

**PROGRAM OF SUPPORT FOR SOCIAL REFORMS FOR  
CHILD AND ADOLESCENT DEVELOPMENT IN THE STATE OF CEARÁ**

(BR-0177)

**EXECUTIVE SUMMARY**

**BORROWER:** State of Ceará

**GUARANTOR:** Federative Republic of Brazil

**EXECUTING AGENCY:** Department of Labor and Social Assistance [Secretaria de Trabalho e Ação Social] (SAS), by way of a program management unit (PMU)

**AMOUNT AND SOURCE:** IDB: US\$42 million (OC)  
Local counterpart funding: US\$28 million  
Total: US\$70 million

**FINANCIAL TERMS AND CONDITIONS:** Amortization period: 25 years  
Grace period: 5.5 years  
Disbursement period: 5 years  
Commitment period: 4 years  
Interest rate: variable  
Inspection and supervision: 1%  
Credit fee: 0.75%

**OBJECTIVES:** The program's objective is to help children and adolescents from infancy to age 17 to grow and develop as members of a family, school and community.

**DESCRIPTION:** To accomplish the proposed objective, the program plans investments in primary health, reproductive health, basic education, early childhood development and social assistance, and consists of two subprograms:

a. **Municipal Participatory Plans (MPPs) Subprogram** (US\$60.2 million). The MPPs, driven by municipal demands, are based on community requests for services they require to assist the physical, intellectual, social and emotional development of children and adolescents at risk both personally and socially. From a diagnostic study of the local situation, an MPP is prepared, grounded in an intersectoral strategy which prioritizes the interventions. The MPPs are the result of a participatory planning process with the communities and are based on a "menu" of social services, with the aim of delivering social services to the target population more efficiently. The plans are coordinated locally

and carried out with community organizations, nongovernmental organizations and service providers.

In each participating municipality, the program will finance interventions from the following menu of options: early childhood development; preventive health care; effective schooling; academic support services; recreation and culture; violence prevention, protection and rehabilitation; and community strengthening. Each option includes preventive measures intended to enhance the development of children under the age of six; promote reproductive health care activities; help school-age children remain in and succeed in school, and strengthen families and community organizations so that the investments are sustainable. Several other activities, which address the problems of the state's larger municipalities, will improve the lives of children who work and live on the streets by getting them back into the family, community and school and training them for the job market. New options that prove to have a cost-efficient impact on problems and pilot projects tested during the program can be added to the menu, thus enabling the program to innovate as it unfolds, to adapt to the particular needs and experiences of the various municipalities.

This subprogram will finance around 24 MPPs in some 20 communities, including the city of Fortaleza for which three neighborhood-level plans are being prepared. As part of the MPPs, the program will finance the construction and rehabilitation of basic infrastructure needed to provide services, materials, equipment, food, salaries for incremental personnel (for contract personnel, with the loan proceeds; for public employees, with local counterpart funding), basic and in-service training, preinvestment costs, and technical assistance. As an MPP is being carried out, the municipality will gradually absorb each component's operating and maintenance costs, and by the third year of the MPP's execution, the municipality will be covering 100% of these costs.

- b. **Institution-strengthening Subprogram** (US\$5 million). This subprogram will improve the public sector's capacity to design, support and

supervise decentralized, cross-sectoral interventions planned with civil society to further the development of at-risk children and adolescents. This will be achieved through training; preparation and dissemination of special studies; strengthening and expansion of an information, planning, monitoring and evaluation system at the state and municipal levels; educational campaigns, and strengthening of SAS.

**ENVIRONMENTAL  
CLASSIFICATION:**

The Environment Committee, at its meeting of August 15, 1995, classified this as a Category II operation. It was forwarded to the PIC on December 11, 1995.

**BENEFITS:**

The program will improve the living conditions of at-risk children and adolescents; make social spending more efficient and equitable; and strengthen state and municipal government. Important benefits have already accrued from the program preparation process: (i) multisectoral – vertical and horizontal – efforts among state, municipal and civil society institutions have been furthered, thereby creating synergy among social programs; (ii) a method has been improved for assisting those involved at the municipal and community levels with preparation of a participatory plan; (iii) nine municipal diagnostic studies have been prepared and have underscored the importance of supplementing available data with local information, and local socioeconomic data surveys and intramunicipal targeting have gotten under way; (iv) a set of technical designs and standard costs has been developed for the state's social projects that can be replicated elsewhere in the country or the region; and (v) an economic perspective has been introduced into the state's social programs to keep costs low and make social spending sustainable and efficient.

**RISKS:**

Summarized below are some of the risks that effective decentralization and community participation might involve and the measures taken to minimize those risks:

- a. **Municipal governments' limited capacity to carry out projects.** The potential problem of municipal governments' lack of implementing capacity will be minimized by the simple design of the menu components and by a system of community involvement in the planning and operation of the components. The technical assistance and close monitoring that the PMU will provide and the

training for personnel and community leaders will also minimize this risk (paragraphs 2.20 to 2.26).

- b. **The municipal governments' present financial situation** could compromise the sustainability of program activities. Clauses have been introduced into the contracts between the state and the municipalities which require those municipalities which are running a deficit to cut down expenses and reorganize spending. These municipalities will have ample time to put their budgets in order since they will be assuming their new obligations gradually (paragraphs 3.9 and 3.14).
- c. **The traditional welfare-oriented approach at the municipal level and the conduct of local political leaders** who dispense political favors to keep their political base intact could compromise the participatory nature of the operation and its efficiency. To reduce this risk, community involvement in the program begins right from the start of the planning activities, which include the ex ante determination of the implementation arrangements to be adopted for each of the MPP components. Emphasis is given to joint operation schemes, and includes a detailed implementation timetable and procedures for selection of personnel and procurement of goods and services (paragraphs 3.12 and 3.16). The program also includes institutionalized mechanisms for posting and accessing information in the public domain (paragraphs 2.27 and 2.32).
- d. **Interagency coordination and coordination with municipalities.** An Executive Committee composed of the Secretaries of the participating sectors has been created to minimize the risks related to coordination. The PMU, for its part, will have staff from all state institutions involved in the program (paragraph 3.2). In addition to serving as a liaison with their own organizations, these people will be instrumental in ensuring the coordination needed among those institutions. Moreover, the Information, Planning, Monitoring and Evaluation System (SIPMA) and the PMU's structure will make it easier to monitor and control activities, thereby reducing the risk involved when a large number of projects are implemented simultaneously (paragraphs 2.29 and 3.2).

Active Bank participation is proposed during the program to monitor for the above-mentioned risks and to promptly make any changes that are needed (paragraphs 3.26 to 3.28).

**EXCEPTIONS TO  
BANK POLICY:**

- a. **Contracting of services:** Given the volume of consulting services required and the decentralized program-execution system, it is recommended that advance Bank clearance for selection and hiring of consultants be required only when an individual consultant contract is for more than US\$50,000 and a consulting firm contract is for more than US\$100,000. In both cases, the terms of reference must have been approved in advance by the Bank (paragraph 3.31).
- b. **Guarantee:** The federal government would be the guarantor of the loan, but the guarantee will cover only the repayment of the loan – interest and fees included – but not the local counterpart funding nor any obligation to perform that does not, by law, fall to the federal government (paragraph 3.1).

**SOCIAL  
CLASSIFICATION  
AND POVERTY-  
TARGETING:**

Pursuant to the Eighth Replenishment document (AB-1704, paragraph 2.13), the proposed program can be classified as a social-sector operation, given the nature of the investments proposed in basic education, primary health care and early childhood development, which target the state's low-income population (paragraph 2.5).

Moreover (in keeping with paragraph 2.15 of document AB-1704), the program complies with the characteristics of programs targeted to low-income groups, given the level of poverty in the state of Ceará (paragraph 1.3). Also, the operation has prioritized promotional and technical assistance activities for municipalities with the highest percentages of at-risk children and adolescents (paragraph 3.8); and at the municipal level, investments are being targeted by means of a social map to pinpoint the most vulnerable districts and families in each municipality (paragraph 4.20).

**THE BANK'S  
COUNTRY AND  
SECTOR STRATEGY:**

The Bank's strategy vis-à-vis Brazil focuses on furthering the country's objectives of systematically eliminating the causes of chronic inflation, relieving some of its social consequences, investing in human resources and promoting economic modernization. In the social area, the focus of the Bank's strategy is to improve the quality and expand

the coverage of education, health, urban renewal, water supply and basic sanitation services for the rural and urban poor.

This program's characteristics fit the strategy described above, since it promotes permanent intersectoral coordination in the delivery of basic social services, prioritizes efficiency in municipal operation of activities conceived via a cross-sectoral, decentralized and preventive approach, and promotes the sustainability of the services.

The proposed program could be classified as a "third generation" loan, as defined in document GN-1932-1, "Supporting Reform in the Delivery of Social Services: A Strategy", since: (i) the program identifies and ranks the problems to be solved, setting clear and measurable objectives but leaving the lines of action needed to accomplish those objectives to be decided at the local level with strong community participation (paragraphs 2.1 and 2.6); (ii) performance-based incentives will be offered to reward municipal efficiency in social spending (paragraph 3.18); (iii) the program promotes the involvement of third parties (NGOs, community organizations and private businesses) in the delivery of social services, and has mechanisms for monitoring, quality control and dissemination of results (paragraphs 3.16 and 3.17); and (iv) the services in question will be sustainable after the program has ended (paragraph 4.22).

**SPECIAL  
CONTRACTUAL  
CONDITIONS:**

**Conditions precedent to the first disbursement:**

- a. the program management unit must have been established (paragraph 3.2);
- b. the Operating Regulations must be in effect (paragraph 3.6);
- c. at least two "umbrella agreements" must have been signed with the municipalities in the sample (paragraph 3.14), and
- d. the detailed terms of reference for the SIPMA must have been accepted by the Bank (paragraph 3.24).

**Other contractual clauses:**

**Annual and progress reports:** during the program, the borrower is to submit a report to the Bank each year on the results of the program and on the maintenance status of works and equipment financed (paragraph 3.27). These reports will be the basic reference documents used at the annual meetings held to review the targets accomplished in the previous 12 months and to program the following year's goals (paragraph 3.28).

**Midterm evaluation.** When 30% of the Bank loan proceeds have been disbursed or 50% committed, whichever occurs first, a midterm evaluation will be done to (i) measure whether the program is accomplishing the established objectives and the targets of each MPP approved as of that time (Annexes II-1 and II-2); (ii) evaluate the workings of the SIPMA and the application of the Operating Regulations and other rules and regulations of the program; (iii) analyze the performance of the PMU and the participating institutions; (iv) review the findings of the special studies and outcome of the education campaigns, and (v) evaluate the possibility of preparing a second phase of the program (paragraph 3.29).

**Statistical information:** The borrower will undertake to forward to the Bank, during the three years following the final disbursement, statistical information produced by the SIPMA relating to the impact indicators outlined in Annex II-2 (see paragraph 3.38).

**Audits:** The financial statements of the program, examined by independent external auditors, will be presented annually (paragraph 3.37).

**PROCUREMENT OF  
GOODS AND  
SERVICES:**

The thresholds above which procurement under this project will require international competitive bidding are US\$350,000 for goods and US\$5 million for works (paragraphs 3.30 and 3.31).

## I. FRAME OF REFERENCE

### A. Recent economic developments

- 1.1 The introduction of the *Plano Real* in July 1994 triggered a dramatic drop in inflation, and the growth rate of consumer prices dropped from an average of 2,150% in 1994 to only 84% in 1995. Real GDP increased by 4.2% in 1995, the third consecutive year of positive growth, and the low-income population received a considerable share of the benefits of more stable prices and growth, as shown by the increase in purchases of basic consumer items.
- 1.2 One of the most encouraging changes has been the outstanding economic performance of the state of Ceará in the country's northeast, whose real GDP grew by 32% between 1987 and 1994, as compared to the 9.7% increase for the country as a whole. This largely reflects the change in political leadership during that period. Key factors were the sizable adjustment in state finances and the public sector's improved efficiency, thanks to which current savings increased appreciably, making possible a number of priority investments in infrastructure and social sectors. The synergy that this process has brought about is transforming the state, evidenced by the well-qualified personnel now joining public service and the innovative programs being introduced to improve the coverage and quality of social services. The renewed confidence in government and a new cooperative relationship between the public sector and business have created a healthy climate for economic investment, as shown by the increasing investments in tourism and construction, including a number with foreign capital.

### B. Social situation in the state of Ceará

#### 1. Poverty and social indicators

- 1.3 Despite these accomplishments and economic growth, Ceará is still one of the poorest states in Brazil. Most of its social indicators are well below the national average (see Table I-1). <sup>1/</sup> Its poverty is a reflection of structural problems, such as seriously limited natural resources, particularly evident in the lack of arable land and a severe scarcity of water, and the failure in the past to make investments in human resources a priority.

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<sup>1/</sup> The data in Table I-1 are the most recent regional estimates on poverty in Brazil. The poverty line is based on the cost of the basic basket of foodstuffs that meets caloric requirements, and takes into account cost-of-living differences within the country. The line, at September 1990 prices, varies from US\$16 per capita per month in rural areas to US\$37.5 per month for metropolitan areas in Brazil's southeast.



- 1.4 More than one third of Ceará's 6.9 million people live in extreme poverty; the fraction is even higher and the poverty even more severe in rural areas. However, with so many migrating from the country-

side, the largest numbers of the poor live in urban areas, particularly in metropolitan Fortaleza, which is home to almost one-third the state's population. The migratory flow needs to be stemmed and the rural poor who still find it necessary to migrate to urban centers need to be better prepared. Investment in human capital in rural areas and small urban communities in the interior and in income-generating projects 2/ thus yields high social returns.

Table I - 1  
Population living in extreme poverty (%)

Area	Brazil	Northeast	Ceará
Total	17.4	32.4	37.7
Urban		24.8	
- Metropolitan	12.6		25.3
- Others	13.1		35.1
Rural	32.6	43.7	51.3

World Bank, Brazil Poverty Assessment, 1995.

- 1.5 The historically low level of social investments has resulted in a high rate of illiteracy among those 15 and over: 27% in urban areas and 56% in rural areas. If men only are considered, the figures are still higher. The economically active population represents only 43% of the total population, and over 50% of the employed are engaged in the informal sector. Most of the employed earn the equivalent of two minimum wages or less. This, combined with the lopsided land tenure structure, made for a Gini coefficient of 0.65. The distribution of income by gender is even more uneven: whereas one third of men earn less than one minimum wage, fully half of all working women fall into that income bracket. The disadvantageous position of women on the job market is all the more disturbing since women are the heads of 21% of urban households and 11% of rural households.

## 2. Situation of children, adolescents and their families

- 1.6 Four million people in Ceará, 58% of its population, are under the age of 15 and most are from very poor families. In most municipalities, over 60% of the 0-6 age group are indigent, as compared to 31% for the country overall. 3/ The dependency ratio of the 0-14 age group vis-à-vis the working-age population is 70%, compared to the national average of 57%, which makes it all the more difficult for the state of Ceará to break the cycle of poverty and

2/ Louis Emmerij et al., A Case Study of Fortaleza: Pilot Mission on Socio-Economic Reform. First draft, page 6.

3/ SEPLAN/IPLANCE. Poorest municipalities in the state of Ceará. Fortaleza, 1996.

explains why such high priority has been assigned to investments in the development of these adolescents, to achieve greater social equality and keep the state's economic development going.

