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MULTILATERAL INVESTMENT FUND

BRAZIL

SOCIOECONOMIC INTEGRATION OF RECYCLING COLLECTORS

(BR-M1057)

DONORS MEMORANDUM

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ABBREVIATIONS

ESR	Environment and Social Impact Review
GCO	Grassroots community organization
ICCO	Interchurch Organisation for Development Cooperation
LEA	Local executing agency
MDS	Ministry for Social Development and the Fight against Hunger
MNCR	<i>Movimento Nacional dos Catadores de Materiais Recicláveis</i> [National Movement of Recycling Collectors]
CNP	National project council
NGO	Nongovernmental organization
PEU	Project Execution Unit

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EXECUTIVE SUMMARY

Beneficiary and executing agency:	Fundación AVINA	
Beneficiaries:	Over 1,500 recycling collectors (<i>catadores</i>), whose quality of life, income, and job stability will be improved. The project will also benefit the five selected districts, with different positive impacts on some 300 families in each district, and the participating <i>municípios</i> .	
Financing:	MIF (nonreimbursable)	US\$2,500,000 ¹ (32%)
	Counterpart	US\$5,400,000 (68%)
	Total	US\$7,900,000
Objectives:	The general objective of the project is to foster the economic inclusion of marginal segments of the population in five communities in Brazil. The specific objective is to improve the income generating capacity of recycling collectors and their families through actions aimed at social integration, professionalization, and strengthening of their organizations, as well as their integration into the value chain.	
Execution timetable:	Execution period:	48 months
	Disbursement period:	48 months
Special contractual clauses:	<p>As conditions precedent to the first disbursement, the executing agency must submit, to the Bank's satisfaction: (i) the project execution plan and the first year's annual work plan; (ii) evidence that the Operating Regulations are in effect; and (iii) evidence that the Project Coordinator has been selected.</p> <p>As conditions precedent to disbursements for activities specific to each district, the following conditions must be fulfilled: (i) a subexecution agreement between the executing agency and the local executing agency governing the execution and transfer of resources must be in effect, in accordance with terms agreed in advance with the Bank (see paragraph 4.4); and (ii) the executing agency must submit to the Bank evidence that the community has selected a local coordinator in accordance with Bank procedures.</p>	

^{1.} The MIF contribution includes US\$12,500 for the impact evaluation account.

Environment and Social Impact Review: This operation was reviewed on 22 August and 9 October 2008, and incorporates the comments made at those meetings (ESR 33-08 and ESR 40-08).

The project has been classified as a category “C” operation.

Coordination with other donors: There are no donors working on similar projects.

Exceptions to Bank policies: The Bank will be hiring independent auditors to audit the financial statements presented by the executing agency.

I. BACKGROUND AND DESCRIPTION OF THE PROBLEM

- 1.1 In October 2003, Brazil launched the “Bolsa Familia” program, the government’s linchpin to support the “Zero Hunger” initiative. The program was rapidly scaled up, growing from 3.6 million families in late 2003, to 11.1 million in 2006 (representing close to 46 million people). The data gathered through household surveys in 2004 show that 94% of the benefits went to families in the two poorest quintiles, and 80% to the poorest quintile.¹ The program targets the indigent as a first step to develop their capacities, allowing them to become part of the production system. The success of this transfer program encouraged the Brazilian Ministry for Social Development and the Fight against Hunger (MDS) to look into ways of combining this instrument with an initiative to support the creation of sustainable jobs in the beneficiary communities.
 - 1.2 In this context, the MDS and the MIF agreed to work together to develop pilot initiatives to advance economic inclusion for low income communities based on public-private partnerships. As a first step, it was agreed to focus on a highly vulnerable segment of the population: people who, because of few income-generating opportunities, collect, sort, and trade recyclable materials. In Brazil, these recycling collectors are called *catadores de materiais recicláveis*. It is believed there are some 300,000 to 1 million of these collectors (the figures vary according to source and calculation method), generally living in the lowest-income neighborhoods of metropolitan areas (5% collect trash from open dumps).
- A. Chief characteristics of the sector and legislative progress**
- 1.3 The practice of collecting material for recycling through the *catadores* has grown steadily, especially since the 1980s. In the 1990s, the collectors and their recycling systems took front row in the public arena, first as a topic for discussion as part of the country’s environmental and solid waste policy, and later (given the extreme poverty and acute socioeconomic marginalization of this segment of the population) becoming a multidimensional issue focusing on the serious social and institutional challenges facing this group. In a more recent phase, the economic importance of recycling as performed by the *catadores*² has received explicit recognition, particularly the production aspects: the investment cost dimension, technologies used, and economies of scale in the recycling business.³
 - 1.4 This gave rise to a series of major institutional and legislative advances starting in the late 1990s. The *Movimento Nacional dos Catadores de Materiais Recicláveis* (MNCR) [National Movement of Recycling Collectors] was created in 1999 to

¹ Lindert, K., E. Skoufias and J. Shapiro. 2006. Redistributing Income to the Poor and the Rich: Public Transfers in Latin America and the Caribbean. Social Protection discussion Paper, No. 605. The World Bank, Washington, D.C.

² A study financed by the MDS in 2006 shows the importance of the recycled materials value chain as a mechanism to generate jobs and income for low income families (UFBA/PANGAEA).

³ This economic approach was addressed in the study *Compromisso Empresarial para o Reciclagem* (CEMPRE).

officially represent recycling collectors and their cooperatives at public events to discuss recycling policies. The MNCR is present in several Brazilian states,⁴ and has established ties with similar movements in other countries in the region. At present, more than 300 out of 500 existing associations and cooperatives are members of the MNCR, representing about 10% of active collectors.

- 1.5 In recognition of the recycling sector's strong multidisciplinary and multi-institutional ties, the *Comitê Interministerial de Inclusão Social e Econômica dos Catadores de Materiais Recicláveis* [Interministerial Committee for Social and Economic Inclusion of Recycling Collectors] was established in 2003 as a key mechanism for interagency coordination and management. This has resulted in more comprehensive treatment of the issues affecting recycling collectors, pooling the efforts and initiatives of several sector ministries.⁵
- 1.6 The structure of this sector operates as a pyramid, with the large intermediaries at the top—that is to say, those who sort recycling materials for direct sale to the recycling industry according to their guidelines: large quantities, regular deliveries, good quality (clean, compressed materials, etc.), and the option to pay in installments. In the middle of the pyramid is another layer of intermediaries: those who buy directly from individual collectors, paying in cash what usually amounts to one third of the market value. Collector production associations (such as cooperatives), some coownerships, and NGOs are also in this tier.
- 1.7 Demand for recycling materials has been increasing, especially for packaging and manufacturing products, among large corporations that wish to show their growing concern for the environment.⁶ In 2006, demand—and thus the sustainability of the collectors livelihood—was boosted by the federal government's Selective Cooperative Collection regulation (Decree 5940/06), mandating federal public agencies to sort their solid waste and enter into agreements with *catador* cooperatives for pick-up of their recycling materials. This was followed by state regulations to extend waste collection to residential condominiums, and commercial and public establishments. These regulations had a significant impact on the development of this sector. With guaranteed sources of recycling materials, the *catador* cooperatives have grown in both number and size, working together in recycling materials marketing networks, especially for white paper, thus broadening the scope of their operations by eliminating some of the intermediaries and dealing directly with industry on the demand side.

