benefit analysis approach and a before-after comparison to verify the achievement of goals. These analyses are planned to use the information from the external verification of results.

RESULTS MATRIX

Project objective:	The general objective of this operation is to expand the scope of the Neighborhood Improvement Program (loan 4651/OC-UR) by bringing the vulnerable immigrant population and its host communities closer together. Its specific objectives are to: (i) foster urban integration by providing formal basic infrastructure and adequate social and urban services, while guaranteeing secure property tenure and enhancing social capital, taking climate change issues into account; and (ii) provide affordable housing to the low-income population groups, while restoring rundown urban spaces in Montevideo's historic downtown area. ¹
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SPECIFIC DEVELOPMENT OBJECTIVES

Indicators	Unit of measure	Base-line value	Base-line year	Year 1	Year 2	End of project	Means of verification	Comments
Specific development objective 1. To foster urban integration by providing formal basic infrastructure and adequate social and urban services, while guaranteeing secure property tenure and enhancing social capital, taking climate change issues into account.								
Procedures ² available for the migrant population at the welcome center	%	0	2022	50%	80%	80% ³	(*) Six-monthly reports indicating the volume of services provided at the welcome center	There are 42 different procedures for social programs processed by the Ministry of Social Development (MIDES) using the ATC-SMART system, which will be made available at the welcome center.

¹ Paragraph 4.2 of the Operational Guidelines for the Use of Resources from the IDB Grant Facility to Support Countries with Large and Sudden Intraregional Migration Inflows states: "... In order to ensure that the migration component or operations financed through loans and a grant with GRF resources follow a common vertical logic and to facilitate the pari passu disbursement, a single results matrix will be used for the loan and the associated grant. For both, the loan and the GRF grant, the progress monitoring report (PMR) will use the performance methodology applicable to the corresponding lending instrument and modality of the loan, as stated in document OP-1072-5." The indicators have been designed on the basis of the existing execution period for loan 4651/OC UR on the understanding that, for the time being, no extension has been granted and that this is a matter that will be considered during the next portfolio review to be undertaken with the country. The indicators for this matrix focus on this grant. The rest of the indicators are being captured by operation 4651/OC UR.

² The expression "available applications and other procedures" is understood to refer to systems that are in operation and/or staff members assigned by the Government of Uruguay to process applications or carry out other procedures using the corresponding protocols.

³ In the medium term, these 42 application procedures will be available at the welcome center but, given that the execution period is 18 months in duration, a more conservative target has been set.

Indicators	Unit of measure	Base-line value	Base-line year	Year 1	Year 2	End of project	Means of verification	Comments
Procedures available for the migrant population with a gender and diversity lens ⁴						80% ⁵	(*)	(**) In addition to access to the above procedures, there are another nine services dealing with gender and diversity groups that will be offered at the center. ⁶ Additional vulnerability gaps faced by women migrants and migrants belonging to diverse groups are associated with additional constraints that interfere with their social and urban integration, such as their caregiving responsibilities, greater difficulty in entering the labor market, and a disconnect between self-perceived gender and the sex identity listed on identity documents.
	% of procedures for women	0	2022					
	% of procedures for Afro-descendants	0	2022				(*)	(**)
	% of procedures for LGBTQ+ persons	0	2022				(*)	(**)

⁴ This indicator is disaggregated so that administrative records can be disaggregated by type of population group.

⁵ The total number of applications and other procedures will not be reached because people who start the process of applying for some of the social housing solutions offered by the Ministry of Housing and Land Management (MVOT).

⁶ Gender- and diversity related services to be provided at the welcome center include: (i) advisory services concerning the procedures for changing a person's name and sex as registered in administrative records; (ii) applications for the "Accesos" social and employment inclusion program, which includes affirmative action components (with quotas) for women, trans persons, and Afro-descendants; (iii) information on the Uruguay Social Card and how trans persons can apply for it; (iv) access to training for trans persons; (v) applications for reparation pensions for trans persons; (vi) guidance and referrals to services for victims of gender-based violence; (vii) contact information for the Sexual Diversity Department; (viii) Contact information for CRAM (an LGBTQ+-friendly psychological support service provided for under an agreement between MIDES and university psychology department); and (ix) contact information for the Public Policy for Afro-descendants Division.