- 1.7 The state has made progress in the health sector, particularly in preventive health services, and has reduced infant mortality from 74 per 1,000 live births in 1988 to 57 per 1,000 in 1994. However, the great disparities among municipalities persist, as the rate varies from 127 per 1,000 down to 8 per 1,000; infant mortality in Fortaleza is 33 per 1,000. <sup>4/</sup> Although an increasing number survive infancy, one third of all children under the age of three suffer from malnutrition caused by low birth weight, improper nursing practices and poor or nonexistent basic sanitation. Activities focusing on early childhood development have increased in recent years, although among poor families only 7% of children in the 0-6 age group receive services. Malnutrition and the lack of early stimulation slow children's physical, cognitive and social development in very significant ways and will eventually be detrimental to their performance in school.
- 1.8 By age 10, only 25% of Ceará children have completed four years of basic education, as compared to the national average of 59%. As for adolescents between the ages of 11 and 17, some 18% in urban areas and 32% in rural areas are illiterate. The vast majority of the children who attend school are older than grade level; this is one of the main reasons why 24% of all children between the ages of 6 and 17 are not in school. The situation is even worse in rural areas; only 3% of adolescents who complete the basic cycle are rural dwellers. The inefficiency of the school system is one of the underlying causes of the problem of child labor and street children. These children's and adolescents' development and their productivity and future income level are thereby jeopardized.
- 1.9 Because of the vicious circle created by generations of undereducated children, child labor and poverty, three quarters of the state's economically-active adult population began working between 10 and 17 years of age; one sixth of the work force is still in the 10-17 age group.
- 1.10 Being poor, undernourished and frequently out of school, children and adolescents can, from an early age, become involved in violence, drugs, robbery and prostitution on the streets of Fortaleza and the urban centers in the state's interior. In 1993, a survey in Fortaleza found 6,146 children and teenagers had some experience with life on the streets. Of these, 5,962 were children who spent the better part of their day "on the street" but lived with their families. The other 184 were classed as "street children" because they had neither family nor shelter. Most were

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<sup>4/</sup> Source: Maternal and Child Health Survey - Ceará State Department of Health. PAHO - Basic Indicators 1995.

boys (84%) and were between the ages of 10 and 14 (70%), although the number of girls was on the rise. One third of these children use drugs, engage in prostitution and theft and/or are members of gangs, which jeopardizes their future and is very costly to society. This survey also found that most of these adolescents were originally from the interior of the state, which is another illustration of how the situation in the capital is shaped by the poverty and precarious social conditions in the interior. 5/

- 1.11 Although the violence committed against children on city streets receives more attention, the violence actually begins at home and is one reason why children end up on the streets. This survey of children of/on the streets found that 67% had been abused at home and 40% had been the victims of street violence. Domestic violence is one more element in the hazardous living conditions of adolescents in Ceará.
- 1.12 The state's very young profile is an enormous challenge but also an opportunity for sustainable and equitable development. But today's inequality and poverty can only be reversed with investments and innovations that cultivate children's and adolescents' abilities and take a preventive approach to their development, thereby averting the perils that malnutrition, violence and dropping out of school can mean for children and youth and the serious social problems created when children end up on the street. For this reason, investments in developing human and social capital are key elements and priorities in Ceará's sustainable development plan.

C. Social strategy of the state of Ceará

- 1.13 With its 1995-1998 Sustainable Development Plan, the state government has demonstrated its commitment to channel public and private resources more effectively into investments in human capital, particularly children and adolescents; to strengthen municipal government, particularly in the social area, and to build on the state's successful initiatives. The plan was the result of broad-based participation and is premised on principles of: (i) environmental, social, political and economic sustainability; (ii) a long-range view; (iii) participation and coordination; (iv) decentralization; (v) good quality public services; (vi) integration to draw maximum benefit from activities, and (vii) regionalization to narrow geographic disparities. 6/

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5/ Department of Labor and Welfare/SINE. Survey of street children: "cenário de ambigüidades" [A picture of contradictions]. Fortaleza, 1993.

6/ Government of the State of Ceará. Sustainable development plan, 1995-1998.

## 1. Public spending

- 1.14 Although in recent years Ceará has expanded the coverage of social programs and made spending better and more efficient, it still needs to increase its investments in the social sector. In 1990, the state's outlays for health and education equaled 3.8% of GDP, compared to Brazil's national average of 7.2% and an average of 6.9% for Latin America as a whole. <sup>7/</sup> The state's economic growth was paralleled by higher spending on health and education, which is up in absolute terms and, at 3.9%, was a slightly higher percentage of GDP in 1995. The priority that the state attaches to improving its human and social capital is evident from the fact that 41% of the external financing it receives goes toward public investments in social areas. <sup>8/</sup>

## 2. Decentralization in the social sectors

- 1.15 Whereas in 1980 10.6% of social public spending was administered at the municipal level, that figure had increased to 16.6% by 1992. In fact, health, education and social assistance services are being 'municipalized', although more so in some places than others, and strengthening is needed. The analysis of municipal social spending in the program's indicative sample points up the need to increase per capita spending and make it more efficient (see Table IV-2). An evaluation of municipal management capacity found deficient planning and management systems, still-minimal community participation, little activity in the economic area, poor performance by town councils, problems with the quality of technical personnel and a very weak financial position.
- 1.16 However, there are examples of efficient and effective government in Ceará with social indicators above the state average, as in the cases of Iguatú, Brejo Santo, Jucás, and Acaraú. The analysis of management in these municipalities and other studies done by the state found that the following factors contributed to their success: participatory planning; coordination of action among the sectors involved; solid technical staff; the local government's efficiency and transparency, including information and discussion on the budget; and decentralization and administrative continuity.

## 3. Successful experiences in the social area

- 1.17 In the social area, Ceará has had success with programs that support municipal and community participation, which can be built

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<sup>7/</sup> André Cezar Medici, The dynamics of Brazil's social spending in the three branches of government: an analysis of the period 1980 to 1992 [*A Dinâmica do Gasto Social no Brasil nas Três Esferas de Governo: Uma Análise do período 1980-1992*], June 1994; and 1996 IPLANCE and IPES data.

<sup>8/</sup> IPLANCE - Ceará, and IPES 1996.

upon through new investments targeted at the development of at-risk, disadvantaged children and adolescents, and can be improved by heeding lessons learned in their execution. Singled out in 1993 as an "example to the world", the state received UNICEF's Maurice Paté World Prize for the success that its community health workers' program had achieved in reducing infant mortality. Evaluations of the program found that its success was largely attributable to the following: a strategy of cautious decentralization that produced a thoughtful selection of health workers in the communities themselves (something extremely important to the community); they are not hired from the civil service and are directly answerable to their own communities, which promotes their personal growth, enhances their leadership within the community, and makes for joint worker-family efforts, which have served as an incentive and a means of overseeing agents' performance; an efficient division of labor with the health care system, and dissemination of the program's results, which not only heightened public awareness but also served as an incentive to the health workers and the municipal governments. Those same studies found ways to augment the investments' impact: better training and supervision of agents; better coordination with other social programs, and institutional strengthening of the state and municipal institutions in charge of oversight.

- 1.18 Ceará has also been saluted for its state-wide program of ABC [*Aprender, Brincar e Crescer*] community centers, which offer educational, recreational and cultural services and technical training to children and adolescents from ages 7 to 17. Started in 1990, the program now reaches 19,000 such young people in 19 ABC centers in poor neighborhoods of Fortaleza and cities in the state's interior. Another innovative experiment is the network of early childhood development centers, or community daycares. Introduced in 1987 with state and municipal support and run jointly with the community, there are now some 466 daycare centers in 148 municipalities, caring for 41,475 children ages six and under. Evaluations of these two programs have underscored how important community involvement in organizing and operating the services is to achieving the anticipated impact and keeping the services running. They have also found that the impact of these services could be heightened through better training and supervision of teachers; more family involvement and counseling, and better liaison with related health and education services.
- 1.19 The state also has several sectoral initiatives that complement the operation proposed here to improve education and health for children and adolescents. The goal of the ten-year "Education For All, 1993-2003" plan is to increase coverage and improve the quality of basic education, raise the caliber of and respect for professionals within the education system and democratize the system. Decentralization and community participation are key strategies in making this proposal viable. In the health area,

with support from PAHO, a preventive oral health program is being introduced for poor children and adolescents in 60 municipalities.

D. Lessons learned from the experience of the Bank and other financing institutions

- 1.20 The Bank has several technical cooperation operations in progress to assist children living in difficult circumstances in seven cities in Brazil, including Fortaleza (1993 and 1994), and in Central America (1992), Peru (1993), Argentina (1995) and Bolivia (1996). The Bank's evaluation of these programs, a World Bank analysis of initiatives in the region for at-risk children, and the UNICEF-Fortaleza strategy all agree on the following: (i) prioritizing preventive activities, as they are proven to be more cost-effective than welfare-type approaches; these involve investments in the development of human and social capital to attack the problems at their root and not just their consequences; (ii) developing a strategy and system of comprehensive interventions, based on a local diagnostic study of the major risks and problems that children and adolescents face; (iii) strengthening ties with the family, community and school and providing training for the job market; (iv) combining or coordinating the activities with sectoral services like education and the local health system; (v) involving civil society organizations in project or program execution, following a strategy worked out with the public sector; (vi) strengthening the managerial and technical capability of executing agencies in government and civil society; and (vii) introducing an information system that can be used to evaluate impact and enable service providers to share their experiences.
- 1.21 In recent decades, the World Bank has supported rural development, health and education programs in northeast Brazil. The most recent generation of such operations consists of a program to combat rural poverty (1995), for US\$117 million; the second Northeast health project (1990), for US\$19 million; and the second basic education program for the Northeast (1993), for US\$97 million. The activities of these programs complement the proposed program. A review of the World Bank's experience in these sectors in Ceará teaches the following lessons: (i) the importance of continuous evaluation to adjust ongoing projects as required; (ii) the strategic role of pilot activities in generating sectoral initiatives; (iii) the importance of coordination mechanisms and of decentralized implementation; (iv) the importance of community participation in decision-making and in the administrative and financial mechanisms so that those involved acquire a sense of ownership; and (v) a simple program design, with verifiable targets and a practical system for monitoring and evaluation.
- 1.22 Consistent with the approach taken in the state's sustainable development plan, the proposed program will complement other Bank-financed operations in progress in Ceará, such as the basic

infrastructure program (892/SF and 695/OC) for US\$266 million, for investments in urban sanitation and drainage; and the program of action for tourism development in the Northeast (841/OC), for US\$127 million. <sup>9/</sup> Other than the previously mentioned technical cooperation project, the Bank has no operations in progress in the state in the social area. However, the state's many experiences with multilaterally funded social projects and the technical support that UNICEF has given the state with many innovative initiatives in the areas of early childhood health and development, create a foundation for the Bank's activity in this social area in the state. The various lessons learned from those programs have been very helpful in designing this project, with its emphasis on prevention, participation, an intersectoral approach, good coordination, and decentralization.

E. The strategy of the Bank and the proposed program

- 1.23 The Bank's strategy for its work with Brazil is to support the country's goals of systematically eliminating the causes of chronic inflation, relieving some of its social consequences, investing in human resources and promoting economic modernization. To achieve these objectives, the Bank is supporting state modernization projects that (i) strengthen tax administration at the state level (complementing an innovative federal program introduced in mid-1995); (ii) modernize information systems, and (iii) introduce administrative reforms in the federal ministries and planning agencies. In the social area, the Bank's strategy focuses on improving the quality and the coverage of education, health, urban renewal, water supply and basic sanitation services so that they reach the urban and rural poor. In the production infrastructure area, the support provided to continue opening the economy, further regional integration, and carry through the cost reduction program [*"Redução do Custo Brasil"*] prioritizes the transportation and energy sectors. The projects planned in these two areas emphasize decentralization coupled with institutional and administrative reform, and greater participation on the part of the private sector and civil society.
- 1.24 The features of the proposed program fit the strategy described above, since it will help consolidate the state's decentralization process; promote intersectoral coordination in the delivery of basic social services; prioritize efficient municipal government through cross-sectoral activities that take a preventive approach, and ensure that the services will be sustainable. The

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<sup>9/</sup> In addition to the other Bank operations in the state that complement the proposed program, the health sector reinforcement and strengthening program, BR-0199 (approval anticipated during August 1996), will, *inter alia*, funnel resources into the municipalities to compound the effect of the community health workers program.

additionality that the Bank's participation offers in this program is the promotion of fiscal effort and efficient public spending targeted at sustainable activities, which in the medium term should generate experiences that can be replicated in other Brazilian states.



## II. THE PROGRAM

### A. Objective

- 2.1 The program's objective is to improve the circumstances of children and adolescents from infancy to age 17 whose situation is one of high personal and social risk, with the idea of strengthening their ties to family, school and community. It will support activities that emphasize and strengthen the intersectoral approach to social policy, community participation, government decentralization, and efficient use of public resources. The program fits into the social development strategy of the state of Ceará, furthering as it does the process of social reform.

- 2.2 A number of indicators have been identified to monitor and measure the program's impact (see summary in Table II-1). The performance indicators presented in Annex II-2 will be the criteria used for the annual reports, for the reports monitoring the operation, for measurement of impact and for the ex post evaluation.

*Table II-1 Success indicators of the program*

	<i>Indicator</i>	<i>Ceará present situation</i>
<i>Number of children on/of the street</i>	4,000	6,100 a/
<i>Malnutrition rate (%)</i>	-7 points	32% b/
<i>Children and adolescents not in school (%)</i>	-6 points	24% b/

*a/ Measured at the state capital level.*

*b/ Applied and monitored in each municipality covered under the program. The baseline will be reviewed at the program start-up meeting.*

### B. Description

- 2.3 The program's distinctiveness has more to do with the procedure to be followed to accomplish the objectives described above than with the specific expenditures to be made, which target early childhood development, primary health care, reproductive health, basic education and social assistance. Annex II-1 contains the program's logical framework.
- 2.4 The program will have two subprograms: (i) municipal participatory plans (MPPs), and (ii) institutional strengthening.

#### 1. Municipal Participatory Plans Subprogram (US\$60.2 million)

- 2.5 MPPs are drawn up in response to community requests for services they need to assist the physical, cognitive, social and emotional development of children and adolescents at risk both personally and socially. An MPP is prepared from a diagnostic study of local problems and is built around a cross-sectoral strategy that ranks the projects in order of priority. The interested communities

participate in planning the MPPs, using a menu of social services as a guideline (see Table II-2). The plans strive for efficient delivery of social services to the target population, are coordinated locally, and are carried out jointly with community organizations, NGOs and service providers.

- 2.6 The number of direct beneficiaries of the subprogram was estimated in terms of the annual future capacity to supply services to children and adolescents and the number of people who will be trained during the subprogram, based on: the demand represented by the MPPs in the indicative sample; the assumption that the demands of the other municipalities will be similar to the demands of those in the sample, since their social indicators are similar; and municipal financial criteria. If the proposed method and process become established practice in the state, the number of beneficiaries will be much higher than the figures shown in Table II-2, which is a breakdown of direct beneficiaries for each MPP project.

**Table II-2**  
**Menu of options and estimated beneficiaries**

Menu of options	Unit	Beneficiaries
a. <u>Early childhood development</u>		
• Early childhood education center (ECEC)	Children to age 6*	11,000
• Teacher training	Teacher	4,700
• Basic-cycle completion, ECEC teachers	Teacher	1,900
• Teachers resource center	Teacher*	640
b. <u>Preventive health</u>		
• Family health	Individuals*	630,000
c. <u>Effective schooling</u>		
• "Living school"	Children 7 to 14*	36,000
• Basic education cycle	Children 11 to 17*	10,500
d. <u>Academic support, recreation and culture services</u>		
• Child and adolescent services center	Children 7 to 17*	40,000
• Art, education and culture center	Children 7 to 17*	7,500
e. <u>Violence prevention, protection and rehabilitation</u>		
• SOS Criança	Children to age 17*	2,400
• Home shelters	Children to age 17*	720
• Halfway houses	Adolescents*	100
f. <u>Community strengthening</u>		
• Training for members of municipal councils	Council members	1,000
• Strengthening of community organizations	Organizations	1,000
• Family strengthening	Indigent families	15,000
• Civic center	Individuals*	39,000

\* Number of persons served per year at full capacity.

- 2.7 The design of the components on the menu is based on pilot projects in the state of Ceará, other states in the country and other

countries. Most services offered on the menu in the areas of primary health care, reproductive health, basic education, early childhood development, culture, recreation, violence prevention and community strengthening are preventive activities that complement the basic sectoral services offered by the state, which aim to improve the development of children ages six and under, help school-age children remain in school and succeed there, and strengthen families and community organizations so that investments made are sustainable. Other activities that target problems in the state's larger cities help children and adolescents who live and work on the street by reintegrating them into their families, communities and schools and preparing them for the job market. New components whose per capita cost is equal to or less than that of the other items on the menu and have similar objectives and scope, and pilot projects that will be tested during the program, can eventually be added to the menu. In this way, the program can be adapted to the particular needs and experiences of the differing municipalities and innovate while it is in progress.