⁴ The MNCR promotes initiatives through agreements with the Ministry for Social Development, the Labor Ministry, the Banco do Brasil and Petrobras foundations, in addition to other NGOs.

⁵ These include the ministries for Social Development (MDS), Cities (MCidades), Environment (MMA), Labor (MTE), Science and Technology (MCT), Education (MEC), Health (MS), Industry and Trade (MDIC), as well as the Federal Savings Fund (Caixa Econômica Federal) and BNDES.

⁶ In 2006, Wal-Mart Brazil replaced plastic shopping bags with bags made from recycled materials. Demand for recycled products exceeds 50% for paper, cardboard, and resins (PET) and 25% for packaging; practically all aluminum cans are recovered.

- 1.8 The recent expansion of the recycled materials market validates the need to integrate collector recycling systems into municipal solid waste collection systems. Until recently, the two systems have been operating in most municipalities with little or no coordination. There have even been instances of hostility and repression by local authorities against the *catadores*. This attitude is expected to change in the future thanks to two recent legislative initiatives. The National Sanitation Policy (Law 11445/07), approved last year, paves the way for local governments to directly contract the services of *catadores* associations to provide selective collection services. This option will be reinforced by bill 1991/07, presently under consideration, mandating local governments to integrate their official municipal sanitation systems with the collection systems operated by *catadores*.

B. Challenges and opportunities

- 1.9 It is estimated that the *catadores* account for 90% of the current recycling market. However, despite significant developments, sector productivity is severely hindered by several critical factors. First of all, most *catadores* work alone, and without standardized economic data about the market in which they operate, it is not possible to generate sustainable business models from an economic, social, or environmental perspective. The inability to access market data (prices, technologies, etc.) results in data asymmetries, handicapping their bargaining power. This situation is due to scant technical training, lack of technology, and low management expertise among collectors.
- 1.10 The second factor is the informal status and disorganization of *catadores*,⁷ as evidenced by their failure to integrate into the sector value chain, impacting productivity and the very sustainability of their business. Such informality affects the collectors associations, conditions their access to credit, their direct dealings with industrial enterprises⁸, dealings that are also sometimes jeopardized by insufficient occupational safety. Furthermore, this informal situation adversely affects the organizations' relationships with the prefectures, which ultimately become welfare-based solutions and not recognition of the sector's contributions.⁹
- 1.11 A third and particularly challenging factor is the precarious social and economic condition of this segment of the population, a complex social group, exposed to violence,¹⁰ unhealthy living conditions, and limited access to basic social services—elements that without a doubt affect their productive capacity. The disorganized and

⁷ Estimates indicate that *catadores* in organized groups account for only 20% to 50% of materials gathered. Associação Brasileira do Alumínio and Associação Brasileira dos Fabricantes de Latas de Alta Reciclabilidade (Brazilian Aluminum Association and Brazilian Association of Manufacturers of Highly Recyclable Cans).

⁸ Lúcia Peixoto Calil, “Reciclagem Sustentável e Solidária” [Sustainable and Responsible Recycling], AVINA, strategy paper, March 2007.

⁹ Estimates indicate that the value of services provided is three times greater than recognized by the municípios.

¹⁰ Aggravated in recent years by conflicts between *catadores* competing for the same work space.

isolated working conditions of the collectors working in the streets and trash dumps lends itself to exploitation by intermediaries (the *catadores* receive only 10% of the aggregate value of the chain). Furthermore, the collectors and their families are caught up in a vicious circle of poverty, where their economic dependence on the trade exacerbates their precarious living conditions.

- 1.12 Lastly, the transfer of recycling technologies is still in its early stages, limiting new business opportunities for the sector. Aside from traditional materials (PET, paper and cardboard), there are other materials, such as tires and building construction waste, that could be recycled through the *catadores*, provided appropriate recycling technologies are developed.¹¹

C. Rationale

- 1.13 With government support, the MNCR has set three strategic goals for its affiliates: (i) classify the work done by collectors as a profession with its own standards and skills; (ii) achieve social and economic inclusion, together with access to basic services, human capital training, and professional standards; and (iii) involve its organizations in the recycling materials industry supply chain.
- 1.14 This project is consistent with the MNCR strategy, and interventions have been planned in five cities selected through an analysis conducted in conjunction with the project partners (the MDS and Fundación AVINA): Belem (Pará); Abreu Lima (Pernambuco); Taguatinga (Federal District); Salvador (Bahia); and Aracajú (Sergipe). Thus, the initiatives will address a range of representative situations, and help develop a method for a grassroots economic development intervention.
- 1.15 The underlying methodology is premised on considering that the vulnerability of the *catadores* and their families—or any other social group—depends largely on available resources and capacity to recognize and seize economic opportunities. These resources and capacities, in turn, depend on the level of education of collectors (human capital), and the social networks (social capital) in their districts. Accordingly, the economic and job stability required to pull people out of extreme poverty may only exist as the living conditions of the community as a whole improve, where community means family, neighbors and work environment. The project, therefore, aims to improve employment and increase the income of the target population, adopting a two-pronged strategy:
- a. Support activities critical for *catadores*' personal, family, and community development, such as satisfying some basic needs, access to self-esteem programs, and training for the *catadores* and their families in trades enabling them to diversify household sources of income; and
 - b. Support modernization of waste collection and recycling enterprises and cooperatives, and their integration into local and global supply chains.

¹¹ New technologies being rolled out could in the short term transform the structure of the recycling market, such as “bottle-to-bottle” recycling (Coca Cola will install a plant in Brazil).

- 1.16 Project actions will focus, on the one hand, on specific districts¹² to facilitate the socioeconomic integration of collectors and, on the other, on the recycling sector as a whole, and its positioning in the value chain, in particular. These two areas of action call for the involvement of several sectors, starting with the existing community associations (formal or informal), in addition to NGOs, universities, enterprises, and the relevant public institutions. It also calls for larger businesses to become directly involved in the project, chiefly to ensure that the activities are consistent with the conditions and needs of the relevant supply chain. The project was designed jointly with the Opportunities for the Majority Sector (OMJ), and will identify areas to promote the development of recycling business lines (logistics, processing technology, etc.).
- 1.17 The innovative nature of the project as a potential model for productive development of extremely poor urban areas encouraged the MDS to classify the operation as an important pilot initiative whose lessons will allow for a speedy scaling-up of the intervention. What is more, demand for similar projects in several countries improves the chances for project replicability.