Indicators	Unit of measure	Base-line value	Base-line year	Year 1	Year 2	End of project	Means of verification	Comments
Residency system improved and in operation ⁷	0	0	2022	1		1	Most recent six-monthly report, including verification that the system is in operation	
Specific development objective 2. To provide affordable housing to the low-income population groups, while restoring rundown urban spaces in Montevideo's historic downtown area.								
Households that, after receiving the rental subsidy, access one of the MVOT housing policies and/or other market solutions ⁸	% of households	0	2022	0	30%	30%	Analysis of a representative sample of beneficiary migrant households residing in individual dwellings as a % of total households that applied for housing assistance	
Households that, after receiving the rental subsidy, access one of the MVOT housing policies and/or other market solutions	% of households headed by women	0	2022	0	10%	10%		
Housing solutions ⁹ located in Montevideo's historic center as a % of total subsidies granted	% of subsidies	0	2022	20%		20%	Six-monthly reports indicating the number of housing solutions in the historic center as a % of total housing solutions	

⁷ This refers to the launch of the DNM's back-end system for processing residency visas.

⁸ Given the grant's short disbursement period, access to market-based solutions is understood to be situations in which people have begun the process of applying for the housing solutions offered by programs run by MVOT or for other available options.

⁹ A "housing solution" is understood to be a rental housing unit located in the historic center or its area of influence in Montevideo.

OUTCOME INDICATORS (PHYSICAL)

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	End of project	Means of verification	Comments
Component 1								
The welcome center is fully operational, and its design incorporates criteria for mitigating climate change impacts and gender and diversity considerations	Number	0	2022	1	0	1	Final works report and the report of the external consultant contracted by the Bank to review climate change and gender-related considerations along with the services provided at the welcome center	"Fully operational" means that all the physical alterations have been performed and all the services provided for in the design and programming for the repurposed welcome center are available.
The service delivery management model for the migrant population has been designed, including administrative record-keeping on the population served, taking gender, disability status, race, and gender identity into account	Number	0	2022	1	0	1	Final consultant report approved by the executing agency, along with the migrant service management model	"Management model" refers to all the various mechanisms involved in the governance, operational financing, and protocols for services to be offered sustainably at the welcome center. The different fields to be filled in the administrative records will make it possible to generate a report on the population served that covers various gender and diversity factors that will serve as input for subsequent public policies.
Temporary housing solutions for the vulnerable migrant population granted in areas subject to low climate-related risks	Persons receiving temporary housing solutions	0	2022	72	143	430	SMART system report validated by MIDES with temporary subsidies granted for the vulnerable migrant population	Temporary subsidies granted for the vulnerable migrant population means temporary lodging for the vulnerable population served by the MIDES.
	Women receiving temporary housing solutions	0	2022	72	143			

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	End of project	Means of verification	Comments
Support for households accessing the housing subsidy ¹⁰	Households supported	0	2022	430	430	430	Consultant report approved by the executing agency, indicating the number of instances in which support has been provided	
Component 2								
Months of rent subsidized in areas of low climate risk ¹¹	Months	0	2022	3,173	1,586	4,759	Consultant report approved by the executing agency, indicating the number of subsidies granted	
Component 3								
Design of the DNM information system for processing residencies	Number	0	2022	1	0	1	Final consultant report approved by the executing agency	
Residency granting offices equipped	Number	0	2022	1	1	1	Six-monthly report with a sample of equipped offices	
Personnel trained in use of the new system	Number	0	2022	80	20	100	Partial and final training reports	
Specialized gender and diversity training for the DNM	Number	0	2022	80	20	100	Final consultant report approved by the executing agency	The purpose is to orient DNM public agents in terms of basic knowledge and the specific needs and challenges of women, Afro-descendants, and LGBTQ+ persons in the migration context, to combat discrimination, xenophobia, unconscious bias, and gender violence.
DINAVI offices strengthened	Number	0	2022	1	1	1	Final consultant report approved by the executing agency	

¹⁰ Support for these households will be provided by teams of social workers under Components 1 and 2.