- 2.8 This subprogram will finance around 24 MPPs in approximately 20 municipalities, including the city of Fortaleza for which three district-specific plans are being prepared. As part of the MPPs, the program will finance construction and rehabilitation of basic infrastructure for delivery of services, materials, equipment, food, the salaries of additional personnel (for contract personnel, using proceeds of the financing; for public employees, using the local counterpart funding), basic and in-service training, preinvestment costs to prepare MPPs (including costs incurred to prepare the institutional and financial streamlining program for municipalities), and technical assistance. Annex IV-1 breaks down the four municipalities in the sample by spending level. What follows is a summary of the menu's various components, grouped by area of specialization.

a. Early childhood development

- 2.9 One model that will be financed will be that of early childhood education centers (ECECs) to upgrade the quality of child development and daycare services for children six and under and expand them. Their purpose is to improve the child's diet, prepare him/her for school, and help working mothers. The ECECs address children's needs in cognitive, psychomotor, affective and physical development by means of education, nutrition, family support, protection and health services. The ECECs' work is coordinated with other services such as community health workers and special infant nutrition programs. As a rule, in a year an ECEC will work with 120 children, 20 of whom will be under age two. Children attend the ECEC on a full- or part-time basis, depending on demand at the local level. Parent-teacher meetings are a feature of ECEC operations.

- 2.10 As part of the MPP, a municipality may propose: establishment of new ECECs; strengthening of existing ECECs by supplying materials and equipment and/or expanding facilities in order to care for children under two; basic and continuous in-service training for teachers at the ECECs and municipal preschools in how to run the centers and in practical activities that will further the children's development; arrangements to help such teachers complete the basic cycle of the formal education system, specializing in early childhood education; and/or creation of a resource and specialized information center for continuing teacher training. The exact combination of investments and services to be requested will depend upon coverage and quality in the municipality at the time.

b. Preventive health services

- 2.11 To reduce malnutrition and infant mortality, improve the health of adolescents and reduce the number of teen pregnancies, systematic preventive health measures are essential for children and adolescents. These measures are a top priority in the state's family health program, which runs permanent activities for health promotion, reproductive health and prevention of disease. The concept of health used for family care is broad and holistic and takes into account biological, environmental and socioeconomic factors. The basis of the family health program is reorganization of local health systems by creating teams consisting of 20 community health workers, two nurses and one physician for an average of 1,500 families, within an area determined on the basis of a diagnostic analysis. <sup>10/</sup> This diagnostic study focuses on the delivery of services within the municipality's highest-risk areas, as determined by the poverty rate, the infant-mortality rate and housing conditions. Within their respective jurisdictions, the teams identify the individuals and groups most in need of care, and then develop a system to monitor them. They also promote intersectoral activities coordinated with other government services, NGOs, private service providers and community organizations.

c. Effective schooling

- 2.12 The basic-education projects that the program can finance are those designed to motivate students to remain in school, to get young people to resume their educations when necessary, and to reduce the repeater rate. The "living school" program is set up in elementary schools in the state and municipal public education systems and benefits 500 students per school. The idea is to energize the education process by converting the school into a community cultural focus; revamping the curriculum to make it more student-

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<sup>10/</sup> The additional civil servants (doctors and nurses) will be covered by the local counterpart funding.

centered and more responsive to the student's environment; adding activities in art, sports and health; introducing active and creative teaching methods; holding workshops for teachers, administrators and community education workers and providing in-service training; and supplying the school with materials and equipment. The "living school" encourages parents and community organizations to get involved in the educational process by strengthening school boards and giving them a say in devising the plan and involving them in the running of extracurricular activities and in the ongoing evaluation process.

- 2.13 Another project might be the basic education cycle, targeted at adolescents between the ages of 11 and 17 who are at risk of dropping out of school because of a serious lag between their age and grade level, and at those who dropped out without learning to read and write. In groups of 30 students, the teaching method and curriculum make it possible to accelerate the learning process so that students learn to read and write and can be streamed back into the regular education system.

d. Academic support, recreation and culture services

- 2.14 One reason why students are on the streets and not in school is the short school day. Therefore, the menu includes activities that complement what the school does in the areas of socialization, education, culture and recreation, to keep young people in their home communities and in school, and/or help them reestablish their ties to their families and school. These activities are conducted near the schools and ECECs, and aim to build upon the existing social infrastructure and tie in with other government and NGO programs.
- 2.15 One such program is the child and adolescent services centers, modeled on the existing ABC community centers (paragraph 1.18). The child and adolescent services centers work with 1,000 children and adolescents between ages 7 and 17 in poor neighborhoods, operating during the three shifts of the school day. The centers offer sporting and cultural activities, help with schoolwork and give technical training. The short technical training courses are conducted in cooperation with specialized institutions so that they are responsive to local job market demand. Working with local health units, preventive health is promoted through educational activities in such areas as sex education and AIDS, prevention of violence and drug use. Most monitors are high school students; the experience contributes to their own development. The child and adolescent services center model is flexible in terms of the specific supply of services and the methods used, and can be adapted to needs in various areas. For example, in areas where there are street children, the center can begin working on the street, through street teachers.

- 2.16 Another type of service is the art, education and culture center that offers poor youth between the ages of 7 and 17 artistic and cultural activities like dance, the plastic arts, drama, music, the visual arts, and a community library. The art, education and culture centers, which offer ongoing activities and short courses, also disseminate and encourage the practice of the local culture. They serve an average of 2,500 youth through their courses; their library and visual arts services reach an even larger audience.

e. Violence prevention, protection and rehabilitation

- 2.17 Violence against children and adolescents, particularly in the home, is one of the main reasons why children end up on the street. To prevent this from happening, the program can finance "SOS Criança" referral centers, 11/ which receive and investigate reports of any danger or threat to children and adolescents, then monitor the child and the family to ensure that they receive the services needed so that the child can remain within the family and home community. When an abused or abandoned youth has no other safe place to live, he or she is provisionally placed in a shelter.
- 2.18 Another program-eligible project will be home shelters, another means to assist abused or abandoned children and adolescents and make certain they do not end up on the street. These shelters can also be one step in the process of reintegrating street children into their communities and eventually getting them back to their own families or surrogate families. A shelter is a small residential unit housing a maximum of 10 children, which attempts to preserve family ties and keep the children involved in activities within the community, such as school and other recreational and health services.
- 2.19 Facilities that care for young offenders, which exist only in Fortaleza, do not discriminate according to the severity of the offense. Youths are removed from their home towns and taken to the state capital, thus severing their family and community ties, making rehabilitation more difficult and increasing the likelihood that they will ultimately remain in the capital, living on the street. The creation of halfway houses in some of the larger municipalities in the state's interior is a move to decentralize the care of first-time juvenile offenders; young offenders who have been in detention facilities in Fortaleza are thus able to reestablish themselves in their home communities. The halfway houses are home to an average of 20 young people of both sexes; during the day, they are able to take part in activities in their community.

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11/ An intersectoral project involving SAS, the courts, and law enforcement agencies, with the support of the municipal child protective services boards.

f. Community strengthening

- 2.20 The preparation of an MPP is a starting point for strengthening the capacity of community organizations and families to support the integral development of children and adolescents. Nevertheless, other services are needed to strengthen the role they play in MPP components.
- 2.21 In Brazil, public participation in developing, monitoring and evaluating social policies at the municipal level is being institutionalized with establishment of municipal boards, on which municipal government and civil society are equally represented. The boards set up in the social area deal with the rights of children and adolescents; child protective services; health; social assistance, and education. Because these boards are weak at the present time, short courses and seminars will be held for their members to teach them the basics of management, budgeting, social legislation, public social policy, preparation of situational diagnostic studies, and development of participatory planning strategies. At the end of the training, a regional seminar will be held where the board members involved will share success stories.
- 2.22 The program proposed herein supports the practice of developing public policy and running social services jointly with the community, organized into neighborhood associations, community councils, youth groups, religious groups, NGOs, and so on. To strengthen these partnerships, groups of leaders from community organizations will be trained in management, administration, social policy, the role of the leader in the community and participatory planning; the sharing of successful community experiences will be encouraged and the creation and establishment of community bulletins will be supported.
- 2.23 The direct services to children and adolescents are coupled with a program for family members to improve child-rearing practices and family relations and to receive referrals to other sources of support. Training is also provided for community workers to in turn train others, and for self-help groups, to keep the service going. The issues to be discussed will be narrowed down to be responsive to local problems and the needs of the families involved, and may include the following, among others: gender relations, reproductive health, adolescent sexuality, domestic violence, drugs and the environment. As part of the evaluation of this activity, a state seminar will be held with representatives of the involved organizations, NGOs and families.
- 2.24 To decentralize family-support services and make public information available, civic centers will be established in existing community facilities. At the centers, a variety of services will be offered, depending on local needs: issuance of identification papers, birth registration and professional licensing documents; legal services; information on the job market and vocational training programs;

guidance on civil rights, and activities to reclaim the neighborhoods' history.

2. Institution-strengthening Subprogram (US\$5 million)

- 2.25 This subprogram will better equip the public sector to design, support and oversee decentralized, cross-sectoral projects that dovetail with civil society initiatives and support the development of at-risk children and adolescents through training; preparation and dissemination of special studies; strengthening and expansion of a state and municipal information, monitoring and evaluation system; educational campaigns, and strengthening of SAS.

a. Training

- 2.26 Municipal and state public servants will need new technical and management skills for the program's innovative and dynamic structure. To ensure the operation's technical sustainability, funding will be made available for employees of the state institutions involved and the middle and upper echelons of the participating municipal governments to take part in courses, seminars, in-service sessions and national and international conferences on topics such as problems of at-risk children and adolescents, how to run participatory projects, and applied social research. Also, trips will be funded to study other national and international programs, to refine the menu of options.

b. Information Center

- 2.27 To support preparation and implementation of policies, programs and studies on the rights and development of children and youth, Fortaleza's Information Center on Child and Adolescent Social Policy will be strengthened. <sup>12/</sup> Through forums, seminars and a bulletin board service, the Center will circulate information and documents on the subject, including academic output, successful experiences, research work and socioeconomic data (information in the public domain); it will set up a child and adolescent situation room in the state, provide technical assistance to the municipalities in how to observe the Statute of the Child and Adolescent and create a council on the rights of children and adolescents and a child protective services board; and it will take charge of coordinating and supervising the program's special studies.
- 2.28 The studies to be financed for a better understanding of the problems of at-risk children, adolescents and their families will

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<sup>12/</sup> The Center was built with a prize that UNICEF awarded to the state in recognition of its success with the community health workers' program. It was opened in 1994 and is currently setting up a library.



be proposed by the participating state institutions and other agencies. The topics, which consultants will be commissioned to examine, may include the development of methods for learning about, adapting and applying prototype social experiments; a socioeconomic profile of a family at risk; domestic violence; in-depth evaluations of new and pilot projects; studies to prepare social policies on children; and the development and testing of tools for measuring early childhood development. The Center will organize a seminar and invite the participating state institutions, the academic community and interested NGOs to discuss proposed studies.

c. Information, Planning, Monitoring and Evaluation System

- 2.29 The Information, Planning, Monitoring and Evaluation System (SIPMA) to be funded under the proposed operation will monitor the program's implementation and the accomplishment of its goals, and measure their impact using the indicators shown in Annex II-2, with data to be broken down by sex. During the program, the SIPMA will generate the data for: (i) the annual monitoring reports that will not only keep the state and the Bank informed but also serve as the basis for making any adjustments needed while the program is under way; (ii) the midterm evaluation; and (iii) the ex post evaluation, which among other things will gauge the social impact of the program overall and on each participating municipality.
- 2.30 The following were taken into account when designing the SIPMA and selecting the indicators: (i) the vertical and horizontal nature of the system, which assigns the municipalities and communities a strategic role in gathering data and feeding it into the system, while at the same time improving the data and making it compatible with the systems in operation in the various sectoral agencies involved in the program; (ii) the goal of strengthening the institutional structure and technical capacity of the existing state planning system and using it to maximum effect; (iii) the need to monitor and evaluate data on implementation and operation costs and on the social impact of the activities, and (iv) the need to combine quantitative indicators with barometers of qualitative impact, such as opinion surveys and studies on community participation.
- 2.31 Launching the SIPMA means: (i) installing a resource room in every participating municipality, which will be the Information Center's counterpart and make it possible to monitor the respective MPP; (ii) setting up the program monitoring room, whose data will come from program records, from the municipalities' resource room, from sectoral administrative records and from the state's socioeconomic database; with this the PMU will be able to monitor the program; and (iii) strengthening the state planning institute (IPLANCE), the agency in charge of the state's socioeconomic database and the program's ex post evaluation, by supplying equipment, updating applications, and so forth.

- 2.32 The resource room in the municipalities is a pivotal element of the SIPMA and was suggested by similar successful experiments in the municipalities of Jucás and Quixadá, where such rooms are in operation. These facilities further the decentralization process and strengthen planning and monitoring capacities at the municipal level. They have three basic and interrelated functions: (i) to centralize equipment used for all the various sectoral activities, such as microcomputers and printers, so that the equipment operates out of a single local government office rather than several, thereby achieving economies of scale; (ii) to house, in one place, the sectors' administrative records (health, education and social assistance) and measurements of the indicators to monitor the activities; and (iii) to serve as a focal point within the municipality for receiving and dispatching information on the program's activities in other municipalities, so that experiences can be shared (information in the public domain).

d. Educational campaigns

- 2.33 Educational campaigns will inform the public about the problems of at-risk children and adolescents and encourage public support for their rights, all through the mass media, brochures, lectures and special events. The campaigns will be requested and coordinated by the participating state institutions in such areas as combatting child prostitution, drug abuse prevention, and prevention of and protection against domestic violence.

e. Strengthening of SAS

- 2.34 Decentralization of social assistance functions means that changes will have to be made in the structure and functions of SAS and associated agencies, the child welfare foundation (FEBEMCE), the social assistance foundation (FAS), and the National Employment System (SINE-CE), which are in charge of most of the interventions proposed on the menu. The program will assist this process by contracting for technical assistance, providing additional equipment and revamping physical facilities.

C. Scale

- 2.35 The scale of the program was determined on the basis of: (i) the operating capacity of the institutional setup arranged for the program's execution; (ii) real demand on the part of the municipalities to implement MPPs, as reflected by the four municipalities whose MPPs have already been prepared and that form the indicative sample, five municipalities for which diagnostic studies have been completed - among them Fortaleza, which is now preparing three district MPPs - and five requests from other municipalities, for a total of 16 MPPs (60% of the 24 MPPs proposed for this program); (iii) the analysis of the indicative sample of four MPPs, used to determine the cost structure, and (iv) the

availability of state counterpart funds to finance the MPPs. <sup>13/</sup> The program provides for funding to meet the demand from approximately 20 municipalities (11%) out of the state's 184 municipalities. Nevertheless, if this experiment succeeds and the model and process for attending to the state's local needs take hold, this program could easily trigger activities in most of the state's municipalities.

D. Cost and financing plan

1. Cost

- 2.36 The program's total cost is US\$70 million. A breakdown by investment category and source of financing appears below.

**Table II-3**  
**Cost table**  
(in millions of U.S. dollars)

COST CATEGORY	LOCAL	IDB/OC	TOTAL	%
1. Administrative costs, PMU	3.1	1.3	4.4	6.3
2. MPPs	24.8	35.4	60.2	86.0
3. Institutional strengthening	0.1	4.9	5.0	7.1
4. Inspection and supervision	-	0.4	0.4	0.6
<b>TOTALS</b>	<b>28.0</b>	<b>42.0</b>	<b>70.0</b>	<b>100.0</b>
<b>Percentage</b>	<b>40%</b>	<b>60%</b>		

2. IDB financing

- 2.37 IDB financing in the amount of US\$42 million would come from the ordinary capital and defray approximately 60% of the program's total cost since, based on the indicative sample, over half the beneficiaries would be from low-income groups. This percentage financing is in keeping with the provisions of paragraph 2.15 of document AB-1704 on the Bank's Eighth Replenishment, because the program is poverty targeted (see paragraph 4.20).