II. OBJECTIVE AND DESCRIPTION

A. Objectives

- 2.1 The general objective of the project is to foster the economic inclusion of people from marginal sectors in five communities in Brazil. The specific objective is to improve the income generating capacity of recycling collectors and their families through actions aimed at social integration, professionalization, and strengthening of their organizations, as well as their integration into the value chain.

B. Description

- 2.2 The project's first component will help generate effective management skills and conditions to ensure the sustainability of the core actions, including the capacity of the subexecuting agencies in each district. The second component would improve the socioeconomic conditions in the immediate environment of the *catadores* and their families, thereby promoting their sustainable integration into the economy. The third and fourth components focus on the purely productive aspects of collecting recyclable material, building technical and management capacities among the *catadores*, and integrating them into the recycling value chain. The last component will standardize the experience as an input for replicability and scaling-up.

¹² The districts are: Terra firme in Belém; Fósforo, in Abreu Lima; Riacho Fundo, in Taguatinga; Canabrava in Salvador; and a district in Aracajú to be identified in the first few months of execution.

Component 1. Develop management capacity (MIF: US\$794,000; Counterpart: US\$897,500)

- 2.3 Activities in this component include diagnostics to identify and prioritize project actions and activities to strengthen the civil society organizations considered relevant to project execution and to train professionals and entities that serve the collectors. The following specific activities are planned:
- a. Analyze the socioeconomic characteristics of the communities, identifying available assets and resources, in addition to production opportunities—within or outside the district, revolving around recycling—to facilitate sustainable economic integration of the *catadores*.
 - b. Enhance the supply of technical assistance services available to *catadores* and their communities, including development of a program to train some technical staff in *catador* cooperatives to help other associations (there will be dialogue on the diversification of functions within the *catador* organizations, as part of their professionalization).
 - c. Program to develop young collaborators, usually members of the beneficiary community, then use their skills to help in project execution.
 - d. Strengthen the grassroots organizations in the project beneficiary communities, focusing on administrative and financial issues. This activity includes support for the local subexecuting agencies, and local management and coordination capacity-building (governance).
 - e. Coordination between organizations and creation of networks, both between organizations, and between enterprises or professionals. The project will support the creation of networks, assist members draft an action plan, and support them as they execute these plans.
 - f. Promotion and dissemination of the project, using appropriate communication to involve the beneficiaries and position the project.

Component 2. Reach out to neighborhoods to generate socioproductive opportunities (MIF: US\$402,500; Counterpart: US\$724,500)

- 2.4 The objective of this component is to help improve the living conditions of *catadores* and their families and communities, making the best use of opportunities to generate income, develop entrepreneurial capacity, and bring about sustainable economic integration. To achieve this objective, the planned activities require close cooperation between the governments, local private sector players, and civil society organizations, in order to maximize resources and heighten effectiveness.
- 2.5 The analyses performed under Component 1, and the potential and opportunities identified, will be used to professionalize the trade, increase entrepreneurial skills, and facilitate access to basic services for the beneficiary communities. The project will support the following specific activities:

- a. Social and economic empowerment. To build technical capacity and increase community members' employability, this activity will start with the collectors' families, providing them with training and technical assistance to: (i) learn trades; (ii) build self-esteem and capacities to seek formal employment; (iii) support collective or individual microentrepreneurial initiatives; and (iv) acquire financial education and access to microlending.
- b. Coordinate access to basic services. The project will: (i) promote coordination with existing national and/or local programs, focusing on some key elements for the beneficiaries to develop productive activities, such as adult education, digital inclusion, adolescent and child care; (ii) arrange for legal advisory services for productive activities, either as employee or entrepreneur; and (iii) create problem-solving groups made up of individuals and/or community organizations to solve a specific group problem. Technical assistance will be provided to help achieve the objectives and coordinate the group, using, insofar as is possible, the youths trained in Component 1.
- c. Environmental education and awareness-raising. Specialized campaigns will be organized to explain the importance of recycling, the job performed by the *catadores*, and raising awareness about selective collection; and
- d. Collective initiatives to support the community. The project will implement a mechanism to support collective initiatives to improve priority areas for community living, and improve the socioeconomic context. Some 40 initiatives will be supported in the five project beneficiary districts, with grants of up to US\$5,000 per initiative. Resources will be allocated on a competitive basis, applying selection criteria specified in the project Operating Regulations that include the community value of the initiative, its impact and sustainability, and potential participation by other donors. The local executing agencies (LEA) will select the initiatives through an informed, transparent process, in cooperation with the civil society organizations working in the district. At a later date, the Strategic Councils and the Local Management Committees, once they are set up, will assume responsibility for selecting which initiatives to support.

Component 3. Support productive *catador* organizations (MIF: US\$397,500; Counterpart: US\$1,485,500)

- 2.6 The objective of this component is to provide training, technical assistance, and basic equipment to the *catador* organizations, so as to improve their competitiveness, in particular by emphasizing the creation of marketing networks. One key criterion will be for the initiatives to involve the organizations of collectors in the project areas of each district, as well as other sector players. The project will provide training and technical assistance to:
 - a. Train *catadores* in technical and management skills, including financial administration. Special attention will be given to environmental education, basic sanitation, and occupational safety.

- b. Improve production processes, starting with a technical diagnostic covering technologies, occupational safety, marketing, and even the identification of markets and buyers. This activity will center on the medium-term economic sustainability of the collectors' organizations.
- c. Develop and implement production projects, building on the outcomes of the previous activity. Equipment will be installed to attain a minimum level of economic sustainability with decent salaries. At first, the resources for this equipment will be offered by the project counterpart or by third parties.
- d. Establish marketing networks, starting with the *catador* organization in the selected districts, seeking to bring in other associations from neighboring districts, and to launch a network of individual *catadores* who supply materials. Activities include: (i) developing a methodology for independent collectors to enter into stable relationships with *catador* organizations through pilot projects. For these projects, a working capital facility in an amount equivalent to US\$15,000 in each case will be created for the purpose of financing the cash purchase of the production of individual *catadores*; (ii) strengthening the marketing networks by identifying logistics solutions, standardizing products, and developing a business plan for the network; and (iii) sharing the experiences of all *catador* organizations.