¹¹ The average amount of the subsidy will be US\$420 per month. Housing solutions will be located in low-risk areas in accordance with the [applicable laws and regulations](#).

OUTCOME INDICATORS (FINANCIAL) (US\$)

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	End of project	Means of verification	Comments
Component 1								
The welcome center is fully operational, and its design incorporates criteria for mitigating climate change impacts and gender and diversity considerations	Number	0	2022	664,600	-	664,600	Six-monthly project performance monitoring reports	
The service delivery model for the migrant population has been designed	Number	0	2022	342,667	171,333	514,000	Six-monthly project performance monitoring reports	
Temporary housing solutions for the vulnerable migrant population granted in areas subject to low climate-related risks	Persons receiving temporary housing solutions	0	2022	69,000	138,000	414,000	Six-monthly project performance monitoring reports	
	Women or diverse groups receiving temporary housing solutions	0	2022	69,000	138,000			
Support for households accessing the housing subsidy ¹²	Households supported	0	2022	282,867	141,433	424,300	Six-monthly project performance monitoring reports	
Component 2								
Months of rent subsidized in areas of low climate risk ¹³	Months	0	2022	1,333,333	666,667	2,000,000	Six-monthly project performance monitoring reports	

¹² Support for these households will be provided by teams of social workers under Components 1 and 2.

¹³ See footnote 11.

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	End of project	Means of verification	Comments
Component 3								
Design of the DNM information system for processing residencies	Number	0	2022	497,000	-	497,000	Six-monthly project performance monitoring reports	
Residency granting offices equipped	Number	0	2022	128,000	-	128,000	Six-monthly project performance monitoring reports	
Personnel trained in use of the new system	Number	0	2022	35,000	30,000	65,000	Six-monthly project performance monitoring reports	
Specialized gender and diversity training for the DNM	Number	0	2022	5,000	5,000	10,000	Six-monthly project performance monitoring reports	
DINAVI offices strengthened	Number	0	2022	100,000	50,000	150,000	Six-monthly project performance monitoring reports	

Indicators	Unit of measure	Baseline value	Baseline year	Year 1	Year 2	End of project	Means of verification	Comments
MIG coordinator				59,067	34,033	93,100	Six-monthly project performance monitoring reports	
Auditing					4,500	4,500	Six-monthly project performance monitoring reports	
Evaluation					40,000	40,000	Six-monthly project performance monitoring reports	
Other				106,360	23,140	129,500	Six-monthly project performance monitoring reports	

Country: Uruguay **Division:** HUD **Operation number:** UR-J0001 **Year:** 2022

FIDUCIARY AGREEMENTS AND REQUIREMENTS

Executing agency: Ministry of Housing and Land Management (MVOT)

Operation name: Support Program for the Socio-Urban Integration of the Migrant Population

I. FIDUCIARY CONTEXT OF THE EXECUTING AGENCY

1. Use of the country system in the operation.¹

<input checked="" type="checkbox"/> Budget	<input type="checkbox"/> Reports	<input checked="" type="checkbox"/> Information system	<input checked="" type="checkbox"/> National competitive bidding (NCB)
<input checked="" type="checkbox"/> Cash flow	<input checked="" type="checkbox"/> Internal audit	<input checked="" type="checkbox"/> Price comparison	<input type="checkbox"/> Other
<input type="checkbox"/> Accounting	<input type="checkbox"/> External oversight	<input checked="" type="checkbox"/> Individual consultants	<input type="checkbox"/> Other

2. Fiduciary execution mechanism

<input checked="" type="checkbox"/>	Special features of fiduciary execution	The executing agency is the Ministry of Housing and Land Management (MVOT), which has fiduciary responsibility for the operation. The Ministry of Social Development (MIDES), the National Housing Bureau (DINAVI), and the National Migration Bureau (DNM) will have technical responsibility for execution of the components. Agreements for transfer of the proceeds of the financing (Temporary Housing Fund and Rental Subsidy Fund) will be signed in accordance with the fiduciary guidelines established in the program Operating Regulations.
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3. Fiduciary capacity