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<sup>13/</sup> The original request from the state was for almost double the amount of the proposed operation (US\$130 million). However, the analyses done during the design phase revealed that so large an operation would, in the near term, make it impossible for the state to incur other priority obligations, which was why the amount involved was reduced to the present figure.

2.38 The terms and conditions of the loan are shown in the following table.

**Table II-4**  
**Loan terms**

Source of funds	Ordinary capital
Amount	US\$42 million
Terms:	
Amortization	25 years
Grace	5.5 years
Commitment	4 years
Disbursement	5 years
Interest rate	Variable
Inspection and supervision	1% of the loan amount
Credit fee	0.75% per annum on undisbursed balances

### 3. Local counterpart funding

2.39 The local counterpart funding would take the form of contributions from the state treasury for the equivalent of US\$9.9 million, and contributions from the municipalities for the equivalent of US\$18.1 million (from federal and state budget transfers and the municipalities, own revenues). It should be noted that the health activities planned under the program would trigger automatic federal transfers to the beneficiary municipalities estimated at US\$12 million over the program's five years. 14/

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14/ There also are plans for the communities to contribute funds, labor and/or contributions in kind for the equivalent of 5% of the subprogram's cost. These resources will not be figured into the operation's financing structure.

### III. PROGRAM EXECUTION

#### A. Guarantor and borrower

- 3.1 The Federative Republic of Brazil would guarantee service of the debt; the borrower would be the State of Ceará.

#### B. Executing agency

- 3.2 The program will be carried out by a project management unit (PMU) attached to the Department of Health and Welfare (SAS) and answerable to an Executive Committee (EC), which will be the highest-ranking body coordinating the program among the sectors involved. The EC will be chaired by the Secretary of SAS and composed of the secretaries of education, health, culture and planning or their alternates. The PMU's staff will be assigned through a selection process from among officers in the participating executing institutions. <sup>15/</sup> The unit will have modern administrative systems and an infrastructure suitable for the program. Establishment of the EC and the PMU, with the agreed-upon functions, will be via gubernatorial decree and will be a condition precedent to the first disbursement from the proposed loan.
- 3.3 The PMU will have a staff of 30 and will (i) ensure efficient management of program resources; (ii) evaluate MPPs (paragraph 3.14) and the component parts for which the participating institutions and municipal governments are requesting financing; (iii) conduct the institutional and financial evaluation of the municipal governments and, where necessary, guide them in preparing budget-streamlining plans; (iv) monitor compliance with program targets and observance of the standards and procedures adopted; (v) assist the participating institutions, municipal governments and communities with preparing and carrying out MPPs, and (vi) promote and disseminate the program's activities.
- 3.4 Under the decentralized system for carrying out the program, the following agencies will participate:
- a. **Participating state institutions (PSIs):** SAS, the Ceará State Planning Department, the Health Department, the Department of Education, the Department of Art and Culture, IPLANCE, FEBEMCE and the FAS. These agencies will monitor activities in the different sectors encompassed in the program and will assist

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<sup>15/</sup> As is the practice in the public service in Brazil, civil servants seconded to the PMU will be paid a salary supplement against the local counterpart funding. These employees will be evaluated annually.

the participating municipalities with technical matters in their respective spheres of competence. They will also carry out those components of the Institution-strengthening Subprogram that pertain to their respective institutions.

- b. **Participating municipal governments** will formulate MPPs, with input from their respective communities, present them to the PMU and carry out, operate and maintain the MPP components directly and/or by contracting out this work.
- c. **Community organizations** (COs) will take active part in preparation of the MPPs and, under co-management agreements concluded with the municipal governments, may be in charge of all or part of the execution, operation and maintenance of MPP components.
- d. **NGOs and service providers** may, at the request of the municipal governments and/or the PMU, provide help with the preparation of MPPs and be hired by municipal governments to carry out or administer a certain component of the MPP, either on their own or jointly with COs.

C. Implementation conditions and regulations

- 3.5 Relations between the PMU and the participating agencies described above will be established by agreement. The PMU will transfer the program's resources to the beneficiary agencies on a nonreimbursable basis. The program will basically be carried out in accordance with the operating, technical and financial requirements, rules and procedures set forth in (i) the clauses of the proposed loan contract and (ii) the program's Operating Regulations.
- 3.6 The Operating Regulations include the program's operating arrangements and the mechanism for allocating resources to municipalities; eligibility criteria for municipalities; criteria for ensuring that MPPs involve community participation; technical, economic, legal, institutional, financial and environmental eligibility criteria for each MPP component; and procedures for selecting the winners of the annual prizes awarded to the municipalities that perform best. The following documents will be an integral part of these regulations: the organization manual; the MPP preparation manual; models for interagency agreements, for agreements with the municipalities and for the respective contracts; and manuals of operating procedures, personnel, and monitoring and program impact evaluation. A condition precedent to the first disbursement is that the Operating Regulations be in force.

D. Implementation and commitment periods

- 3.7 The program will be carried out over a five-year period, with two years for acceptance of MPPs and four years to commit the resources for their various components. Both time periods start as of the effective date of the loan contract. If a municipality fails to undertake an MPP within six months of the MPP approval date, the resources may be deobligated and made available to other municipalities.

E. Execution of the Municipal Participatory Plans Subprogram

1. Dissemination and promotion of the program and identification of projects

- 3.8 The PMU will carry out such activities as: (i) publicity and promotion via mass media to explain the program; (ii) distribution of materials publicizing the programs among communities; (iii) distribution of the MPP preparation manual to interested parties, and (iv) periodic contacts with NGOs and other agents that routinely work with the target groups and have an established track record. The PMU will also carry out specific promotional initiatives, technical assistance, and preinvestment activities for municipalities that are priorities for such support, given their situations of critical risk for children and adolescents and weak organization and management that make it difficult for the municipalities to draw up an MPP request and then absorb program resources (see paragraph 3.11, set-aside for weaker municipalities).

2. Eligibility and participation of municipalities

- 3.9 The municipal governments will submit a letter of inquiry to the PMU in which they express their interest in participating in the program. They will enclose their budget performance statements for the last two fiscal periods. The PMU will then determine whether the municipality is eligible, based on the following criteria:
- a. **Financial:** the municipality must show that the municipal government's current saving in the last two fiscal years averaged at least 10%. When this condition cannot be met, the PMU and the municipal government will, during preparation of the MPP, agree upon a procedure for trimming the latter's budget to reorganize spending, in order to have the funds needed to cover its own contribution and ensure that the activities will continue once the program is over.
  - b. **Institutional:** the municipality must show that a municipal board for the rights of children and adolescents has been

formed and that the corresponding fund has been established, in accordance with Law 8069/90 of July 13, 1990. 16/

- 3.10 If the letter of inquiry is approved, the municipality will prepare its MPP. If it has the capacity, a municipality may draw up its own MPP, or contract it out. Weak municipalities may avail themselves of the PMU's technical assistance, drawing on the PMU team of 12 specialists to assist in preparing plans. This process has worked successfully in nine municipalities; with the help of the PMU specialists, a diagnostic study and four MPPs have been prepared.

### 3. Set-aside for weaker municipalities

- 3.11 Initially, 50% of the resources will be available for any eligible municipality, while the other 50% will be held in reserve for a 12-month period so that 15 municipalities that have been classified as priorities can access the financing. 17/ Once the 12-month period has elapsed, the set-aside will end and the remaining funds will be released for other eligible municipalities. Table III-1 presents the criteria used to prioritize the municipalities that the program will assist and thus maximize its development impact. Appendix 2 of the Operating Regulations contains a list of priority municipalities in the state of Ceará based on these criteria.

### 4. MPP design and preparation

- 3.12 MPP design involves the following steps: (i) preparatory meetings at the district level to discuss the program's objective, elect community representatives and rank the risks that children and adolescents in the district face in order of importance; (ii) a participatory planning workshop with representatives from the communities, municipal government, municipal boards, and other civil society organizations, where the major risks will be examined, the specific local objectives defined and possible projects proposed; (iii) preparation of the plan by a representationally balanced committee elected during the workshop, which plan will include a systematic analysis, preparation of a social map showing areas where the problems and poverty are most acute in order to target the investments within the municipality, and prioritization, description and costing of the activities to be carried out; (iv) approval of the MPP by the municipal assembly, the municipal board for the rights of children and adolescents, and the mayor, and announcement in a local newspaper; (v) the municipal government's presentation of the MPP to the PMU, and (vi) the PMU's analysis and evaluation of the MPP and the EC's approval.

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16/ Of the 184 municipalities, 138 have established such boards. Of these, 95 are in operation and there are 36 regulated funds.

17/ Three MPPs from the indicative sample are among the 15 municipalities that the matrix has tagged as priorities.



**Table III-1**  
**Criteria for ranking municipalities**

<b>Indicators</b>	<b>Greatest priority to:</b>
Demographic	Population size Population growth rate 1980/1991 Urban growth rate 1980/1991 Municipality not in the Fortaleza metropolitan region Municipality of origin of Fortaleza street children Size of the population in the 0-14 age bracket
Socioeconomic	Head of household earning one minimum wage or less Children 0 to 6 in homes with income of one minimum wage or less Children 0 to 6 in homes with female heads of household with less than one year's schooling
Education	Illiteracy rate among population age 15 and older Repeater rate Children not in school Age/grade level disparity
Health	Infant mortality
Economic development	Investment zones with large-scale state projects

5. Eligibility and evaluation of MPPs and their components

- 3.13 To find an MPP eligible, the PMU must establish that the COs had a hand in planning it. Once the MPP is declared eligible, its components will be evaluated and must meet the technical, economic, financial, environmental and institutional criteria set forth in Appendix 1 of the Operating Regulations. The economic criterion will be the least cost, based on standard costs of each component; the environmental criterion will be mitigation of negative effects during the construction phase. Table III-2 summarizes these criteria.

<p align="center"><b>Table III-2</b> <b>Summary of technical and institutional eligibility criteria for components</b></p>	
<b>Component area</b>	<b>Criteria</b>
Early childhood development	<ul style="list-style-type: none"> <li>● Readily accessible education, health and water supply services</li> <li>● A minimum of 400 families within a radius of 800m</li> <li>● For training, at least 30 early childhood education teachers</li> <li>● For basic cycle completion, at least 50 teachers who have not finished that cycle</li> <li>● Availability of land or physical space to be accommodated</li> <li>● Assurances of community co-management and construction</li> </ul>
Preventive health	<ul style="list-style-type: none"> <li>● Infant mortality &gt; 40 per 1,000 live births, or malnourished children between the ages of 0 and 23 months &gt; 10%</li> <li>● With the program, at least 60% of the indigent population covered.</li> <li>● Municipal health board in operation</li> </ul>
Schooling	<ul style="list-style-type: none"> <li>● Truancy rate &gt; 10%</li> <li>● Repeater rate &gt; 7%</li> <li>● Percentage of children not in school &gt; 5%</li> <li>● "Living school": schools with principals, teachers and support personnel; community participation in running the schools</li> <li>● Basic education cycle: availability of physical facility and teachers who have completed at least full primary</li> </ul>
Academic support, recreation and culture	<ul style="list-style-type: none"> <li>● Urban population &gt; 20,000 (child and adolescent services centers)/30,000 (art centers)</li> <li>● Easily accessible health and education services</li> <li>● Percentage of children not in school &gt; 5%</li> <li>● Availability of land or physical space to accommodate</li> <li>● Assurances of joint management</li> </ul>
Violence prevention, protection and rehabilitation	<ul style="list-style-type: none"> <li>● Urban population &gt; 30,000 (SOS Criança centers and shelters)/50,000 (halfway houses)</li> <li>● Record &gt; 100 cases of child neglect, abandonment or abuse / &gt;50 cases of offenses</li> <li>● Easily accessible health and education services</li> <li>● Land or physical space available</li> <li>● Existence of child protective services board</li> </ul>
Community strengthening	<ul style="list-style-type: none"> <li>● Civic center: population &gt; 20,000</li> <li>● Training of board members: at least two municipal boards functioning and a demand of 30 board members</li> <li>● Training of COs: cover at least 10% of the COs with the program</li> <li>● Stronger families: the MPP includes ECECs, child and adolescent services centers, shelters, halfway house or art center</li> <li>● Physical space available</li> </ul>

## 6. Interagency agreements

- 3.14 Execution of the MPPs will be contingent upon conclusion of an umbrella agreement between the PMU and the respective municipal government, which will specify, *inter alia*, the following: (i) the

estimated amount and financing structure of the MPP, which will give rise to a lump-sum preliminary appropriation; (ii) the investment plan and timetable; (iii) the municipal government's acceptance of the program's guarantee system, which stipulates that should a municipality fail to perform any obligations in the execution and maintenance of MPP components, the state will deduct an equivalent amount from the municipality's share of the revenues from the sales and services tax and pass it along directly to the service providers; (iv) the budget adjustment goals of municipalities that appear not to have the required level of current saving needed to sustain the MPP; and (v) methods of disbursing funds and the parties' other obligations and rights. A condition precedent to the first disbursement is that at least two agreements with municipalities be concluded.

- 3.15 Before any MPP component can be carried out, the respective addendum to the umbrella agreement must be signed, setting forth the financing structure based on actual costs, leading to commitment of the corresponding funds. The mechanism for carrying out the component will also be established, and the COs' role and the extent of their participation in the implementation, operation, maintenance and evaluation phases will be stipulated. The municipal governments, for their part, will conclude agreements with the COs, NGOs and service providers whose participation is required.

#### 7. Execution, supervision and operation of MPPs

- 3.16 In cases where the execution and/or operation of components is delegated to a CO and/or under joint CO-municipal government management, an administration board and manager are to be designated to oversee the implementation and operation phases. Projects administered directly by the municipal government will preferably be carried out by COs and service providers on contract. Whatever the case, the municipal government is to designate a project coordinator in charge of supervision and liaison with the PMU.
- 3.17 The SIPMA to be introduced under the Institution-strengthening Subprogram will monitor goals, periodically evaluate overall and sectoral impact, monitor costs, manage flow of funds and accounting records, watch over procurement and contracting procedures, measure results and perform other project administrative functions. Under the umbrella agreement, an MPP evaluation meeting will be held each year between the municipal government and community representatives. The record of issues discussed and measures proposed will be sent to the PMU.

#### 8. Prizes to top-performing municipalities

- 3.18 The data supplied by the SIPMA will provide an efficiency gauge that captures the integral nature of the program, to reward those municipalities that perform best each year. The following formula

will be used, which will be announced publicly and explained to the eligible municipalities:

$$Y_n = \frac{\Delta Ne_i}{Gpe_i} - \frac{\Delta Td_i}{Gph_i}$$

$Y_n$  Change in performance of municipality "n" in the year  
 $Ne_i$  Percentage enrollment, children 7 to 14 in school in year i  
 $Td_i$  Malnutrition rate, (%) children 0 to 23 months in year i  
 $Gph_i$  Per capita spending on health in year i  
 $Gpe_i$  Per capita education spending in year i

- 3.19 As can be seen from the formula, the performance indicator not only has built-in incentives to raise enrollment ratios among children and adolescents between ages 7 and 14 and to reduce malnutrition among infants between ages 0 and 23 months; it also measures the efficiency of social spending on health and education.
- 3.20 The prizes, for the equivalent of US\$15,000 each, to be paid out of the local counterpart funding, will be awarded each year in cash, starting the third year of the program, to the three top municipalities. The awards will be handed out by the state governor or official designated by the governor to the representatives of the respective COs and municipal government at a special ceremony. The municipal board for the rights of children and adolescents will decide how the prize money will be spent.