Component 4. Integration into the supply chain (MIF: US\$425,500; Counterpart: US\$642,500)

- 2.7 The objective of this component is to identify business strategies and opportunities to assure the integration of *catador* organizations in the recycling supply chain, and to develop a promotion instrument (matching grant) for innovative pilot projects. The project will coordinate with the leading actors and agents in the chain, and with the recycling products market in general, to bring these organizations into the networks, put them in contact with firms, and build their potential economic sustainability. The following activities will be supported: (i) a specific diagnostic of the most promising recycling chain in each district, depending on the sector industries and logistics facilities that are present; (ii) analysis and prefeasibility studies for potential investments, to attract new agents able to strengthen the value chain (the project will coordinate activities with financing instruments, such as those offered by the Bank, through the OMJ, and by the *Interchurch Organisation for Development Cooperation-ICCO*, through ICCO Enterprise, etc.); (iii) coordination with the public and private sectors to promote mechanisms that would include *catadores* in local policies on solid waste processing; and (iv) a matching-grant facility for innovative initiatives to help integrate *catador* organizations into the supply chain and the market.
- 2.8 This facility will support initiatives generated by a group or network of such organizations, applying the eligibility criteria specified in the Operating Regulations, including: (i) replicability in other environments; (ii) explicit ties to other actors in the chain; (iii) evidence of a financial counterpart equivalent to at

least 30% of the value of the initiative; and (iv) relevance and technical feasibility. In principle, the project will contribute a maximum of US\$40,000 per initiative.

Component 5. Monitoring, lessons learned, and dissemination (MIF: US\$139,500; Counterpart: US\$276,000)

- 2.9 The objective of this component is to implement a monitoring system, standardize the experience and the lessons learned, and disseminate project outcomes. Specific actions include financing the preparation of a baseline, and designing and maintaining a monitoring system. In addition, to standardize and disseminate the project experience, the component will: (i) organize seminars and local dissemination and information sharing events; (ii) standardize and validate the process and lessons learned; and (iv) hold a final conference.
- 2.10 **Anticipated project outcomes.** It is anticipated this project will: (i) improve the quality of life for the communities in the project beneficiary districts, in particular people related to the *catadores* (1,500 families will benefit directly), and result in their sustainable economic integration; (ii) develop steady relations in the recycling materials chain in at least one case per district; and (iii) standardize the experience through the scaling-up process.

III. COST AND FINANCING

- 3.1 The project will cost US\$7.9 million, of which the MIF will contribute up to US\$2.5 million (32%) in nonreimbursable funding. Counterpart funding will be provided by AVINA with resources of its own (US\$900,000, 11%), by ICCO (US\$1.5 million, 19%), and by other donors (US\$3 million, 38%).¹³

Line items	MIF	Counterpart	TOTAL	%
C. 1: Develop management capacities	794,000	897,500	1,691,500	21.4%
C. 2: Reach out to neighborhoods to generate socioproductive opportunities	402,500	724,500	1,127,000	14.3%
C. 3: Support productive <i>catador</i> organizations	397,500	1,485,500	1,883,000	23.8%
C. 4: Integration into the supply chain	425,500	642,500	1,068,000	13.5%
C. 5: Monitoring, lessons learned, and dissemination	139,500	276,000	415,500	5.3%
Project coordination	105,000	1,317,600	1,422,600	18.0%
Midterm and final evaluations	50,000	-	50,000	0.6%
Annual audits	40,000	20,000	60,000	0.8%
Contingencies	133,500	36,400	169,900	2.2%
Impact evaluation account	12,500	-	12,500	0.2%
TOTAL	2,500,000	5,400,000	7,900,000	

¹³ These resources will be essentially contributed by companies that are already partially involved in the *catador* movement, in particular Coca-Cola and Wal-Mart.

- 3.2 **Sustainability.** Project sustainability rests on two pillars: (i) converting collection of recyclable materials into a sustainable productive activity; and (ii) creating opportunities in the formal productive sector. Moreover, this project will generate valuable lessons for a possible scaling-up of the operation by the project partners themselves, especially the MDS.

IV. PROJECT EXECUTION

- 4.1 **Executing agency.** The project will be executed by Fundación AVINA, a nongovernmental organization whose mission is to contribute to sustainable development in Latin America, building partnerships between social and business leaders, and developing action agendas by consensus. Since its inception in Switzerland (AVINA Stiftung) in 1994, AVINA has opened 22 offices in Latin America (5 in Brazil), and has financed social and productive development initiatives amounting to US\$357 million. In 2001, Fundación AVINA was established in Panama as an independent entity responsible for all activities in Latin America. The following offices will be involved in this project: NORTHEAST in Salvador, Bahia; SOUTHEAST in Belo Horizonte, Minas Gerais; and NORTH in Manaus, Amazonia. AVINA initially helped with training for MNCR management, and then in 2003, began supporting the integration of *catador* organizations into the supply chain.
- 4.2 **Project execution. Local executing agencies (LEA)** will be responsible for the field work, with AVINA supporting and supervising their work through its network of offices.¹⁴ Each LEA will seek out local management capacity in the civil society organizations working in each district, and help establish a **local strategic council** grouping of these entities. The Council will appoint a **management committee** responsible for managing the processes and activities to support local development. Development of this coordination mechanism (governance) is a key element for project sustainability.
- 4.3 The overall project will be executed under the direction of a **national project council (CNP)**, made up of representatives of the MDS, MNCR, AVINA, ICCO and private entities contributing more than US\$1 million. The CNP will meet at least once every six months, chaired at first by the MDS, the entity promoting this initiative, with beneficiaries and key contributors. The CNP's duties include: (i) approve the annual work plan and the budget; (ii) monitor project activities; (iii) facilitate experience and skills sharing between the five districts; (iv) resolve any conflicts that may occur between the project partner entities; (v) approve the

¹⁴ Fundação Grupo Esquel Brasil, in Brasília; PANGEA Centro de Estudos Socioambientais [Center for Socioenvironmental studies], in Salvador; Centro Artístico Cultural Belém Amazônia (CACBA) [Artistic and Cultural Center] in Belém; Instituto Nova Ação para Educação, Cidadania e Meio Ambiente [New Action Institute for Education, Citizenship and Environment] in Abreu Lima. An area of intervention will be selected in Aracajú, and a suitable entity will be chosen (taking into consideration the positive work performed by Unitrabalho in Aracajú).

