

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

BRAZIL

DEKASSEGUI ENTREPRENEURS

(BR-M1021)

DONORS MEMORANDUM

<p>This document was prepared by the project team consisting of Claudio Cortellese (MIF), Project Team Leader; Maria Elena Nawar (MIF); Gerardo Martinez (COF/CBR); Paula Giraldez (LEG); and Carlos Aquino (Consultant).</p>

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BRAZIL

DEKASSEGUI ENTREPRENEURS

Currency

United States dollars (US\$)

ABBREVIATIONS

ABD	Associação Brasileira de Dekasseguis [Brazilian Dekassegui Association]
MIF	Multilateral Investment Fund
PCR	Project completion report
PPMR	Project Performance Monitoring Report
SEBRAE	Serviço Brasileiro de Apoio às Micro e Pequenas Empresas [Brazilian Microenterprise and Small Business Support Service]
S-NA	National SEBRAE office

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DEKASSEGUI ENTREPRENEURS

(BR-M1021)

EXECUTIVE SUMMARY

Project title:	Dekassegui Entrepreneurs		
Project number:	BR-M1021		
Country:	Brazil		
Executing agency:	Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (SEBRAE) – Nacional [Brazilian Microenterprise and Small Business Support Service – National office] (S-NA)		
Beneficiaries:	Brazilian expatriates in Japan who return to Brazil		
Financing:	MIF: Facility III-A	US\$1,550,000 (50%)	
	Local counterpart:	<u>US\$1,550,000 (50%)</u>	
	Total:	US\$3,100,000	
Objectives and components:	The overall objective of the proposed project is to facilitate the reintegration of Brazilians returning home after a stay abroad. The purpose of the project is to implement a program to give the emigrants the tools for starting their new businesses. The project consists of five components: (i) dissemination and implementation of the program; (ii) selection and training of potential entrepreneurs in Japan; (iii) integration and business training in Brazil; (iv) start-up and growth of new businesses; and (v) systematization of the experience and dissemination of the results.		
Execution period:	Execution period:	48 months	
	Disbursement period:	54 months	
Special contractual clauses:	The first disbursement of the financing will be contingent on: (i) the signature and entry into force of the agreements between SEBRAE Nacional and the SEBRAE state offices in each of the states covered by the project, in accordance with the terms and conditions agreed on with the Bank; (ii) the selection of a program coordinator; and (iii) the entry into force of the Operating Regulations.		

**Exceptions to
Bank policy:**

None.

**Social and
environmental
impact:**

The Committee on Environment and Social Impact approved the project proposal at its 14 January 2005 meeting.

**Coordination
with other
development
finance
institutions:**

The Bank is coordinating with other donors with respect to entrepreneurship programs. This project is innovative, and there are no similar projects being pursued by other donor agencies.

I. BACKGROUND AND RATIONALE

A. Socioeconomic characteristics of Brazilian immigration to Japan

- 1.1 According to a study conducted in 2004 by the Brazilian Dekassegui Association (ABD) and the Brazilian Microenterprise and Small Business Support Service (SEBRAE),¹ the number of Brazilians immigrating to Japan has increased. The Brazilian population in Japan grew from 56,000 in 1990 to nearly 270,000 by the end of 2002,² making Brazilians Japan's third largest immigrant community, after the Koreans and Chinese. This increase over the past 14 years is primarily the result of amendments to Japan's 1990 Immigration Law, which grants Brazilian immigrants of Japanese descent, up to the third generation, legal status upon arrival in Japan. More than 50% of the migrant population is young, between 20 and 34 years of age, and well educated (more than 45% have completed secondary or higher education). Most remain in Japan for a limited period of time, from one to five years, and approximately 50% have lived in Japan at some earlier time. Of those who had migrated to Japan, 19% were shopkeepers or entrepreneurs and 20% were students. Most (nearly 80%) have worked as laborers in Japan, and upon returning to Brazil, they work in similar percentages in the same types of jobs, with an increase in the business component (23%). Most Japanese-Brazilian communities are located in the states of São Paulo, Paraná, Mato Grosso do Sul, Minas Gerais, and to a lesser extent, Rio de Janeiro and Pará. The state of Pará is home to the most traditional community, the result of a joint immigration initiative between the two countries.

a. Entrepreneurial tendency of Dekassegui

- 1.2 One important consideration is the motivation to migrate to Japan: more than 60% of Dekassegui residing in Japan or who have returned wanted to open their own businesses; 46% of those residing in Japan and 40% of those who have returned reported having moved to Japan in order to save money and open their own businesses upon returning to Brazil; and of this group, 12% had attended business seminars during their stay in Japan and 40% are running their own businesses.
- 1.3 Brazilian immigration to Japan is distinguished from traditional Latin American immigration to industrialized countries by the following characteristics:
- (i) The legal status Brazilian immigrants have in Japan, which enables them to formally participate in the labor market, earning prevailing wages and benefits,

¹ The study was completed in mid-2004 and included interviews of participants in a sample of 1,300 Dekassegui. The sample represented three different groups: Brazilians who planned to immigrate to Japan, Brazilians who were living in Japan, and Brazilians who had returned to Brazil.