Fiduciary capacity of the executing agency	The operation has a waiver of the ICAS requirement. The grant supplements the third individual operation (loan 4651/OC-UR), now in execution, under the conditional credit line for investment projects (CCLIP) for the Neighborhood Improvement Program (UR-X1003) and has the same executing agency. MVOT previously executed loan 2052/OC-UR (closed) and loan 3097/OC-UR (closure in process). The fiduciary performance of all the operations has been good. The overall fiduciary risk level is low, given the fact that MVOT has an adequate organizational and administrative structure and sufficient fiduciary systems in place for execution of the operation. The fiduciary agreements and requirements established for this program are based on MVOT's track record as an executing agency.
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¹ Any system or subsystem that is subsequently approved may be used in the operation in accordance with the terms of its validation by the Bank

4. Fiduciary risks and risk response

Risk taxonomy	Risk	Risk level	Risk response
Planning	If the response times of the Comptroller General's Office (CGN) and the Court of Auditors (TCR) are longer than ONE month, it will not be possible to make the planned payments according to the financial planning, making it impossible to provide the Bank with justification of payments of balances of advances in a timely manner. A similar situation would arise with regard to the transfers by MVOT, if MIDES, DINAVI, and the DNM take longer to deliver fiduciary information to MVOT.	Medium-High	Considering recent experiences with loan contracts 3097/OC-UR and 4651/OC-UR, greater flexibility is proposed for the justification percentage of cumulative balances of advances for this operation. As an additional measure, MVOT should consider the work of the CGN, TCR, MIDES, DINAVI, and the DNM in planning program payments.

5. Applicable policies and guidelines: Policies for the Procurement of Goods and Works Financed by the IDB (document GN-2349-15), Policies for the Selection and Contracting of Consultants Financed by the IDB (document GN-2350-15), and the policies of the country procurement system in the cases identified in the [procurement plan](#), in accordance with the approved terms and conditions for use of the country procurement system. For financial management, the Financial Management Guidelines for IDB-financed Projects (document OP-273-12) or current version.
6. Exceptions to policies and guidelines: None.

II. CONSIDERATIONS FOR THE SPECIAL PROVISIONS OF THE AGREEMENT

Special contractual conditions precedent to the first disbursement:
Exchange rate: For the purposes of Article 4.10 of the General Conditions, the parties agree that the exchange rate to be used will be the rate stipulated in Article 4.10(b)(ii). For such purpose, the agreed exchange rate will be the exchange rate in effect on the date when the borrower, the executing agency, or any other person or corporation with delegated authority to incur expenditures makes the respective payments to the contractor, vendor, or beneficiary.
Audits: The final audited financial statements for the program will be delivered within 120 days after the date of the last disbursement, or as extended, if prepared by an independent audit firm acceptable to the Bank, or within 180 days after the date of the last disbursement, or as extended, if prepared by Court of Auditors (TCR) of the Eastern Republic of Uruguay.
[Other]:

III. AGREEMENTS AND REQUIREMENTS FOR PROCUREMENT EXECUTION

☒	Bidding documents	<p>For procurements of works, goods, and nonconsulting services in accordance with the Bank's procurement policies (document GN-2349-15) subject to international competitive bidding (ICB), the Bank's standard bidding documents will be used in accordance with its procurement policies. For procurements subject to national competitive bidding (NCB), the documents agreed upon by the executing agency and the Bank for a particular procurement will be used. The selection and contracting of consulting services will be conducted in accordance with the consultant selection policies (document GN-2350-15). The standard request for proposals issued by the Bank or another document agreed upon by the executing agency and the Bank for a particular selection process will be used in the case of processes subject to ICB. If it is appropriate and meets business needs, consideration may be given to the use of a procurement document agreed upon by the relevant national authority and the Bank in particular cases identified in the procurement plan. The review of technical specifications and the terms of reference for procurements during the preparation of selection processes will be the responsibility of the project's sector specialist. This technical review may be ex ante and is independent of the procurement review method.</p>
☒	Use of country systems	<p>MVOT is an agency under Article 2 of the Consolidated Accounting and Financial Administration Code, so in accordance with the approval granted by the Board of Executive Directors of the Bank on 26 February 2020, MVOT may use the country procurement system for the processes designated in the operation's procurement plan. If the Board broadens the scope of its approval for use of the country system, the expanded scope will be applicable to this operation.</p>
☒	Contracting and single-source selection	<p>The following single-source selection process is expected to be included in the procurement plan: (i) single-source selection of the general coordinator of the PCU for a total of US\$57,600 for the entire execution period for this operation under Section 5.4(d) of document GN-2350-15. Any technical, economic, or other modification of any kind will be subject to the Bank's ex ante supervision.</p>
☒	Advance procurement and retroactive financing	<p>The selection process for remodeling of the building to house the migrant welcome center will be conducted in advance under paragraph 1.11 of document GN-2349-15. During the operation's design phase, it was agreed that the contract resulting from this bidding process will commence when the operation is declared eligible. Additionally, a total of US\$370,000 in retroactive financing may be requested, divided into up to US\$70,000 for consulting services for the design of the welcome center and up to</p>