- innovation projects in Component 4; (vi) enter into agreements with other institutions to facilitate project development; and (vii) determine the project's strategic lines.
- 4.4 As a condition precedent to eligibility for financing of the activities, the LEA will sign an execution and funds transfer agreement with the executing agency. These agreements, governed by the conditions in the Letter of Agreement between AVINA and the Bank, will include: (i) a description of the activities to be carried out; (ii) the execution term; (iii) the duties, rights and obligations of the parties; and (iv) a commitment to observe the policies and conditions set out in the Letter of Agreement between AVINA and the Bank.
- 4.5 The **Project Execution Unit (PEU)**, to be set up within AVINA, will comprise a project director and an administrator. The PEU will be in charge of overall financial, administrative, and technical project management, with the following duties: (i) design, implement, and execute the annual work plan; (ii) organize and maintain the program's administrative file, and submit reports to the Bank; (iii) perform the tasks that are common to all five districts; (iv) analyze and present to the CNP the innovation initiatives; (v) promote marketing and/or strategic agreements within and between the regions where the project is active; (vi) implement and administer the project monitoring system; and (vii) represent the program before other institutions and the Bank.
- 4.6 **Disbursements.** Following the risk and performance-based project management modality, resources will be disbursed in advance through a revolving fund amounting to 15% of the MIF contribution, whose replenishment will be contingent upon compliance with key indicators (milestones), agreed between the executing agency and the MIF during the annual work plan approval process. Reaching the milestones does not exempt the executing agency from attaining the project targets specified in the logical framework. The first advance will be disbursed to the executing agency upon fulfillment of the conditions precedent specified in the executive summary. Expenses incurred since the operation eligibility date (11 July) to a maximum of US\$100,000 will be recognized as part of the counterpart funding.
- 4.7 **Procurement.** The executing agency and the subexecuting agencies will procure the goods and services, and contract the consulting services envisaged in the project and approved in advance by the Bank, in accordance with a procurement plan to be updated annually by the executing agency. Such procurement will adhere to Bank policies (documents GN-2349-7 and GN-2350-7), and the MIF guidelines insofar as they do not conflict with Bank policies. For preparation of the project procurement plan, the LEA must submit for approval by the executing agency the procurement plans for the activities under their responsibility, prepared on the following basis: (i) the "shopping" method will be used for the procurement of goods amounting to US\$30,000 or less; these operations require the Bank's no objection as to the technical specifications of the goods to be procured; (ii) in the case of consulting services in an estimated amount of US\$100,000 equivalent or less, the short list of consultants may consist entirely of national consultants;

(iii) procurements in amounts of US\$5,000 or less or the equivalent thereof will be paid upon presentation of an invoice, without the need for a contract or registration in PRISM; and (iv) procurement in amounts of US\$70,000 or less will be reviewed ex post. However, contracts used for the baseline and for monitoring, or deemed to be of a critical nature by the coordinator, the assistant, or the Bank, will be reviewed by the Bank ex ante. The executing agency will be responsible for monitoring and supervising implementation of the plans prepared by the LEA.

V. MONITORING AND EVALUATION

- 5.1 **Project status reports.** The executing agency will be responsible for submitting project status reports (PSR) to the MIF within 30 days after the end of each six-month period. These reports will be prepared in a format previously agreed with the MIF and report on the progress of the project, the extent to which milestones have been attained, problems encountered and possible solutions, project outcomes and their contribution to the success of the project objectives based on the logical framework and other operational planning tools. Within 90 days after project completion, the executing agency will submit to the MIF a final report (PSR) describing the outcomes, the sustainability plan, and the lessons learned.
- 5.2 **Financial monitoring.** The executing agency will establish and maintain proper financial records, internal control and filing systems for the project, in accordance with IDB/MIF accounting and audit standards and policies. The IDB will hire independent auditors to perform an annual audit of the financial statements prepared by the executing agency. The MIF may modify the scope and frequency of such reviews based on the outcomes of prior reviews and/or the risk analysis carried out during the project.
- 5.3 **Evaluation.** The project will have two evaluations to be conducted by independent consultants to be selected by the Bank. The cost will be defrayed out of the project financing. A midterm evaluation will be performed when 50% of the financing has been disbursed or 24 months into the project, whichever occurs first; and a final evaluation 90 days after completion of the project. The midterm evaluation will cover at least the following points: (i) the extent to which program activities have been completed, and the progress in reaching the logical framework indicators; (ii) progress of the social empowerment activities and their effectiveness (Component 2); (iii) creation of networks, either between entities and institutions or between professionals and entrepreneurs; (iv) efficiency and effectiveness of the LEAs in discharging their duties; (v) the extent to which the *pari passu* is consistent with the budget; (vi) involvement of the *catador* organizations, and establishment of networks between them or with individual operators; and (vii) beneficiary satisfaction. The final evaluation will include an analysis of outcomes compared to the initial baseline. The analysis will include a review of: (i) the strength of the subnational governance system and its sustainability; (ii) incorporation of new technologies or trading partnerships by the *catador* organizations involved in project activities; (iii) the impact of project activities, particularly in creating

networks of businesses and/or organizations, the advancement of job skills and employability, and the progress of group initiatives; (iv) the integration of *catador* organizations into the value chain; (v) new investments relating to the recycling chain and to the project; (vi) project sustainability; and (vii) the lessons learned from project execution.

VI. BENEFITS AND RISKS

- 6.1 **Benefits.** In the five districts selected for intervention, the project will directly benefit over 1,500 *catadores*, in terms of quality of life, higher incomes, and job stability. Almost one half of these collectors will be *catadores de rua*, or street collectors who work in very precarious conditions. The project will also benefit the five selected neighborhoods, with different positive impacts on some 300 families in each district. Lastly, the project will benefit participating *municípios*, as they will receive technical assistance to involve the *catador* organizations in the solid waste policy-making, and processing industries, which will have a regular and better quality supply of materials for recycling. The project will also indirectly benefit manufacturers of goods made with recycled inputs, as well as the local and national authorities who may learn from a standardized experience to support sustainable economic inclusion of a marginal sector of society.
- 6.2 **Risks.** The principal risks facing this operation are:
- a. The civil society organizations active in the districts, as well as the *catador* organizations, may fail to work in an integrated and coordinated manner. Mitigating factors: the project will invest in human capital, coordination and management of organizations, and network creation in order to overcome the lack of trust and generate positive cooperation mechanisms.
 - b. The *catador* organizations may receive high subsidies without achieving the desired sustainability. Mitigating factors: a number of activities will be carried out under project components 3 and 4 to improve the productivity of the organizations, and their integration into the market and the supply chain. Furthermore, a major effort will be made to strengthen the beneficiary entrepreneurial capacity.
 - c. The recycling market, especially at the lower rungs, is not very competitive and the presence of intermediary speculators diminishes its transparency. Mitigating factors: the project will reinforce, under component 3, the technical, productive and commercial skills of the *catador* organizations, involve individual collectors through transparent mechanisms, and create networks with the assistance of professional intermediaries, applying best practices. Lastly, it will promote the participation of government agencies, such as prefectures and control agencies.