F. Execution of the institution-strengthening component

- 3.21 The participating state institutions (PSIs) will carry out projects for the institution-strengthening component under an agreement concluded with the PMU upon fulfillment of the conditions stipulated in the program's Operating Regulations and with the EC's approval. In every case, the PSI will designate a coordinator in charge of supervision, technical and financial reports, and liaison with the PMU.
- 3.22 **Training.** Programming of this activity will be updated by the PMU every six months to meet the needs of the PSIs and the municipal governments. The interested PSI is to retain the services of NGOs or service providers to organize and hold the event. If a training event is for more than one PSI, then SAS will be in charge of coordination and of providing the assistance that the municipal governments require to organize and/or participate in events of this nature. The program's Training Rules stipulate the various modalities, conditions and procedures for these activities.
- 3.23 **Information Center.** This activity will be carried out by FEBEMCE, which will acquire the planned equipment and the personnel needed to strengthen the Center. The Center will contract NGOs or service

providers to do the special studies and, along with the PSI interested in the study, will be their counterparts.

- 3.24 **SIPMA.** The PMU will coordinate the setting in place of this system with advisory assistance from IPLANCE. It will hire consulting services to design and install the system and will procure the needed data-processing equipment. The final terms of reference for the system's installation are to be submitted as a condition precedent to the first disbursement from the Bank's loan.
- 3.25 **Educational campaigns.** The services for these campaigns will be requested by the interested PSI. The State Interior Office will retain those services in accordance with state rules and regulations and, together with the interested PSI, will monitor, follow up and evaluate the results.

G. Program monitoring

- 3.26 **Start-up.** The Bank will send a technical mission to the country to work with the PMU on the technical, methodological, institutional and financial aspects of the program's implementation and to review the specific targets for its first year.
- 3.27 **Reports.** The PMU will submit annual reports on the program to the Bank within 90 days of the end of each calendar year during the implementation period. Included in the reports will be an analysis of the maintenance status of works and equipment financed, based on a sample agreed upon each year. The monitoring should focus on the areas indicated in the Logical Framework (Annex II-1) and on the execution and impact targets agreed upon with the Bank (Annex II-2).
- 3.28 **Annual review and programming.** With the monitoring reports as a reference, the Bank and the borrower will conduct an annual joint review of the program's progress and accomplishments, within 30 days following presentation of each annual report. There they will agree upon the next year's targets. If after the annual meetings and/or its review of the reports submitted the Bank is unsatisfied with the program's status, or with the maintenance status of works and equipment financed, the executing agency will, within the next 60 days, submit additional reports indicating the measures that will be taken to remedy the situation, with a timetable and budget for same.
- 3.29 **Midterm evaluation.** Once 30% of the program resources have been disbursed or 50% committed, whichever comes first, the PMU and the Bank will do a midterm evaluation of the operation to (i) measure whether the program is accomplishing the objectives and targets established for each MPP approved as of that time; (ii) evaluate the SIPMA and the Operating Regulations and other rules and regulations of the program; (iii) analyze the performance of the

PMU and the participating institutions; (iv) review the findings of the special studies and educational campaigns; and (v) evaluate the possibility of preparing a second phase of the program. On the basis of the findings of this evaluation, the Bank and SAS will agree on actions that should proceed and on any adjustments required.

#### H. Procurement of goods and services

##### 1. Goods and construction work

- 3.30 The procedures stipulated in Annex B to the loan contract will be observed when procuring goods and contracting for works. International competitive bidding will be required for goods in excess of US\$350,000 and construction work in excess of US\$5 million. The bidding for goods or construction work involving lesser amounts will be done in accordance with Brazilian law, as shown in Table III-3.

Table III-3  
Procurement methods  
(thousands of U.S. dollars)

MODALITY	GOODS	CONSTRUCTION WORK
Direct purchase	Up to 1.8	Up to 7.1
Shopping	From 1.8 to 36.0	From 7.1 to 143.0
Call for offers	From 36.1 to 350.0 a/	From 143.1 to 1,430
Local bidding	- . -	From 1,431 to 5,000

a/ While Brazilian law allows calls for offers for procurements of up to US\$572,000, that threshold would be lower for procurement under this program.

##### 2. Consulting services

- 3.31 Standard Bank procedures will be followed when selecting and contracting consulting services. However, since the program will require a considerable number of such services, to expedite arrangements and facilitate the Country Office's supervisory function it is recommended that prior Bank clearance be required for selection and hiring only when an individual consultant's contract is for more than US\$50,000 or when a consulting firm's contract is for more than US\$100,000.

#### I. Disbursements

- 3.32 The proceeds from the Bank loan and the state counterpart funding for the MPPs will be deposited in special accounts in Banco do

Estado de Ceará. The PMU will transfer the funds directly from those accounts to the executing agencies of the components. A condition precedent to every disbursement is that the municipal government, in the case of an MPP, and the PSIs, in the case of projects under the Institution-strengthening Subprogram, disburse their share to the corresponding component.

- 3.33 Given the nature of the operation, the expected volume of transactions for procurement of goods and services and the features of a global program, an efficient and expeditious mechanism is planned for disbursing the program's resources. Funds will be disbursed in accordance with the Bank's rules and regulations, except as regards justification of advances and reimbursement of payments made, in which case all that the PMU need submit to the Bank's Country Office are the Disbursement Request, Breakdown of Payments, and Control of Disbursements and Local Contributions forms. The actual supporting documents will remain in the hands of the executing agency.
- 3.34 The executing agency will make certain that the information in the Breakdown of Payments form is properly corroborated as the Bank routinely requires. The executing agency will retain the originals and/or copies of the contracts, orders, invoices, receipts, payment vouchers, supplier certificates, certificates of origin or other documents that corroborate the information supplied in the Breakdown of Payments form. These documents are to be properly identified and filed, and made available to authorized IDB officials and external auditors for review. They must be kept on active file, in the place indicated by the executing agency, for at least five years from the date of the last disbursement from the Bank's loan.
- 3.35 During its technical or financial inspection visits, the Bank's Country Office will take a simple random sample to check that the PMU has in its files the documentation supporting the disbursement requests and that funds have been used in the manner indicated in the loan contract. If errors are found, a larger sample is to be examined and the executing agency notified of the amounts that must be deducted from future requests.

J. Advance of funds

- 3.36 Given the funds that will be needed to start up the program and the method proposed for making disbursements to projects, an advance of 15% of the amount of the proposed loan is recommended.

K. Auditing

- 3.37 During the program's five-year life, its financial statements must be presented annually, within the first four months after the close of each fiscal year, with the opinion of independent external

auditors, including an opinion on the operation of the program in all areas.

L. Ex post evaluation

- 3.38 Three years after the final disbursement of the loan, IPLANCE will conduct an ex post evaluation of the program. During this three-year interval, within the first 90 calendar days of each year, the executing agency is to provide the Bank with the statistical information produced by the SIPMA (see implementation and impact targets, Annex II-2).

M. Recognition of prior expenditures

- 3.39 The executing agency has incurred a series of expenses to prepare the program, with the purchase of two vehicles, equipment (computers, fax machine, etc.), and materials, and the hiring of professionals to prepare MPPS, including their travel and per diems. An estimated US\$270,000 equivalent will have been spent up to the anticipated approval date of the loan, US\$70,000 of which would be chargeable against the Bank's loan and US\$200,000 against the local counterpart. The project team ascertained that procedures substantially similar to those being recommended for inclusion in the loan contract were followed for the procurement of goods and services that would qualify for retroactive recognition.



#### IV. FEASIBILITY, BENEFITS AND RISKS

##### A. Feasibility analysis

###### 1. The indicative sample

- 4.1 The analysis of the operation's viability included an examination of a sample of MPPs from the municipalities of Canindé, Juazeiro do Norte, Itapipoca and Tianguá. Together, these MPPs require US\$9.9 million in financing: US\$5.8 million would come from the Bank's loan; US\$1.1 million from the state treasury and US\$3 million from the municipal governments. The sample represents 16.4% of the resources earmarked for the MPP Subprogram and 14% of the total cost of the program. In addition to the indicative sample, the PMU has prepared seven participatory diagnostic studies in five municipalities (Pacatuba, Camocim, Acopiara, Tauá and three districts of Fortaleza) as a first step toward preparing the respective MPPs, which are expected to be completed by the program's start.
- 4.2 Preparation and analysis of the sample served a number of purposes, among them that of: (i) refining and adapting the planning method to local conditions and to the intersectoral nature of the activities; (ii) demonstrating the state's capacity to support and expand the participatory planning process with municipal cooperation; (iii) confirming the relevance of the proposed menu of project options and the demand for these services among the municipalities; (iv) reviewing and improving the design of the various items on the menu and (v) devising and refining eligibility criteria for each component that can be requested as part of an MPP. Judging from the analysis of the sample, its components and the other diagnostic studies, the operation is technically, economically, socially, institutionally and financially viable, as described below. Annex IV-1 summarizes the analysis of the sample and includes an estimate of the demand, an analysis of the costs of the MPP components, and a financial analysis of the municipalities.

###### 2. Technical analysis

###### a. Participatory planning method

- 4.3 The method used to design the MPPs is based on the "ZOPP" approach <sup>18/</sup> and the Logical Framework of the Project Management System. It was adjusted to take account of lessons learned during the sample's preparation. The major adjustments were made to (i) introduce an initial period of preparation with

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<sup>18/</sup> A participatory planning method developed by the GTZ, the German technical assistance agency.

the community so as to engage its interest and ensure that it is well represented; (ii) plan the workshops to accommodate them to the participants' limited free time at night and on weekends; (iii) clarify the program's objectives and scope and the municipality's financial standing from the outset so that priorities can be established; (iv) target the investments within the municipality through participatory planning with community and civil society involvement; (v) form a group in which civil society is equally represented and whose members will be elected during the MPP preparation workshop; and (vi) provide technical support throughout preparation of the MPP.

- 4.4 Specialists from the various government departments were very much involved in the sample's preparation and worked as a team when reviewing the various projects proposed. This exercise served to train a group of professionals in the method, thereby ensuring that the approach taken for this program can be replicated.

b. Menu components

- 4.5 The specific eligibility criteria for each component on the menu were developed in conjunction with the sectoral departments, based on successful experiences state-wide. Sectoral requirements and standards were taken into account in each case and the proposed projects were scaled to at least the minimum demand that would justify the costs of implementing and operating them. Table III-2 contains the technical and institutional criteria, as well as a number of the minimum demand criteria. For example, the early childhood development component requires a demand of at least 400 families within a radius of 800 meters; for the preventive health component, the minimum coverage is 60%, and so forth. Moreover, to be included on the menu the proposed actions had to meet certain general criteria: (i) focus on the major risks ascertained by the program; <sup>19/</sup> (ii) be adaptable to various types of municipalities; (iii) be the least-cost alternative and maximize the existing infrastructure; and (iv) have a proven success record. The technical files contain a summary of the state's experience with the projects envisaged and the changes introduced in the designs to heighten impact and make the activities sustainable.

3. Economic analysis

- 4.6 The program is posited on a preventive, and therefore cost-effective, approach to social projects. This is because social programs designed to prevent malnutrition, disease and crime and to ensure that children receive an education cost far less than

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<sup>19/</sup> Some components were withdrawn based on this criterion, such as the oral health component and the adolescent detention component.

measures to deal with an entrenched social problem. 20/ In this context, the economic analysis of the program focused on standardization of the costs of the projects on the menu; application of the economic criteria in the sample, and evaluation of social spending at the municipal level.

- 4.7 **Standardization of costs of the menu projects.** Annex IV-2 contains a table summarizing benchmark costs for the services on the menu, the result of a detailed analysis of the costs of the services proposed by the PSIs and that are operating in the state. This analysis resulted in economies of scale and lower costs, as in the case of the resource room, where maximum use was made of existing resources (premises, equipment, technicians and materials), for training for operators, and a proliferation of competing and therefore frequently underutilized systems was avoided. In other cases, costs had to be increased to correct for false economies that reduced effectiveness and impact, as in the case of the ECECs, where the per capita food cost for infants ages 0 to 2 years was increased to ensure the nutritional value of the food ration required for that age group; and at the ABC centers, where the existing cost did not include the costs of the monitors' training and benefits, which resulted in a high turnover rate. The cost analysis found that the costs were reasonable and compared favorably with similar projects elsewhere in Brazil and in Latin America, without sacrificing technical quality. 21/
- 4.8 The high per-resident operating costs in the menu for the home shelter and halfway-house actions under the violence prevention, protection and rehabilitation component are not unusual in other international experiments in outsourced care. These high operating costs of serving a small group of young people are due to the nature of the services provided, which are more intensive, specialized, and protracted; residential services are also sometimes needed. Though these projects are expensive, the expected benefits are also high, since the shelters will be an alternative way to help abused and neglected young people rejoin

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20/ The lower prevention costs versus higher "curative" costs are underscored in the configuration of the proposed menu. See Zigler et al., "Early Childhood Intervention: A Promising preventative for Juvenile Delinquency", *American Psychologist*, 1992, and Mark Cohen, "The Monetary Value of Saving a High Risk Youth", The Urban Institute, 1994, an indicative analysis of the cost-effectiveness of preventive measures. To illustrate, in the United States the estimated social cost of a life of crime is US\$850,000 per adolescent, discounted at a rate of 6% and including the costs of the victims of the crime, of the criminal justice system and productivity losses.

21/ The program's files contain the documentation and worksheets used in the standard costing.

their own families or surrogate families and thus prevent them from ending up on the street. With halfway houses, juvenile offenders will not have to be taken away to Fortaleza, never to return again, losing contact with their families, community and the school environment. Two MPPs in the sample - one in Itapipoca and another in Juazeiro - included these services. The diagnostic study justified the inclusion of one home shelter (Itapipoca) and two small halfway houses and five home shelters (Juazeiro do Norte).

- 4.9 The benchmark costs of the menu will be updated annually to reflect the following: variations in local prices; the results obtained as the program is carried out; and new items that might be added to the menu as other MPPs are presented. The method used to determine standard costs will allow modular use of a worksheet with benchmark costs per item of expenditure, which could easily be adjusted to reflect changes that occur or be used to adapt new actions to add to the menu. The per capita operating costs of any new services proposed are not to exceed 10% of the per capita operating costs of other program-eligible projects with similar objectives and scope.
- 4.10 **Economic criteria applied to the sample.** It was ascertained that the MPPs in the sample used least-cost criteria when determining what their components would be and met the required minimum demand criteria. As an example, in the municipality of Canindé, idle infrastructure was put to use to offer a variety of the services on the menu (early childhood education centers and art, education and culture centers); but in Juazeiro do Norte, the family health component was eliminated because it failed to meet the required minimum coverage level. In all cases, the per capita costs of the components in the sample were below the respective menu standard costs. This happens because local prices vary and because actual demand can be higher than the minimum demand required per component.
- 4.11 As is to be expected with a social program that emphasizes training and better quality services, the MPPs do not entail huge investments in physical structures. An analogy might be made to social investment funds, except that here, lives are being built rather than physical facilities. So the implementation expenses, which include works, equipment and initial operation, generally account for some 40% of the financing; the balance goes toward operating expenses, which will gradually be absorbed by the municipal governments. The community-strengthening activities represent around 6% of the cost of the MPPs.
- 4.12 **Evaluation of social spending at the municipal level.** The data analyzed point up the wide disparity in the "social effort" made by the municipalities in the sample (which in the case of health spending varies from 1.1% of municipal GDP in Juazeiro do Norte to 5.3% in Canindé). In general, the decentralization of funding and administration of social spending to Brazil's states and

municipalities has resulted in enormous differences among the regions, within states and even within individual municipalities in terms of the amount actually spent. Lump-sum figures on per capita health and education spending can mask differences in how resources are used within sectors. In Ceará, health figures were slightly higher than the average for the Northeast, but below the average for Brazil as a whole. Per capita spending for medical care in 1994 was US\$47.9, as compared with US\$42.8 for the Northeast and US\$51.4 for Brazil as a whole, and is divided equally between hospital and outpatient care. In education, the per-student cost of elementary education for the Ceará state system was US\$67 as compared to US\$146 for Brazil as a whole; in the municipal system the average per-student cost per year was US\$22, less than half the US\$52 per year for Brazil as a whole. In all cases, the per-student cost in rural areas was lower than in urban areas. 22/

4.13 Although some municipalities in the sample did spend a higher percentage of GDP in social areas, per capita municipal spending on education and health in 1995 was not even half what the region as a whole averaged back in 1990. The program will go a long way toward increasing the level of municipal social spending, anywhere from 9% in Juazeiro do Norte to 22% in Canindé.