		US\$300,000 to cover the expenditures involved in providing temporary housing solutions. These expenditures must have been made on or after 5 May 2021 but will not in any case include expenditures incurred more than 18 months before the grant approval date. (See document GN-2349-15, document GN-2350-15, and the Bank Policy on Recognition of Expenditures Retroactive Financing, and Advance Procurement (document GN-2259-1)).								
<input checked="" type="checkbox"/>	Procurement supervision	<p>The supervision method will be ex post, except in cases where ex ante supervision is justified. For procurements executed using the country system, the country's supervisory system will be used for supervision. The [(i) ex ante, (ii) ex post, or (iii) country system] supervision method will be determined for each selection process in accordance with the procurement plan for the operation, which will be updated in line with the program document and Bank procurement policies. Ex post reviews will be carried out each year in accordance with the project supervision plan, subject to change during execution. The inspection will verify the existence of the procurements, leaving verification of quality and compliance with specifications to the sector specialist. The thresholds for ex post review are as follows:</p> <table><tr><td>Executing agency</td><td>Works</td><td>Goods/Services</td><td>Consulting services</td></tr><tr><td>MVOT</td><td>US\$5,000,000</td><td>US\$500,000</td><td>US\$200,000</td></tr></table>	Executing agency	Works	Goods/Services	Consulting services	MVOT	US\$5,000,000	US\$500,000	US\$200,000
Executing agency	Works	Goods/Services	Consulting services							
MVOT	US\$5,000,000	US\$500,000	US\$200,000							
<input checked="" type="checkbox"/>	Records and files	The agreed formats and procedures described in the program Operating Regulations and in accordance with the relevant policy requirements will be used for the preparation and filing of project reports.								

Main procurements

Procurement description	Selection method	New procedures/ tools	Estimated date	Estimated amount (US\$000s)
Goods				
Computer hardware	NCB		Q2 2023	128,000
Works				
Remodeling and infrastructure improvements for the migrant welcome center	NCB		Q1 2023	646,950
Nonconsulting services				
Firms				
Development, hosting, and maintenance of computer system for processing residency applications	Quality- and cost-based selection (QCBS)		Q2 2023	387,000
Individuals				
PCU coordinator	Single-source selection of individual consultants		Q1 2023	57,600
Specialized team. Nine consultants to design and implement the comprehensive service model	Selection of individual consultant (open invitation)		Q1 2023	428,600
Specialized technical team. Nine consultants for temporary housing response	Selection of individual consultant (open invitation)		Q1 2023	424,300

To access the 18-month procurement plan, click [here](#).