VII. ENVIRONMENTAL AND SOCIAL ASPECTS

- 7.1 The project will help create job opportunities and improve the social conditions of a generally vulnerable segment of the population. Also, by supporting the development of recycling, the project will help improve solid waste management in the areas targeted. At the same time, the project will promote specific activities to improve job security within the *catador* organizations (component 3). The project will help improve the conditions of *catador* families in a number of ways, but two in particular: it will provide access to basic services (component 2) and professional training for the activity and the *catador* organizations, including their formal recognition and the diversification of income sources (component 3). Lastly, component 5 would standardize the experience to facilitate its replicability and scaling-up.
- 7.2 The financing will be used in accordance with the Bank's policy on the Environment and its policy on Indigenous Peoples, and the MIF's environmental guidelines.¹⁵ Classification "C."

¹⁵ Policies OP-703 and OP-765, respectively. The MIF guidelines are available at http://www.iadb.org/mif/envi_socguidelines1.cfm?language=Spanish

SOCIOECONOMIC INTEGRATION OF RECYCLING COLLECTORS (BR-M1057)
LOGICAL FRAMEWORK

Summary of objectives	Indicators	Means of verification	Assumptions
GOAL			
Foster the economic inclusion of marginal segments of the population in five communities in Brazil	<p><i>Three years after project completion:</i></p> <ol style="list-style-type: none"> 80% of beneficiary <i>catador</i> organizations are economically sustainable (without running a deficit) Family income has risen for 70% of beneficiaries who received project assistance Schooling (years at school) has improved for 30% of beneficiary families Increased number of commercial agreements between <i>catadores</i> and businesses in the chain Based on project outcomes, five (5) districts other than the beneficiary areas, implement assistance programs for <i>catadores</i> 	<ul style="list-style-type: none"> Impact evaluation (subject to MIF selection process) Beneficiary monitoring system measured against the executing agency's baseline Production and sales figures for the productive <i>catador</i> organizations 	<ul style="list-style-type: none"> No changes to regulations, technology, or industrial organization affecting <i>catador</i> participation in the recycling chain Public policies to assist <i>catadores</i> and the sustainable development of the recycling chain can be gradually introduced in the project area
PURPOSE			
Improve the income generating capacity of recycling collectors and their families through actions for social integration, professionalization, and strengthening of their organizations, as well as their integration into the value chain.	<p><i>Expected outcomes for beneficiary catador organizations at the end of the project:</i></p> <ol style="list-style-type: none"> 10% average membership increase Ten (10) show improved average productivity in terms of income or sales value for each collector Four (4) enter into commercial agreements (sales contracts) with industries in the recycling chain Two (2) per community (10 in all) achieve economic sustainability (without running a deficit) 80% are satisfied with the services and technical assistance received 20% of beneficiary families affiliated with the organizations have diversified their source of income (new trade or undertaking) Four (4) out of the five (5) beneficiary communities implement local governance systems (strategic council and management committee) 	<ul style="list-style-type: none"> Final evaluation Final project status report (PSR) Baseline reference data relating to the <i>catador</i> organizations Sales contracts Beneficiary satisfaction survey 	<ul style="list-style-type: none"> Direct beneficiaries continue to be actively involved in the project, using the tools and techniques they have learned Integration of the cooperatives into the recycling supply chain remains solid and on the rise Basic physical and social infrastructure is available to meet the existing demand of <i>catador</i> communities

Summary of objectives	Indicators	Means of verification	Assumptions
COMPONENTS			
I. Develop management capacities The objective of this component is to improve the support network for <i>catador</i> organizations by strengthening and coordinating relevant institutions and service providers	<ol style="list-style-type: none"> Number of trained technical service providers for the <i>catador</i> organizations in each district: 5 by month 12; 20 by month 36 Young collaborators: 50 trained by month 24; 15 serving by month 42 Community networks operating in each district: 2 by month 24 Professional or entrepreneurial networks operating in each district: 3 by month 24; 5 by month 36 Out of 50 grassroots community organizations (GCOs) receiving technical assistance, the number coordinating activities with the project are: 10 by month 24; 30 by month 36; 35 by month 42 	<ul style="list-style-type: none"> Project status reports Midterm and final evaluations Training activities reports Agreement or letter of understanding between partner institutions and the project Instruments creating networks and councils 	<ul style="list-style-type: none"> Beneficiaries remain committed to the project Availability of consultants and instructors to work in each district Minimum organizational and leadership capacity to maintain the networks and committees
II. Reach out to neighborhoods to generate socioproductive opportunities The objective of this component is to create opportunities to generate income and collective community initiatives, and to coordinate institutional actions in support of collectors' families	<ol style="list-style-type: none"> Number of regional institutions providing basic health, education, and housing services to <i>catadores</i> and communities, that coordinate activities with the project: 10 by month 24 Improvement in the level of satisfaction with basic services received by the beneficiary families: 10% by month 24; 20% by month 42 Local microenterprise or business networks receiving technical assistance: 5 by month 12; 10 by month 24; 20 by month 36; 30 by month 42 Selective recycling organized or scaled up (new areas or expansion of previously organized areas): 3 by month 24; 5 by month 36; 15 by month 42 Number of persons who have learned a trade and find employment: 15 by month 24; 50 by month 36; 100 by month 42 Number of community projects implemented: 10 by month 24; 25 by month 36; more than 35 by month 42 Initiatives able to successfully resolve a problem or meet a need: 8 by month 36 	<ul style="list-style-type: none"> Project status reports Midterm and final evaluations Evaluation of the satisfaction of organizations helped by the project User satisfaction surveys measured against the baseline New social interest service agreements Training attendee lists Community initiatives execution reports 	<ul style="list-style-type: none"> Productive organizations continue to achieve collective efficiency Consultants and instructors are available to work in each district Support and capacity to scale up services provided by service institutions There is demand for the new trades learned by the beneficiaries Local institutions support the initiatives