4.14 The available data in every municipality in the sample were compiled for an analysis of the efficiency of municipal social spending and to determine the baseline indicators that will be used for the prizes awarded under the program to encourage municipalities to work for the maximum improvement at the least cost possible. 23/

#### 4. Institutional and financial viability

4.15 The program is considered institutionally viable because the services offered on the menu have a well documented record of success and are currently in progress in some municipalities in the state (see paragraphs 1.17 and 1.18); sectoral institutions will be providing support (paragraph 3.2); the PMU has a staff of professionals trained to administer the operation (paragraph 3.3) who, working jointly with the municipalities in the sample, were able to put together a list of 11 MPPs that account for 46% of the total physical targets planned for the program (paragraph 2.35), and to provide the needed technical assistance (paragraph 3.8); the participatory planning method has been used in most of the

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22/ For health: Medici, Brazil health profile, 1992 US\$; for education: Mello and Souza, Primary education in Brazil: performance, problems and recommendations, April 1995, in 1985 US\$.

23/ The preparation and review of the sample pointed up some of the shortcomings in the available information on social spending at the municipal level. These will be corrected within the first six months of operation of the MPPs.

municipalities, especially with the family health component that builds on the model of community outreach workers (paragraph 1.17); and in Ceará delivery of social services is contracted out (paragraph 3.16), as in the case of the ABC centers, the Family Health Program, and the ECECs.

- 4.16 As for financial viability, over the last five years the state's current account savings have remained between 23% and 32% of current revenues, with the result that it showed a cash surplus in the last two years. (Table IV-1 presents a breakdown for the last three years.) Current savings were almost always sufficient to fund public investment outlays between 1991 and 1995. Consequently, the state posted modest overall budget deficits, equivalent to 21% of revenues over that interval. The state's debt <sup>24/</sup> as a percentage of GDP (16.6%) is within reasonable limits; its repayment profile, 23 years, and average borrowing cost, 5.6%, are consistent with the useful life of the investments that it is financing and with the level of current savings.
- 4.17 Ceará used 19% of its current savings in 1994 and 31% in 1995 for debt amortization, which means that it is making good use of financial leverage and has a considerable margin left for counterpart funding for new programs and investments of its own.

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<sup>24/</sup> US\$1,670,510,000 as of December 31, 1995, according to information from the State Treasury Department.

**Table IV-1**  
**Financial condition of the State of Ceará**  
**(in thousands of current U.S. dollars)**

	<b>Budget execution</b>		
	<b>1994</b>	<b>1995</b>	<b>1996</b>
Current revenue	1,482,579.53	1,900,742.93	1,374,819.35
Tax revenues	802,978.78	1,073,483.44	803,863.22
Current transfers	483,769.51	717,630.28	518,333.18
Others (net)	195,831.24	109,629.20	52,622.94
Current expenditures	1,165,889.33	1,685,706.02	1,104,345.93
Personnel	689,146.63	1,046,283.81	576,995.63
Transfers	283,582.75	417,452.85	285,193.28
Interest	79,346.90	103,498.67	56,785.63
Other	113,813.04	118,470.68	185,371.37
Current saving	316,690.19	215,036.90	270,473.42
Capital expenditures	339,133.74	339,751.07	170,238.73
Physical investments	148,463.71	198,308.34	62,111.36
Financial investments	4,370.12	2,064.16	497.31
Transfers	251,841.75	243,923.06	167,527.99
Surplus	-22,443.54	-124,754.16	100,234.69
Financing	22,443.54	124,754.16	-100,234.69
Borrowings	88,331.09	118,672.44	59,897.94
Amortization	-65,541.85	-104,504.49	-64,263.80
Other (net)	-345.69	-110,586.21	95,868.83

Budget execution from January to August 1996.

- 4.18 The situation of the municipalities is not so encouraging. An analysis of the financial condition of the first 35 municipalities ranked on the program's matrix shows that only eight would meet the Operating Regulations requirement as to the level of current savings needed to qualify; the number would increase to 16 if that requirement were eased and certain projects cut. However, the financial analysis of the municipalities in the sample and Fortaleza shows that there is considerable room to cut down on expenses and increase income. The indicators in Table IV-2 show that existing administrative personnel can be seconded to program activities, revenues can be boosted and expenditure on goods and services pared. The PMU ran a cost-cutting exercise for some of the municipal governments in the sample that do not meet the financial requirement. The results are shown in the following table.

<b>Table IV-2</b> <b>Efficiency indicators for municipalities in the sample</b>					
Indicator	Fortaleza	Juazeiro	Canindé	Itapipoca	Tianguá
Administrative employees/1,000 population	6	5	4	6	1
Per capita tax revenues (R\$)	44	6.9	1.3	2.0	1.3
Expenditure on goods and services/No. of employees (R\$)	815	920	578	577	1,451
Personnel expenditure/Current revenue (%)	35	40	45	48	41
Social expenditure/Total expenditure (%)	12	41	29	12	8
Current saving/current revenue (%)	13	-5	9	-2	-2
Saving from reassigning staff and cost cutting (R\$000)		3,806		1,380	978
MPP's annual requirements (R\$000)		685		414	293

4.19 Based on the foregoing, the municipalities will be able to meet the obligations that their participation in the program creates and also ensure that the activities are sustained, provided they carry out a budget-cutting plan when necessary, as required under the Operating Regulations. While the MPPs are in progress, the municipalities will gradually absorb the costs of operating and maintaining each component until, by year 4, they are carrying 100% of the operating and maintenance costs.

#### B. Analysis of the beneficiaries

4.20 The program is premised on the idea of assisting the development of human and social capital in poor communities. The program is demand-driven from the standpoint of the participating municipalities, but includes technical assistance activities for the municipalities ranked as priorities to ensure that the weakest of them have the support needed to take advantage of the program. The focus of the design and technical criteria of the menu components are children and adolescents of poor families whose head of household earns less than one minimum wage. Also, when drawing up and using the "social map", the menu investments will be targeted at the most vulnerable districts and families within each municipality. Using the Bank's poverty line - which factors in the cost of the basic food basket and non-food essentials for a total of US\$104 per capita per month (at constant 1995 prices) - and data from the most recent household survey, poverty incidence nationwide was 43% in 1993. From 1990 Ceará/Brazil comparisons (Table I-1), the incidence of poverty in Ceará is over 50% when measured by the Bank's poverty line, which means that the operation qualifies as a geographically-and poverty-targeted investment.



- 4.21 The program will have an impact on gender disparity, since the participatory planning method creates opportunities for women to make decisions at the municipal level, given their heavy participation and present leadership in community organizations. Also, by establishing early childhood education centers, the program will make it easier for women to take gainful employment and for their older daughters to attend school. The family guidance activities, which educate parents in the care and development of children and adolescents, and the activities to prevent domestic violence will strengthen the family. To monitor this impact, SIPMA data will be disaggregated by sex.

C. Sustainability of the services offered

- 4.22 The operation includes a variety of activities, processes and incentives to ensure that the services offered under the program will continue. These include: (i) activities such as those involving community strengthening (paragraph 2.20), training (paragraph 2.26), and an information center (paragraph 2.27) which, among other things, will help civil society and public institutions to cultivate and build up the technical and management skills that the innovative structure and intersectoral coordination of the program will require; (ii) engaging the communities and civil society (from the bottom up) in joint planning and operation (paragraphs 2.22 and 3.16), which are key elements in the mechanics of the operation; (iii) incentives that reward outstanding performance by participating municipalities (paragraph 3.18), and (iv) legal and financial guarantees that the funds needed to operate and maintain the services will be available (paragraph 3.14).

D. Benefits and risks

1. Benefits

- 4.23 Apart from the program's direct benefits in the form of better living conditions for at-risk children and adolescents, more efficient social spending and state and municipal administration, stronger community participation and greater decentralization, the process of preparing the program has already yielded some benefits of its own: (i) it has encouraged multisectoral effort - vertically and horizontally - among state and municipal agencies and civil society, creating synergy among social programs; (ii) it has refined a method for assisting those involved at the municipal and community levels with preparation of a participatory plan; (iii) the nine municipal diagnostic studies prepared have established how important it is to combine the available data with local information and have instituted a socioeconomic data survey and intramunicipal targeting; (iv) a package of technical designs and standard costs has been developed for the state's social projects, which can be replicated elsewhere in Brazil or in other countries; and (v) economics has become a consideration in the

state's social programs, as authorities and technical officers of the state and of the municipalities participating in the sample have adopted a new concern for minimizing costs, and making social spending sustainable and efficient.

## 2. Risks

- 4.24 Summarized below are some of the risks that decentralization and community participation pose, and the measures taken to minimize them.
- 4.25 **The limited capacity of the municipal governments to carry out projects.** The risk posed by shortcomings in municipal project implementation capabilities will be minimized by the following: the menu components are simple in design and will be managed jointly with the community; technical assistance will be provided; activities will be monitored closely by the PMU, and community leaders and public officials will receive training (paragraphs 2.20 to 2.26).
- 4.26 **The municipal governments' present financial situation** could make it difficult for the program's activities to sustain themselves. To counter this risk, clauses have been included in the agreements between the state and the municipalities which require municipal governments with deficits to reorganize their spending. They will have a reasonable period of time in which to put their budget in order, since they will take over their new obligations gradually.
- 4.27 **The traditional welfare approach at the municipal level and the conduct of local political leaders** who dispense favors to keep their political base intact could compromise the operation's participatory emphasis and efficiency. To minimize this risk, the program has been designed in such a way as to elicit community input right from the start of the planning activities, which includes the ex ante definition of arrangements for carrying out each MPP component and emphasizes joint management, a detailed timetable of implementation and procedures for selecting staff and procuring goods and services. The program also will provide institutionalized systems for making available and accessing information in the public domain (see paragraphs 2.27 and 2.32).
- 4.28 **Difficulties in coordination among institutions and with the municipalities.** To reduce this risk, an Executive Committee composed of the participating sectoral secretaries will be formed. Also, the PMU will be staffed with personnel from all the state institutions involved in the program, thus ensuring a link with their home agencies and helping to keep them properly coordinated. Furthermore, the SIPMA and the PMU will make it possible to stay abreast of activities, thereby minimizing the risk involved when a large number of projects are administered simultaneously.

- 4.29 As a final control, to monitor for the above-listed risks and make any necessary adjustments promptly, active Bank participation during the program's execution is planned (paragraphs 3.26 to 3.28).

**LOGICAL FRAMEWORK**  
**PROGRAM OF SUPPORT FOR SOCIAL REFORMS FOR CHILD AND ADOLESCENT DEVELOPMENT**  
**(PROARES) 1/**

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
help institute the State of Ceará social development strategy by supporting reform in social management and improving the living conditions of children and adolescents at risk personally and socially.	The percentage of social spending at the municipal level increases. The number of children working and living on the streets decreases.	State Planning Dept. report and report on the information, planning, monitoring and evaluation system (SIPMA) Special survey/SIPMA	The municipalities are able to the new functions they acquire of federal reforms in health and Structural poverty in the state increase. The state's economic growth and reforms undertaken are able to increase in the number of migrants neighboring states. The state's social development which its social development s form continues to be implement
help children and adolescents at risk personally and socially to develop and become integrated into family, school and community, through activities that emphasize and strengthen intersectoral social policies, community participation, government centralization, optimum use of public resources.	In the participating municipalities: The percentage of child malnutrition and the percentage of children out of school go down. Municipal spending becomes more efficient. The community and other elements of civil society participate in all phases of the MPP.	SIPMA-generated indicators of the MPPs' impact. Annual reports on the status of municipal budget execution. Annual municipal workshops held to evaluate the MPPs and the SIPMA.	The sectoral and complementary programs to improve the poor's life continue. The patronage approach of municipal governments is gradually replaced by results-oriented, participatory management. The financial streamlining of municipalities is politically tenable.
<u>Municipal participatory plans subprogram</u> develop MPPs that reflect municipal needs, making certain that the community takes part in planning, implementing and consolidating projects that build successful models to assist children and adolescents at risk both personally and socially, and strengthening the activities of municipalities and civil society organizations. To carry out components of the menu of model experiments and new pilot initiatives in the areas of: ( ) Early childhood development ( ) Preventive health care ( ) Effective schooling ( ) Academic support, recreation and culture ( ) Violence prevention, protection and rehabilitation ( ) Community strengthening	20 municipalities carry out their MPPs. The MPPs are carried out on schedule. The indicators of development among at-risk children and adolescents that the components serve improve.	PMU annual reports. SIPMA-generated indicators of the impact of MPP components.	A real demand for the subprogram resources exists. Interagency coordination with the participating municipalities is institutionalized. The PMU is organized and keeps specialists needed to carry out the program. The PMU-IDB annual review and exercises take place.

Impact and execution targets appear in Annex II-2.

OBJECTIVES	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p><u>Institution-strengthening subprogram</u></p> <p>improve the operation of state and municipal agencies through training, strengthening of the child and adolescent social policy information center, implementation of the information, planning, monitoring and evaluation system (SIPMA), educational campaigns, and strengthening of the SAS, in order to channel community demand properly and provide social services in efficient and integrated fashion.</p>	<p>The information, planning, monitoring and evaluation system is consolidated.</p> <p>The municipal governments are better able to plan and monitor social actions.</p> <p>Community organizations capable of running activities are consolidated.</p>	<p>PMU annual reports</p>	
<p><u>Municipal participatory plans subprogram</u></p> <p>Presentation of letter of inquiry; preparation of MPPs with participatory workshops, diagnostic study, ranking of investments in order of importance, financial analysis of the municipality, selection of executing agencies.</p> <p>The eligibility of the MPP and its components, approval by the EC and obligation of resources by component.</p> <p>Negotiation and operation of components: signing of agreements, implementation and operation of components such as early childhood education (ECE) centers; training for ECE teachers; basic cycle completion for ECE teachers; resource center; family health program; "living school"; basic education cycle; child and adolescent services center; art, education and culture center; information center; SOS Criança; home shelter; halfway house; training for municipal board members; strengthening of community organizations; strengthening of families; service center; new and pilot initiatives.</p> <p>Annual participatory evaluation workshops.</p>	<p>The MPPs are presented on time.</p> <p>The agreements for carrying out the components are signed promptly.</p> <p>The program's resources and the contributions from the state and the municipalities are disbursed on time.</p> <p>The components are carried out.</p>	<p>Annual PMU reports, based on the implementation indicators.</p> <p>Annual audits.</p> <p>Review missions and midterm evaluation.</p>	<p>The operating procedures are properly adjusted to accommodate changes in the program.</p>
<p><u>Institution-strengthening subprogram</u></p> <p>Strengthening knowledge and skills of officials in the area of participatory and intersectoral social management.</p> <p>Dissemination of experiences and special studies conducted.</p> <p>Municipal-level monitoring by way of the resource team and technical assistance and supervision of MPP execution by PSIs and PMU.</p> <p>Reinforce structure of the SAS by contracting for technical assistance and additional equipment and upgrading physical facilities.</p>	<p>Training and special studies are conducted, the SIPMA is installed and the SAS is strengthened.</p>		<p>The turnover among civil servants does not adversely affect the institutional strengthening provided to the municipalities.</p> <p>UNICEF introduces the SIPMA and the PSIs and the participating municipalities adopt and use it.</p>

## EXECUTION AND IMPACT TARGETS

The indicators of execution and impact will be measured vis-à-vis the program's objective: *to assist children and adolescents living in circumstances of social and personal risk and to integrate them into the family, school and community through activities that emphasize intersectoral social policies, community participation, decentralization and optimum use of public resources.* Most indicators will come from the information, planning, monitoring and evaluation system (SIPMA); opinion surveys done by IPLANCE; annual participatory evaluation workshops; and special studies coordinated by the child and adolescent social policy information center. These targets will be examined during the annual reviews and at the midterm evaluation. IPLANCE will do an impact evaluation at the end of the program.

### A. Execution targets

Based on the municipal participatory plans (MPPs) in the indicative sample and assuming that the demand from the other municipalities will be similar, and taking municipal financial criteria into account, the following are the execution targets for the activities to be financed. The data come from the SIPMA.