IV. AGREEMENTS AND REQUIREMENTS FOR FINANCIAL MANAGEMENT

<input checked="" type="checkbox"/>	<p>Programming and budget</p>	<p>The Integrated Financial Information System (SIIF) will be used to manage the program budget, which is part of the draft consolidated national budget and approved in the Budget Act for the five-year term of the government. Reprogrammings and any increases in the budget are prepared by the executive branch annually when it submits the annual budget execution accountability report and statement. Within six months after the end of the budget exercise, the executive branch submits those reports to the legislature, at which time it may propose modifications on justified grounds. MVOT must therefore meet the deadlines set by the Ministry of Economy and Finance as approver in the process of incorporating the project budget into the national budget, and in the process of making modifications to the project budget involving increases in the credits allocated by law to MVOT. (Increases in the budget from MVOT's own resources do not require approval from the Ministry of Economy and Finance.)</p>
<input checked="" type="checkbox"/>	<p>Cash flow and disbursements</p>	<p>The grant funds will be disbursed on a pari passu basis in accordance with fiduciary agreements and requirements similar to those applied to loan 4651/OC UR, and with the requirements of documents AB-3199 and GN-2947-6. The grant funds will be managed through the National Single Account (CUN), for which the National Treasury will, at MVOT's request, set up a special account in the Central Bank of Uruguay (BCU) for the deposit of the Bank resources, and a specific bank account for the project at the State-owned commercial bank Banco de la República Oriental del Uruguay (BROU) for the program to make payments. The currency to be used for this operation is U.S. dollars, and the exchange rate to be used is identified in Section II. Disbursement requests will be processed via the Online Disbursement system (or current system). The preferred disbursement modality will be advances of funds. The operation will generally work with a 12-month financial plan using a justification threshold of 60% of the cumulative balances pending justification for the following reasons: (i) the central government entities of which MVOT is a part must have funds in the BCU account to contract new obligations; (ii) MVOT payment procedures call for prior review by the Court of Auditors (TCR) and the Comptroller General's Office (CGN), whose response times are beyond MVOT's control; and (iii) the execution mechanism calls for transfer of the loan proceeds, which, while subject to the fiduciary guidelines to be established in the program Operating Regulations, will also be subject to the response times of MIDES, DINAVI, and DNM (see document OP-273-12, Annex 1, paragraph 3.3, criteria (c) and (d)).</p>

☒	Accounting, information systems, and reporting	Accounts will be recorded in the Memory system, which is used by MVOT to record and report transactions for all the projects under its responsibility. The SIIF country system will also be used to manage the budgetary credits approved for the project, since it is also used to allocate and execute them. In processing project-related commitments and payments, MVOT will follow the relevant procedures established by the CGN and TCR. The program Operating Regulations with the documented definition of workflows and internal controls will be used as a supplement to the policies and guidelines applicable to the operation.
☒	Internal control and external audit	The country system will be used as a basis in accordance with the laws and regulations now in force. In light of MVOT's experience with loan contracts 3097/OC-UR and loan 4651/OC-UR, the program Operating Regulations will set out the applicable framework for financial management in accordance with Bank guidelines and instructions, which complement MVOT financial processes under the applicable local laws and regulations.
☒	External control and financial reports	External control will be exercised by a Bank-eligible independent audit firm, as has been done for loan contracts 3097/OC-UR (closure in process) and 4651/OC-UR (now in execution). However, the TCR may also audit the program. Project audits will be conducted in accordance with terms of reference previously agreed upon with the Bank. The cutoff dates and delivery deadlines are identified in Section II. The additional time for the TCR is based on the time required for its internal procedures for approving audited financial statements before forwarding them to the Bank, the executing agency, and the General Assembly. Pursuant to the Consolidated Accounting and Financial Administration Code, the TCR must conduct prior review all expenditures related to execution of the operation.
☒	Financial supervision plan	The supervision plan may be adjusted on the basis of program execution and external audit reports. The following activities are planned: monitoring of program progress and instruments, review of disbursement requests, and in-person or virtual visits to MVOT.

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-___/22

Uruguay. Nonreimbursable Financing ____/GR-UR to the
Eastern Republic of Uruguay. Support Program for the
Socio-urban Integration of the Migrant Population

The Board of Executive Directors

RESOLVES:

That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, as Administrator of the IDB Grant Facility, hereinafter referred to as the "Account", to enter into such contract or contracts as may be necessary with the Eastern Republic of Uruguay, as beneficiary, for the purpose of granting it a nonreimbursable financing to cooperate in the execution of the Support Program for the Socio-urban Integration of the Migrant Population. Such nonreimbursable investment financing will be for an amount of up to US\$5,000,000, which form part of the Account, and will be subject to the Terms and Financial Conditions and the Special Contractual Conditions in the Project Summary of the Nonreimbursable Financing Proposal.

(Adopted on __ ____ 2022)

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