Summary of objectives	Indicators	Means of verification	Assumptions
III. Support productive catador organizations The objective of this component is to provide training, technical assistance, and basic equipment to the <i>catador</i> organizations, to improve their competitiveness, emphasizing, in particular, the creation of marketing networks	1. <i>Catador</i> organizations that receive training and/or basic equipment: 5 by month 12; 10 by month 24 2. Number of organizations with improved productivity (income or sales per collector): 7 by month 24; 12 by month 36 3. Number of marketing networks strengthened through technical assistance: 1 by month 24; 4 by month 36; 5 by month 42 4. Pilot initiatives to link individual collectors up with <i>catador</i> organizations: 1 by month 24; 3 by month 36; 5 by month 42	<ul style="list-style-type: none"> Project status reports Midterm and final evaluations Training services reports Instruments creating networks Reports of technical assistance to networks Technical reports on production projects and pilot initiatives 	<ul style="list-style-type: none"> Beneficiaries remain committed to the project Consultants and instructors are available to work in each district
IV. Integration into the supply chain The objective of this component is to improve <i>catador</i> participation in the value chain and implement innovative pilot projects within the chain	1. Agreements signed between productive organizations and local governments (prefectures): 2 by month 12; 3 by month 24; 4 by month 36 2. Number of innovative initiatives approved by the innovative projects promotion instrument: 5 by month 24; 10 by month 36; 15 by month 42 3. Agreements signed to supply industry with materials with some value added: 1 by month 12; 3 by month 24; 5 by month 36 4. Number of investment projects identified and examined (profile developed) by the Opportunities for the Majority program, or another investor: 2 by month 36; 3 by month 42	<ul style="list-style-type: none"> Project status reports Midterm and final evaluations Documents showing the agreements signed between productive organizations and local governments (prefectures) Contracts signed between the innovative project promotion instrument and beneficiary organizations Investment project profiles 	<ul style="list-style-type: none"> Beneficiaries remain committed to the project Large producers of waste material, processing plants, and others are interested and available
V. Monitoring, lessons learned, and dissemination The objective of this component is to implement a system to monitor the project outcomes and disseminate the experience	1. Monitoring system implemented and operational, including baseline, data management and dissemination systems, by month 6 2. Three case studies on project outcomes published on the project website by month 42 3. Ten local events to disseminate project actions and outcomes, with a total of 100 institutions attending, by month 42 4. One national closing event to disseminate the project outcomes, with 20 institutions attending, by month 42	<ul style="list-style-type: none"> Project status reports Midterm and final evaluations Records of the events held Publications prepared by AVINA and other participating institutions Case study publications Distribution lists for publications and registered event attendees Website 	<ul style="list-style-type: none"> Participating institutions remain interested in scaling up the project Other states and districts are interested and able to disseminate project outcomes

Summary of objectives	Indicators	Means of verification	Assumptions
ACTIVITIES			
Component I. Develop management capacity 1.1. Analyze the socioeconomic characteristics of the communities 1.2. Enhance the supply of technical assistance services available to <i>catadores</i> and their communities 1.3. Program to develop young collaborators (<i>jovens colaboradores</i>) 1.4. Strengthen the grassroots organizations in the project beneficiary communities 1.5. Coordinate organizations and create networks between organizations and between businesses or professionals	3 months into the project: <ul style="list-style-type: none"> Contract for consulting services to conduct socioeconomic diagnostic assessments in the five districts A training event for LEA professionals in IDB project administration 6 months into the project: <ul style="list-style-type: none"> The project communication plan has been developed The <i>jovens colaboradores</i> selection process has started An awareness-raising and mobilization/alignment action organized in each district, involving GCOs, NGOs, productive organizations, stakeholders, and the community as a whole 12 months into the project: <ul style="list-style-type: none"> Project website is up and running Field studies and diagnostics have been conducted in all five districts 24 months into the project: <ul style="list-style-type: none"> 15 <i>catadores</i> trained and delivering technical assistance to cooperatives, on a part-time basis Upon project completion: <ul style="list-style-type: none"> 50 GCOs trained by the project 	<ul style="list-style-type: none"> Database on the basic services supply and demand study Teaching materials prepared for training Consultant technical reports Evaluation of training results Information and promotional material Midterm evaluation 	<ul style="list-style-type: none"> Beneficiaries remain committed to the project Consultants and instructors are available to work in each district

Summary of objectives	Indicators	Means of verification	Assumptions
<p>Component II. Reach out to neighborhoods to generate socioproductive opportunities</p> <p>2.1. Social and economic empowerment</p> <p>2.2. Coordinate access to basic services</p> <p>2.3. Environmental education and awareness-raising through campaigns to explain the importance of the work done by <i>catadores</i>, and to heighten awareness about solid waste and selective collection</p> <p>2.4. Collective initiatives to support the community.</p>	<p>12 months into the project:</p> <ul style="list-style-type: none"> • A problem-solving group created and operational in each district • A public event to publicize the mechanism to support collective initiatives is held in each district <p>24 months into the project:</p> <ul style="list-style-type: none"> • 40 people in each district receive training in credit and finance • 100 individuals trained in a range of trades • 10 community associations or local microenterprises assisted by the project <p>36 months into the project:</p> <ul style="list-style-type: none"> • 15 campaigns conducted to highlight the importance of the work done by <i>catadores</i> and of selective collection • 25 community projects assisted or evaluated <p>Upon project completion:</p> <ul style="list-style-type: none"> • 160 people in each district receive training in credit and finance • 160 adults and adolescents have completed the appropriate schooling level • 160 adults in each district learn to read and write • 200 individuals trained in a range of trades • 20 campaigns conducted to highlight the importance of the work done by <i>catadores</i> and of selective collection • 40 community projects assisted or evaluated 	<ul style="list-style-type: none"> • Evaluation of the satisfaction of organizations helped by the project • New social interest service agreements • Consultant technical reports on assistance services • Campaign materials 	<ul style="list-style-type: none"> • The trend of productive organizations to achieve collective efficiency continues • Consultants and instructors are available to work in each district

Summary of objectives	Indicators	Means of verification	Assumptions
<p>Component III. Support for productive <i>catador</i> organizations</p> <p>3.1. Technical and management skills training for catadores</p> <p>3.2. Improve production processes</p> <p>3.3. Develop and implement production projects</p> <p>3.4. Create marketing networks — organized and individual <i>catadores</i></p>	<p>6 months into the project:</p> <ul style="list-style-type: none"> 15 technical diagnostics of productive organizations completed, including improvement plans <p>12 months into the project:</p> <ul style="list-style-type: none"> 120 <i>catadores</i>, working either individually or in cooperatives, trained 1 business plan per district developed 5 proposals for financing ready, including procurement of machinery and equipment <p>24 months into the project:</p> <ul style="list-style-type: none"> 240 <i>catadores</i>, working either individually or in cooperatives, trained 2 pilot operations involving productive organizations and individual <i>catadores</i> 3 business plans per district developed Direct technical assistance to 3 organizations per district 6 technical projects ready 2 training events to create marketing networks held in each district <p>36 months into the project:</p> <ul style="list-style-type: none"> 50 directors/persons in charge of <i>catador</i> organizations have attended the recycling business management and financial administration training project 4 pilot operations involving productive organizations and individual <i>catadores</i> 10 technical projects ready 2 marketing networks established <p>Upon project completion:</p> <ul style="list-style-type: none"> 60 directors/persons in charge of <i>catador</i> organizations have attended the recycling business management and financial administration training project 600 <i>catadores</i>, working either individually or in cooperatives, trained 5 pilot operations involving production organizations and individual <i>catadores</i> 5 marketing networks established 	<ul style="list-style-type: none"> Teaching materials Evaluation of course results Technical reports on productive projects prepared with program support Promotion and dissemination material for the formal networks 	<ul style="list-style-type: none"> Beneficiaries remain committed to the project Consultants and instructors are available to work in each district