Subprogram	Component	Activity	Total	Year 1	Year 2	Year 3	Year 4	Year 5
PPMs		Approve the municipal participatory plans	24	40 %	60 %			
	<i>a. Child development</i>							
	Early childhood education centers (ECECs)	<ul style="list-style-type: none"> <li>Establish new ECECs</li> <li>Equip existing ECECs</li> <li>Care for children between ages 0 and 6</li> </ul>	40 15 11,000 each year	40 % 40 % 40 %	40 % 40 % 80 %	20 % 20 % 100 %		100 %
	Training of teachers	<ul style="list-style-type: none"> <li>Train teacher trainers</li> <li>Train teachers</li> </ul>	600 4,700	40 % 40 %	40 % 40 %	20 % 20 %		
	Basic-cycle completion by teachers	<ul style="list-style-type: none"> <li>Qualify teachers with 1st level incomplete</li> <li>Qualify teachers with 2nd level incomplete</li> </ul>	1,200 700	20 % 20 %	30 % 30 %	30 % 30 %	20 % 20 %	
	Teachers resource centers	<ul style="list-style-type: none"> <li>Establish and equip centers</li> <li>Serve early childhood education teachers</li> </ul>	2 640 each year	50 % 25 %	50 % 75 %	100 %	100 %	100 %
	<i>b. Preventive health care</i>							
	Family health program	<ul style="list-style-type: none"> <li>Diagnostic study, geographic siting, plan of action</li> <li>Form teams and train them</li> <li>Equip the units</li> <li>Preventive health care</li> </ul>	20 20 420 630,000 each year	40 % 30 % 30 % 20 %	40 % 40 % 40 % 50 %	20 % 30 % 30 % 90 %		100 %
	<i>c. Effective schooling</i>							
	"Living schools"	<ul style="list-style-type: none"> <li>Introduce model and train staff</li> <li>Teach first-level students</li> </ul>	72 schools 36,000 each year	40 % 40 %	40 % 80 %	20 % 100 %	100 %	100 %
	Basic education cycle	<ul style="list-style-type: none"> <li>Train teachers</li> <li>Teach youth ages 11 to 17</li> </ul>	350 10,500 each year	40 % 20 %	40 % 60 %	20 % 100 %	100 %	100 %

Subprogram	Component	Activity	Total	Year 1	Year 2	Year 3	Year 4	Year 5
<i>d. Academic support, recreation and culture</i>								
	Child and youth services centers	<ul style="list-style-type: none"> <li>• Establish centers</li> <li>• Train monitors</li> <li>• Provide services to youth ages 7 to 17</li> </ul>	40 240 each year 40,000 each year	40 % 40 % 40 %	40 % 80 % 80 %	20 % 100 % 100 %	100 % 100 % 100 %	100 % 100 % 100 %
	Art, education and culture centers	<ul style="list-style-type: none"> <li>• Establish center</li> <li>• Give short courses for youth ages 7 to 17</li> <li>• Provide youth ages 7 and 17 and family members with visual arts and library services</li> </ul>	3 7,500 each year 60,000 each year	33 % 33 % 33 %	33 % 66 % 66 %	34 % 100 % 100 %	100 % 100 % 100 %	100 % 100 % 100 %
<i>e. Violence prevention, protection and rehabilitation</i>								
	SOS Criança	<ul style="list-style-type: none"> <li>• Establish referral center</li> <li>• Respond to reports</li> <li>• Monitor cases of violence</li> </ul>	4 2,400 each year 1,200 each year	25 % 25 % 25 %	50 % 75 % 75 %	25 % 100 % 100 %	100 % 100 % 100 %	100 % 100 % 100 %
	Home shelters	<ul style="list-style-type: none"> <li>• Establish shelters</li> <li>• Care for children ages 0 to 17</li> </ul>	6 720 each year	15 % 15 %	65 % 80 %	20 % 100 %	100 %	100 %
	Halfway houses	<ul style="list-style-type: none"> <li>• Establish halfway house</li> <li>• Care for juvenile offenders</li> </ul>	4 100 each year	25 % 10 %	50 % 60 %	25 % 100 %	100 %	100 %
<i>f. Community strengthening</i>								
	Training of municipal board members	<ul style="list-style-type: none"> <li>• Train members of municipal boards</li> <li>• Regional seminar</li> </ul>	1,000 1	33 %	66 %	100 % 100 %		
	Strengthening of community organizations	<ul style="list-style-type: none"> <li>• Train community leaders</li> <li>• Provide organizations with technical assistance</li> </ul>	12,000 1,000	20 % 20 %	40 % 40 %	60 % 60 %	80 % 80 %	100 % 100 %
	Family strengthening	<ul style="list-style-type: none"> <li>• Train family relations workers</li> <li>• Train family members</li> <li>• Train teacher trainers</li> <li>• State seminar</li> </ul>	100 15,000 1,500 1	40 % 10 %	80 % 40 % 40 %	100 % 80 % 80 %	100 % 100 % 100 %	
	Civic centers	<ul style="list-style-type: none"> <li>• Establish civic centers</li> <li>• Issue birth certificates</li> <li>• Provide legal services</li> <li>• Set up public documents center</li> </ul>	5 24,000 each year 15,000 each year 2	20 % 20 % 20 %	60 % 60 % 60 %	100 % 100 % 100 %	100 % 100 %	100 % 100 %
					50 %	100 %		

Subprogram	Component	Activity	Total	Year 1	Year 2	Year 3	Year 4	Year 5
	<i>g. Other</i>							
	New and pilot initiatives	<ul style="list-style-type: none"> <li>Set up initiative</li> </ul>	5% of the subprogram's resources	100%	30%	40%	20%	
Institutional strengthening								
	Training	<ul style="list-style-type: none"> <li>Training courses</li> <li>National and international seminars</li> <li>Visits to Brazilian and international programs</li> </ul>	78 4 10	60% 50% 50%	40% 50% 50%			
	Resource center	<ul style="list-style-type: none"> <li>Establish state resource room</li> <li>Courses</li> <li>Seminars</li> <li>Special studies</li> </ul>	15 20 8	100% 20% 20% 20%	40% 40% 40%	60% 60% 60%	80% 80% 80%	100% 100% 100%
	Information, planning, monitoring and evaluation system	<ul style="list-style-type: none"> <li>Develop and set up the system</li> <li>Establish municipal resource room</li> <li>Set up bulletin board service</li> <li>Do impact evaluation</li> </ul>	20	100% 40% 100%	80%	100%		100%
	Educational campaigns	<ul style="list-style-type: none"> <li>Conduct campaigns</li> </ul>	4	25%	50%	75%	100%	
	SAS strengthening	<ul style="list-style-type: none"> <li>Provide technical assistance</li> <li>Equip and revamp facilities</li> </ul>		100% 100%				



### B. Impact targets

Because this is a demand-driven program and is flexible at the municipal level, as the mix of components addresses local needs, the impact indicators will have to be measured on several levels. At the state level, the program's impact will be measured vis-à-vis the general objective or goal of the program. At the municipal level, the overall impact of the municipal participatory plan (MPP) will be measured relative to the program's purpose and the principal risks that children and adolescents in that municipality face. Each MPP will propose global municipal targets relative to the baseline of the municipal diagnostic study and taking other related local activities into account. At the MPP component level, the impact on the children and adolescents served by that activity will be measured relative to the component's specific objective.

#### 1. Program targets relative to its overall objectives

Objective	Indicator	Means of verification	Baseline	Target expected at program's end	+ 3 years	+ 6 years
Strengthen the decentralization process	<ul style="list-style-type: none"> <li>Degree of municipalization <u>1</u>/ of the health, education and social assistance activities</li> </ul>	IPLANCE Annual budgeting	Health: medium/high Education: starting/middle Social assistance: starting	Health: high Education: medium/high Social assistance: medium	High	High
Improve living conditions of children and adolescents	<ul style="list-style-type: none"> <li>Number of children and adolescents on/of the street in the capital city</li> </ul>	Special survey	<ul style="list-style-type: none"> <li>6,146</li> </ul>	<ul style="list-style-type: none"> <li>4,000</li> </ul>	<ul style="list-style-type: none"> <li>2,000</li> </ul>	<ul style="list-style-type: none"> <li>500</li> </ul>

1/ Quantitative targets will be established during the technical review mission to start up the operation.

#### 2. Targets of the municipal participatory plan relative to its purposes

Purpose	Indicator	Means of verification	Baseline	Target expected at program's end	+ 3 years	+ 6 years
Assist development of at-risk children and adolescents	<ul style="list-style-type: none"> <li>Percentage of malnutrition among children ages 0 to 23 months</li> <li>Percentage of children and adolescents (ages 6 to 17) not in school</li> </ul>	SIPMA  SIPMA	<ul style="list-style-type: none"> <li>32 %</li> <li>24 %</li> </ul>	<ul style="list-style-type: none"> <li>25 %</li> <li>18 %</li> </ul>	<ul style="list-style-type: none"> <li>20 %</li> <li>12 %</li> </ul>	<ul style="list-style-type: none"> <li>15 %</li> <li>6 %</li> </ul>
Make spending more efficient	<ul style="list-style-type: none"> <li>Increase annual current savings, while keeping MPP investments projects operating.</li> </ul>	Status of budget execution	<ul style="list-style-type: none"> <li>(1.86 %)</li> </ul>	<ul style="list-style-type: none"> <li>4 %</li> </ul>	<ul style="list-style-type: none"> <li>7 %</li> </ul>	<ul style="list-style-type: none"> <li>10 %</li> </ul>
Support for participatory management and operation	<ul style="list-style-type: none"> <li>Community leaders very/fairly satisfied with the design and implementation of municipal social policy</li> <li>Representation and participation in the annual municipal workshops held to evaluate MPPs</li> <li>Percentage of program activities carried out directly by or jointly with COs, NGOs and service providers.</li> </ul>	<ul style="list-style-type: none"> <li>Opinion survey, IPLANCE</li> <li>Workshop report</li> <li>SIPMA</li> </ul>		<ul style="list-style-type: none"> <li>50 %/70 %</li> <li>50 %</li> <li>75 %</li> </ul>		

3. Targets of each component relative to its specific objectives

Objectives of the component	Indicator 1/	Means of verification	Target
Early childhood development	<ul style="list-style-type: none"> <li>• Reduce the percentage of malnutrition among ECEC children</li> <li>• ECEC children at a satisfactory level of development</li> <li>• High/medium degree of satisfaction among families with children at ECECs</li> <li>• Percentage of children at ECECs who enter school at age 7</li> <li>• Preparation and execution of monthly teaching plans</li> <li>• <i>Formation of parental boards</i></li> </ul>	<ul style="list-style-type: none"> <li>• Supervision record</li> <li>• Development scale</li> <li>• Opinion survey, IPLANCE</li> <li>• Enrollment records</li> <li>• Supervision record</li> <li>• Supervision record</li> </ul>	<ul style="list-style-type: none"> <li>• 60%</li> <li>• 80%</li> <li>• 60%/80%</li> <li>• 80%</li> <li>• 80%</li> <li>• 80%</li> </ul>
Preventive health care	<ul style="list-style-type: none"> <li>• Reduce the infant mortality rate</li> <li>• Reduce the number of hospitalizations of children ages 0 to 17</li> <li>• Reduce the number of malnourished children 0 to 23 months</li> <li>• Reduce the number of teenage pregnancies, ages 12 to 17</li> </ul>	<ul style="list-style-type: none"> <li>• Department of Statistics and Epidemiology (DEEPI)</li> <li>• DEEPI</li> <li>• Health worker's record</li> <li>• Health worker's record</li> </ul>	<ul style="list-style-type: none"> <li>• 30%</li> <li>• 30%</li> <li>• 20%</li> <li>• 30%</li> </ul>
Effective schooling	<p><i>"Living schools":</i></p> <ul style="list-style-type: none"> <li>• Reduce the percentage of children and adolescents (ages 6 to 17) not in school in the service area</li> <li>• Reduce the first-level truancy rate</li> <li>• Reduce the percentage of repeaters in the first level</li> </ul> <p><i>Basic education cycle:</i></p> <ul style="list-style-type: none"> <li>• Reduce the number of young people not in school (ages 11 to 17)</li> <li>• Reduce the number of illiterate youth (ages 11 to 17)</li> </ul>	<ul style="list-style-type: none"> <li>• Community education census (CEC)</li> <li>• Supervision record</li> <li>• Supervision record</li> <li>• CEC</li> <li>• CEC</li> </ul>	<ul style="list-style-type: none"> <li>• to 10%</li> <li>• to 9%</li> <li>• 40%</li> <li>• 40%</li> <li>• 40%</li> </ul>
Academic support, recreation and culture	<p><i>Child and adolescent services centers:</i></p> <ul style="list-style-type: none"> <li>• Reduce the number of children and adolescents not in school</li> <li>• Reduce the repeater rate</li> <li>• Number of adolescents from training courses absorbed in the job market</li> <li>• High/medium degree of satisfaction among families</li> </ul> <p><i>Art, education and culture centers:</i></p> <ul style="list-style-type: none"> <li>• Percentage of youth who continue with the center's activities</li> <li>• Reduce the number of children and adolescents not in school</li> </ul>	<ul style="list-style-type: none"> <li>• Enrollment record</li> <li>• School performance record</li> <li>• Special study, IPLANCE</li> <li>• Opinion survey, IPLANCE</li> <li>• Supervision record</li> <li>• Supervision record</li> </ul>	<ul style="list-style-type: none"> <li>• 80%</li> <li>• 5 % points</li> <li>• 30%</li> <li>• 60%/80%</li> <li>• 80%</li> <li>• 50%</li> </ul>

1/ The activities' target population are children of poor families whose head of household earns less than one minimum wage.

Violence prevention, protection and rehabilitation	<p><i>SOS Criança centers:</i></p> <ul style="list-style-type: none"> <li>● Reduce the cases of recidivism</li> </ul> <p><i>Home shelters:</i></p> <ul style="list-style-type: none"> <li>● Number of children taken into nuclear families</li> </ul> <p><i>Halfway houses:</i></p> <ul style="list-style-type: none"> <li>● Reduce the incidence of recidivism</li> <li>● Get more adolescents reintegrated (into a family, the job market)</li> </ul>	<ul style="list-style-type: none"> <li>● Record of children helped</li> <li>● Supervision record</li> <li>● Record of children helped</li> <li>● Supervision record</li> </ul>	<ul style="list-style-type: none"> <li>● 50%</li> <li>● 70%</li> <li>● 60%</li> <li>● 40%</li> </ul>
Community strengthening	<p><i>Training of members of municipal boards:</i></p> <ul style="list-style-type: none"> <li>● Increase the number of resolutions passed</li> <li>● Child protective services boards set up and in operation</li> </ul> <p><i>Strengthening of community organizations:</i></p> <ul style="list-style-type: none"> <li>● Number of agencies with prepared work programs</li> </ul> <p><i>Family strengthening:</i></p> <ul style="list-style-type: none"> <li>● Number of families very/fairly satisfied</li> </ul> <p><i>Civic center:</i></p> <ul style="list-style-type: none"> <li>● Number of users very/fairly satisfied</li> </ul>	<ul style="list-style-type: none"> <li>● Minutes of board meetings</li> <li>● Municipal budget</li> <li>● Supervision record</li> <li>● Opinion survey, IPLANCE</li> <li>● Opinion survey, IPLANCE</li> </ul>	<ul style="list-style-type: none"> <li>● 25%</li> <li>● 100%</li> <li>● 50%</li> <li>● 60%/80%</li> <li>● 60%/80%</li> </ul>

Program of support for social reforms for child and adolescent development — PROARES						
Component parts and totals						
Item	Canindé	Itapipoca	Juazeiro do Norte	Tianguá	TOTAL	%
<b>A. Start-up costs</b>						
1. Supplies	24.0	56.5	30.4	24.5	135.4	1.4
2. Services contracted out	221.0	272.7	214.3	278.7	986.7	9.9
2.1 Other services and benefits	221.0	272.7	214.3	278.7		
3. Works and installations	171.0	363.6	732.4	209.1	1,476.1	14.8
3.1 Land	—	11.1	59.0	16.6		
3.2 Construction work	—	124.5	673.4	192.5		
3.3 Installation and remodelling	171.0	228.0	—	—		
3.4 Other	—	—	—	—		
4. Equipment and other capital goods	419.0	340.0	203.6	174.2	1,136.8	11.4
4.1 Equipment	139.0	145.3	95.4	102.4		
4.2 Furnishings and fixtures	29.8	53.0	106.1	58.1		
4.3 Vehicles	95.7	127.6	—	—		
4.4 Other	154.5	14.0	2.1	13.7		
5. Contingencies	39.5	47.3	48.4	29.3	164.5	1.6
Subtotal (A)	874.5	1,080.0	1,229.1	715.7	3,899.3	39
<b>B. Operating costs</b>						
6. Personnel and benefits	346.2	344.4	605.3	414.3	1,710.2	17
6.1 Personnel	266.3	269.7	487.7	318.7		
6.2 Benefits	79.9	74.8	117.5	95.6		
7. Supplies	350.4	718.0	777.3	817.1	2,662.8	26.8
8. Contracted services and benefits	459.6	354.9	432.8	296.2	1,543.5	15.6
8.1 Remuneration for personal services	—	—	—	—		
8.2 Other services and benefits	459.6	354.9	432.8	296.2		
9. Contingencies	40.2	45.7	23.7	43.6	153.2	1.6
Subtotal (B)	1,196.3	1,463.0	1,839.0	1,571.3	6,069.7	61
<b>TOTAL (annual disbursement)</b>	<b>2,070.8</b>	<b>2,543.0</b>	<b>3,068.2</b>	<b>2,287.0</b>	<b>9,969.0</b>	<b>100</b>
<b>Sources of financing</b>						
IDB	1,336.4	1,575.6	1,804.1	1,429.2		
State government	319.7	372.9	343.6	346.5		
Municipality	414.7	594.5	920.5	511.3		
% IDB	65	62	59	63		
% Local counterpart	35	38	41	37		
% State	16	15	30	22		
% Municipality	19	23	11	15		

**Estimated municipal demand and coverage**

**municipality:** population: 63,330  
**indicators:** % of malnourished children ages 0 to 23 months: 18%  
 % of children ages 6 to 17 not in school: 32.3%

COMPONENT	TARGET POPULATION 1/ (1)		PRESENT COVERAGE (2)		PROARES (3) Beneficiary population		PROJECTED UNSERVED POPULATION (4)		TOTAL COST	OPERATING COST	PER CAP (annual cost)	
	INDICATOR	N°	N°	%	N°	%	N°	%			TOTAL	
Education centers	Children ages 0 to 6 years	9,205	1,950 3/	21.2	242	2.6	7,013	76.2	77,805.00	77,805.00	107.17	
Program	Poor people earning less than one minimum wage	44,901	0	—	40,500	90.2	4,401	9.8	523,109.18	53,187.56	4.38	
	Students (ages 7 to 14)	8,430	0	—	1,500	17.8	6,930	82.2	201,376.28	161,124.78	44.75	
ent services centers	Children and adolescents (ages 7 to 17)	13,201	1,543	11.6	1,650	12.4	10,008	76	275,764.46	230,228.46	55.71	
ulture centers	Children and adolescents	13,201	0	—	1,383	10.5	11,818	89.5	834,815.97	628,637.50	13.91	
	Children and adolescents	13,201	0	—	300	2.3	12,901	97.7				
	Members of poor families	35,696	0	—	20,000	56	15,696	44				
arts	Children and adolescents	13,201	0	—	140	1.1	13,061	98.9				
	Members of poor families	35,696	0	—	20,000	56	15,696	43.9				
	Children and adolescents	13,201	0	—	600	4.5	12,601	95.5				
arts												
ouncil members	Council members	33	0	—	33	100	0	0	12,245.78	—	123.69	
community	Organizations	254	0	—	40	15.8	214	84.2	38,482.73	840.00	320.69	
ing	Poor families 2/	958	0	—	840	87.6	118	12.4	62,698.10	—	24.88	

330 No. of people from poor families = 70.9% = 44,901  
 = 9,205 7 to 17 years = 29.4% = 13,201

ulation of the child and adolescent services components are children of poor families where the head of household earns less than one minimum wage.  
 who have one or more children participating in one or more of the following components: early childhood education center, child and adolescent services center, home shelter, or half  
 verage includes children in nursery schools and preschools that are part of the municipal and community school system.

municipality: population: 79,165

indicators: % of malnourished children ages 6 to 23 months: 24.6%  
% of children ages 6 to 17 not in school: 19.3%

COMPONENT	TARGET POPULATION 4/		PRESENT COVERAGE (2)		PROBABLES (3) Beneficiary population		PROTECTED POPULATION (4)		TOTAL COST	OPERATING COST	PER (an)	TOTAL
	Nº	%	Nº	%	Nº	%	Nº	%				
education centers	Children 0 to 6 years	12,370	4,915 7/	39.7	264	2.1	7,191	58.2	347,069.28	222,300.00	438.2	438.2
childhood education	Early childhood ed. teacher	392	152	38.8	240	61.2	0	—	90,431.25	—	125.6	125.6
selection, early childhood	Early childhood ed. teacher	314	0	—	100	32	214	68	366,322.73	318,996.29	1221.0	1221.0
program	Poor people earning less than one minimum wage	60,323	0	—	54,000	89.5	6,323	10.5	665,800.55	70,916.75	4.1	4.1
cycle	Students (ages 7 to 14)	12,299	0	—	1,500	12.2	10,799	87.8	201,377.95	161,126.46	44.7	44.7
	Adolescents not in school (ages 11 to 17)	2,152	0	—	840	39	1,312	61	400,219.07	390,057.43	158.8	158.8
cent services centers	Children and adolescents (ages 7 to 17)	18,096	0	—	1,650	9.1	16,446	90.9	275,764.46	230,228.96	55.7	55.7
	Children and adolescents in need of shelter 5/	615	0	—	120	20	495	80	98,160.97	50,681.60	272.6	272.6
	Munic. council members	30	0	—	30	100	0	—	6,122.89	—	68.0	68.0
community	Organizations	148	0	—	80	54.1	68	45.9	48,115.83	18,706.38	200.4	200.4
ing	Poor families 6/	496	0	—	480	96.7	16	3.3	43,546.65	—	30.2	30.2

165  
for families = 60,323  
= 12,370  
= 18,096

ation of the child and adolescent services components are children of poor families where the head of household earns less than one minimum wage.  
children and adolescents of poor families may need this service.  
that have one or more children participating in one or more of the following components: early childhood education center, child and adolescent services center, home shelter, or halfway  
includes children who attend nursery schools and preschools in the municipal and community system.

do Norte municipality: population: 189,208

Indicators: % of malnourished children ages 0 to 23 months: 16%  
% of children ages 6 to 17 not in school: 22.2%

COMPONENT	TARGET POPULATION <sup>8/</sup> (1)		PRESENT COVERAGE (2)		PROARES (3) Beneficiary population		PROJECTED UNSERVED POPULATION (4)		TOTAL COST	OPERATING COST	PER C (ann
	INDICATOR	N°	N°	%	N°	%	N°	%			TOTAL
Education centers	Children ages 0 to 6 years	19,831	4,646 <sup>11/</sup>	24.0	792	4.0	14,393	72.0	1,041,207.80	666,990.00	436
Early childhood education	Early childhood ed.teacher	542	157	29.9	300	55.0	85	16.0	—	—	116
Education, early childhood	Early childhood ed.teacher	145	0	—	118	81.4	27	18.6	320,614.75	278,034.31	905
	Students (ages 7 to 14)	35,546	0	—	2,000	5.6	33,546	94.4	268,503.94	214,835.29	44
Child and adolescent services centers	Children and adolescents (ages 7 to 17)	29,913	0	—	1,650	5.5	28,263	94.5	421,825.00	209,299.00	85
	Children and adolescents in need of shelter <sup>9/</sup>	995	0	—	600	60.0	395	40.0	461,147.35	237,382.50	256
	Juvenile offenders	825	0	—	20	2.4	805	97.6	337,051.24	226,844.96	5617
Municipal council members	Council members	65	0	—	65	100.0	0	—	12,245.77	—	62
Community	Organizations	60	0	—	60	100.0	0	—	48,115.83	5,779.20	267
Living	Poor families <sup>10/</sup>	680	0	—	680	100.0	0	—	52,755.49	—	25

189,208  
for families = 58.5% = 110,790  
= 19,831  
= 29,913

Population of the child and adolescent services components are children of poor families where the head of household earns less than one minimum wage.  
The children and adolescents of poor families may need this service.  
That have one or more children participating in one or more of the following components: early childhood education center, child and adolescent services center, home shelter, or halfw  
Age includes children who attend nursery schools and preschools in the municipal and community system.

municipality: population: 48,011

Indicators: % of malnourished children ages 6 to 23 months: 37%  
% of children ages 6 to 17 not in school: 33.6%

COMPONENT	TARGET POPULATION <u>12/</u> (1)		PRESENT COVERAGE (2)		PROARES (3) Beneficiary population		PROJECTED UNSERVED POPULATION (4)		TOTAL COST	OPERAT- ING COST	PER C (ann
	INDICATOR	N°	N°	%	N°	%	N°	%			TOTAL
Education centers	Children ages 0 to 6 years	6,784	3,295 <u>14/</u>	48.5	506	7.4	3,489	51.5	535,560.22	445,268.35	352
Early childhood education	Early childhood ed.teacher	279	39	14.0	240	86.0	0	—	90,431.25	—	94
Education, early childhood	Early childhood ed.teacher	237	0	—	100	42.2	137	57.8	366,322.73	318,996.29	1,221
Program	Poor people earning less than one minimum wage	32,935	22,527	68.4	10,408	31.6	0	—	209,863.92	119,605.92	6
	Students (ages 7 to 14)	5,928	0	—	1,000	16.9	4,928	83.1	134,251.96	107,417.64	44
Life cycle	Adolescents not in school (ages 11 to 17)	2,059	0	—	900	43.7	1,159	56.3	427,027.44	416,865.80	158
Health services centers	Children and adolescents (ages 7 to 17)	9,287	300	3.2	1,650	17.8	7,337	79.0	421,825.00	209,299.00	85
Municipal council members	Munic. council members	65	0	—	65	100.0	0	—	12,245.77	—	62
Community	Organizations	39	0	—	39	100.0	0	—	48,115.83	5,779.20	411
Living	Poor families <u>13/</u>	479	0	—	440	91.8	39	8.2	41,419.88	—	31

011  
for families = 68.6% = 32,935  
= 6,784  
= 9,287

Tianguá did not request additional teams from the family health program, but it did ask to have the local health system reorganized, which will benefit another 10,408 poor people.

ulation of the child and adolescent services components are children of poor families where the head of household earns less than one minimum wage.  
that have one or more children participating in one or more of the following components: early childhood education center, child and adolescent services center, home shelter, or halfw  
ge includes children who attend nursery schools and preschools in the municipal and community system.



SUMMARY OF STANDARD COST OF PROGRAM COMPONENTS  
R\$1.00 Base date: February 1996

COMPONENT		OPERAT. COST (1)	BENEFICIARY POPULATION (2)	OPERATING CPC (3=1/2)	MONTHLY CPC (4=3/12)
1. MODEL INITIATIVES					
1.	Family health care	3,223.50	4,500	0.72	0.06
3.	"Living schools"	26,854.41	500	53.71	4.48
4.	Basic education cycle	5,314.33	30	177.14	14.76
5.	Early childhood education centers (complete)	44,460.00	120	370.50	30.88
5.1	Early childhood education centers (nursery)	11,882.40	20	594.12	49.51
6.	Art center	250,337.72	20,000	12.52	1.05
7.	Home shelter (main center + 8 shelters)	154,392.30	80	1,929.90	160.83
7.1	Home shelter (main center)	3,267.50	80	40.84	3.40
7.2	Home shelter (1 shelter)	18,990.60	10	1,899.06	158.26
8.1	Halfway house (large)	204,470.88	80	2,555.89	212.99
8.2	Halfway house (small)	42,533.42	10	4,253.34	354.45
9.	SOS Criança center	45,538.84	600	75.90	6.32
10.	Child and youth services centers — ABC community centers	83,719.60	1,000	83.72	6.98
11.	Civic centers	76,842.13	7,800	9.85	0.82
12.	Teacher resource centers (interior)	24,655.65	320	77.05	6.42
12.1	Teacher resource centers (capital)	26,033.80	320	81.36	6.78
13.	Early childhood education teachers, completion of basic cycle	214,527.22	50	1,716.22	143.02
14.	Early childhood education teachers trained	—	12,480	—	(*) 0.97

NOTE: (\*) Calculated on total CPC, since there are no operating costs.

COMPARISON OF PER CAPITA OPERATING COSTS  
(R\$1.00/beneficiary/year)

	Early childhood education center		Home shelter (1 shelter)	"Living school"	Services center - ABC comm. center
	0-6	2-6			
PROARES	594	371	1,899	54	84
Ceará	n.a.	266	1,216	n.a.	60
Campinas (SP)	330*	n.a.	n.a.	89	119
Paraná	n.a.	733	1,421	n.a.	355
Rio de Janeiro	1,231	n.a.	3,459	n.a.	n.a.
Minas Gerais	n.a.	n.a.	n.a.	n.a.	450
Venezuela	237	n.a.	n.a.	n.a.	n.a.
Argentina	441	n.a.	1,227	n.a.	330
Colombia	435	n.a.	n.a.	n.a.	n.a.

Sources: PROARES: Economic evaluation tools. June 1996; BR-0182 (prototype costs of city government); TC-94-01-16-8-AR (average costs of several projects in each category); SDS/SOC Draft Study on Curumin (direct operating costs only); and Miguel Fuentes (1995), Children and Adolescents at Risk in Rio de Janeiro's Marginal Areas.

\* Refers only to personnel costs; food and materials not included.

Notes: Cost comparisons are indicative, as programs are far from identical in their specifics such as staffing ratios and educational profiles of staff, inputs of equipment and materials, extent of training and supervision, percent of caloric requirements provided, etc. Costs are also not adjusted for regional or interregional differences in unit labor costs. However, the comparison is valid vis-à-vis the general objectives and scope of the programs compared, e.g. all child-care options are full-time center based care, home shelters are small-scale facilities (with a maximum capacity of 30 youth in the Ceará model and a minimum of 10 in the new model proposed by PROARES); and the ABC option is compared with after-school programs offering a range of activities for children age 7 and above. The project team did not encounter similarly comprehensive costing information to allow for complete cost comparisons for all items on the menu. Partial cost comparisons of some spending items, as well as comparative costs of programs with similar beneficiary populations and overall objectives but differences in scope and specific objectives, can be found in the document on economic evaluation tools in the project files. Overall, this attempt at comparative cost analysis, together with similar attempts by other researchers, "points to the need to establish information systems for providing periodic and accurate data with respect to short and long term effects of ECCD [and other targeted social programs] and [their] associated costs." <sup>1/</sup> Preparation of PROARES has provided the detailed costing, baseline information, and design parameters necessary for the implementation of such a system.

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<sup>1/</sup> "Early Childhood Care and Development Programs in Latin America: How Much Do They Cost", by Myriam Waiser for the Technical Advisory Group of the LAC Region, World Bank, December 1995.

PROPOSED RESOLUTION

BRAZIL. LOAN /OC-BR. TO THE STATE OF CEARA  
Social Reform Support Program for the  
Development of Youth and Adolescents

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, to enter into such contract or contracts as may be necessary with the State of Ceará, as Borrower, and the Federative Republic of Brazil, as Guarantor, for the purpose of granting the former a financing to cooperate in the execution of the Social Reform Support Program for the Development of Youth and Adolescents. Such financing will be for the amount of up to forty-two million dollars of the United States of America (US\$42,000,000), or its equivalent in other currencies, except that of Brazil, which are part of the Ordinary Capital resources of the Bank, subject to the "Special Contractual Conditions" and the "Terms and Financial Conditions" set forth in the Executive Summary of the Loan Proposal.