Summary of objectives	Indicators	Means of verification	Assumptions
Component IV. Integration into the supply chain 4.1. Supply chain diagnostic assessment 4.2. Studies on opportunities 4.3. Coordination with the public and private sectors 4.4. Instrument to promote innovative projects	3 months into the project: <ul style="list-style-type: none"> Contract for consulting services to conduct supply chain diagnostic assessment 12 months into the project: <ul style="list-style-type: none"> A public event organized in each district to publicize the innovative project promotion instrument A completed prefeasibility study 24 months into the project: <ul style="list-style-type: none"> 4 prefeasibility studies completed 36 months into the project: <ul style="list-style-type: none"> 6 prefeasibility studies completed Upon project completion: <ul style="list-style-type: none"> 15 innovative projects financed by the promotion instrument have been evaluated 	<ul style="list-style-type: none"> Documents showing the agreements signed between productive organizations and local governments (prefectures) Contracts signed between the innovative projects promotion instrument and beneficiary organizations Consultant reports Promotion and dissemination material 	<ul style="list-style-type: none"> Beneficiaries remain committed to the project Large producers of waste material, processing plants, and others are interested and available
Component V. Monitoring, lessons learned, and dissemination <i>Intervention area: Monitoring</i> 5.1. Determine the project data baseline 5.2. Implement a system to monitor activities and outcomes, including training the project team in measurements and data analysis 5.3. Monitoring system maintenance (including measurements and periodic analyses) <i>Intervention area: Dissemination of the experience</i> 5.4. Seminars and local events to disseminate and share information	12 months into the project: <ul style="list-style-type: none"> Monitoring system implemented and operational 24 months into the project: <ul style="list-style-type: none"> Monitoring system operating correctly 36 months into the project: <ul style="list-style-type: none"> 5 local events have taken place to disseminate project actions and outcomes Monitoring system operating correctly Upon project completion: <ul style="list-style-type: none"> 10 local events have taken place to disseminate project actions and outcomes Presentations given at 9 external events on recycling to share experiences A closing conference has taken place to disseminate project outcomes 	<ul style="list-style-type: none"> Event outcome records Semiannual reports prepared by the executing agency Monitoring system measurement reports Consultant technical reports Publications prepared by AVINA and other participating institutions Case study publications 	<ul style="list-style-type: none"> Participating institutions remain interested in scaling up the project Other states and districts are interested and have the capacity to disseminate project outcomes

Summary of objectives	Indicators	Means of verification	Assumptions
5.5. Participation in external events on project-related topics			
5.6. Systematize and validate the experience			
5.7. Closing conference			

**SOCIOECONOMIC INTEGRATION OF RECYCLING COLLECTORS
(BR-M1057)
ITEMIZED BUDGET**

ITEM	MIF	LOCAL CONTRIBUTION	TOTAL
COMPONENT I: DEVELOP MANAGEMENT CAPACITY	794,000	897,500	1,691,500
Activity 1.1; Analyze the socioeconomic characteristics of the communities	445,000	7,500	452,500
Activity 1.2 Enhance professional capacity		165,000	165,000
Activity 1.3 Program to develop young collaborators (<i>jovens colaboradores</i>)	76,500		76,500
Activity 1.4 Strengthen the grassroots organizations in the project beneficiary communities	87,500	120,000	207,500
Activity 1.5 Coordinate organizations and create networks between organizations and between businesses or professionals	160,000	382,000	542,000
Activity 1.6 Promote and disseminate the project, according to models	25,000	223,000	248,000
COMPONENT II: REACH OUT TO NEIGHBORHOODS TO GENERATE SOCIOPRODUCTIVE OPPORTUNITIES	402,500	724,500	1,127,000
Activity 2.1 Social and economic empowerment	150,000	189,500	339,500
Activity 2.2 Coordinate access to basic services		435,000	435,000
Activity 2.3 Environmental education and awareness-raising	40,000	40,000	80,000
Activity 2.4 Collective initiatives to support the community	212,500	60,000	272,500
COMPONENT III: SUPPORT PRODUCTIVE CATADOR ORGANIZATIONS	397,500	1,485,500	1,883,000
Activity 3.1 Technical and management skills training for <i>catadores</i>	82,500	215,000	297,500
Activity 3.2 Improve production processes	255,000	75,000	330,000
Activity 3.3 Develop and implement productive projects	60,000	555,000	615,000
Activity 3.4 Create marketing networks		640,500	640,500
COMPONENT IV: INTEGRATION INTO THE SUPPLY CHAIN	425,500	642,500	1,068,000
Activity 4.1 Supply chain diagnostic assessment	60,000	2,500	62,500
Activity 4.2 Studies on opportunities	140,000		140,000
Activity 4.3 Coordination with the public and private sectors		200,000	200,000
Activity 4.4 Instrument to promote innovative projects	225,500	440,000	665,500
COMPONENT V: MONITORING, LESSONS LEARNED, AND DISSEMINATION	139,500	276,000	415,500
Project area: Monitoring			
Activity 5.1 Establish the project data baseline	21,000		21,000
Activity 5.2 Implement a system to monitor activities and outcomes, including training the project team in data analysis and measurement	58,500		58,500
Activity 5.3 Monitoring system maintenance (including periodic analysis and measurement)		36,000	36,000
Project area: Dissemination of the experience			
Activity 5.4 Seminars and local events to disseminate and share information		40,000	40,000
Activity 5.5 Participation at external events on project-related topics		85,000	85,000
Activity 5.6 Systematize and validate the experience	60,000	15,000	75,000
Activity 5.7 Closing conference		100,000	100,000

ITEM	MIF	LOCAL CONTRIBUTION	TOTAL
PROJECT ADMINISTRATION AND COORDINATION	105,000	1,317,600	1,422,600
Project coordinator	105,000	255,000	360,000
Fares and per diems for oversight trips by coordinator and administrator		40,000	40,000
Local coordinators		260,000	260,000
Fares and per diems for oversight trips by local coordinators		20,000	20,000
Administrator in charge of financial and administrative management		177,600	177,600
Support national coordination by the AVINA team		40,000	40,000
Support interagency coordination by the AVINA team		50,000	50,000
Fundación AVINA team (communications and travel expenses)		30,000	30,000
Local administrative and financial assistants		120,000	120,000
PEU office overhead (rent, water, power, communications, supplies, information technology, etc.)		72,000	72,000
PEU office equipment		3,000	3,000
Overhead for the five local offices - LEA (rent, water, power, communications, supplies, information services, miscellaneous)		240,000	240,000
Equipment for the five LEA local offices		10,000	10,000
EVALUATIONS	50,000		50,000
AUDITS	40,000	20,000	60,000
CONTINGENCIES	133,500	36,400	169,900
IMPACT EVALUATION ACCOUNT	12,500		12,500
TOTAL	2,500,000	5,400,000	7,900,000