² Based on statistics from the Japanese Ministry of Justice.

and provides good potential for saving money³ and the ability to use formal banking services;

- (ii) The relatively high level of education (approximately 20% have a degree from a university or an institute of higher learning), which makes them better prepared to open a business;
- (iii) A large percentage go to Japan with the idea of saving money to open a business when they return to Brazil, and they remain faithful to this goal during their stay in Japan;
- (iv) Most of the immigrants return to Brazil after a short period of time in Japan, approximately five years, although in recent years, the length of stays in Japan has been increasing. A high percentage (50%) returns to Japan after a period of time in Brazil.

- 1.4 This overview confirms that the Dekassegui, as Brazilians of Japanese descent who immigrate to Japan are typically called, have a strong propensity for entrepreneurship, which is reinforced by their level of education and drive to save.

b. Dekassegui entrepreneurs: Insertion and implementation problems

- 1.5 The strong propensity for entrepreneurship, associated in some cases with good technical or business skills, is occasionally frustrated by failures and problems in starting and running businesses. The high rate of failure, though not much different than the average rate of failure for businesses in Brazil, results in the loss of significant capital, which, if used more effectively, could have a positive impact on the country's development. Upon losing their savings, the Dekassegui generally return to Japan, creating a vicious circle, at great social and individual cost.
- 1.6 Problems associated with starting and running a new business confront all first-time entrepreneurs, who often have a limited capacity for business design, planning, and management; limited access to credit; and little market knowledge. Technical assistance and training is one way of compensating for these deficiencies, especially considering the financial difficulties a first-time entrepreneur may have in hiring services.
- 1.7 However, in addition to these problems, potential entrepreneurs who have lived abroad face problems related to their migrant experience (over 70% say they need business training). Having been outside the country for a relatively long period of time, the Dekassegui must reintegrate into the cultural and economic fabric of society and acquire business networks, a financial and business record, and knowledge of the market.

³ Seventy-five percent save more than US\$1,000 per month. The average amount of money saved during a stay in Japan is US\$53,000.

B. Proposed project

- 1.8 The proposed project calls for easily accessible training and technical assistance activities, in order to increase the rate of success among Brazilians who have migrated to Japan, saved money, and wish to open a business in Brazil. The project targets Brazilians still living in Japan, as well as those who have returned to Brazil, who have been identified as having a strong entrepreneurial spirit and plans to open a business.
- 1.9 The project seeks to create an experience that could be extended to other Brazilian migrants possessing the ability and desire to start new businesses when they return to Brazil. However, to facilitate the learning process, this project is limited to the Japanese-Brazilian community and Brazilians who have immigrated to Japan—a sector that has the characteristics needed to ensure the success of a project of this nature. The scope of the project will also be limited to the three states with the largest populations of Dekassegui: São Paulo, Paraná, and Mato Grosso do Sul; and the state of Pará, where the Japanese-Brazilian community is better organized, since it was part of a planned immigration process. SEBRAE Nacional and the Brazilian Dekassegui Association have joined forces to implement this initiative as one of their strategic activities, with the possibility of learning and extending the experience to other groups of beneficiaries and other states in Brazil.

C. Bank and MIF strategy

- 1.10 The MIF has set up 10 investment funds in Brazil, making it a major investor in the Brazilian market. However, these venture capital funds are aimed at companies with high growth potential and a high potential return for shareholders. Noteworthy among the funds is the Returning Entrepreneur Investment Fund (REIF), which finances businesses launched by Brazilian migrants who return to Brazil. The fund has financed eight initiatives, only one of which was started by a former Dekassegui. This is largely because the Dekassegui tend to open traditional microenterprises, which are often subsistence businesses. The proposed project seeks to build the business capacity of the Dekassegui and promote the establishment of businesses with high added value.
- 1.11 The Bank's country strategy with Brazil covers four areas of action for the 2004-2007 period. Two of these areas—the first is designed to promote the growth and productivity of small businesses and the second concerns equity and human capital formation—are entirely in line with the project's objectives.

II. DESCRIPTION

A. Objectives

- 2.1 The overall objective of the proposed project is to facilitate the reintegration and productive reinsertion of Brazilians returning home after a stay abroad. The purpose is to implement a program in Japan and in the states of Mato Grosso do Sul, Pará, Paraná, and São Paulo to give the emigrants the tools and the best preparation for starting new businesses.
- 2.2 The project consists of five components: (i) dissemination and implementation of the program; (ii) selection and training of potential entrepreneurs in Japan; (iii) integration and business training in Brazil; (iv) technical assistance for starting and running new businesses; and (v) systematization of the experience and dissemination of the results.

B. Components and activities

- 2.3 The project will provide training and technical assistance to Dekassegui who have an aptitude for entrepreneurship and plans to start a business, based on the following strategy:
- (i) Select the beneficiaries, to provide training and technical assistance to those with the most potential for running a business;
 - (ii) Support the beneficiaries while they are in Japan with distance training and assistance, as a way of helping the Dekassegui better plan their business initiatives and giving them access to relevant information to compensate for their lack of knowledge about the market in Brazil;
 - (iii) Provide a business training and technical assistance program in Brazil, as well. This program, parallel to the program in Japan, will target Dekassegui who have returned to Brazil or who were unable to complete the training program while they were in Japan; and
 - (iv) Implement a program in Brazil to help the entrepreneurs start and run their businesses.

1. Component 1: Dissemination and implementation of the program (MIF – US\$133,000; Local – US\$220,500)

- 2.4 This component calls for activities to reinforce project implementation and craft an image and communication and dissemination strategy that will clearly convey the purpose of the program, specifically targeting the most entrepreneurial Dekassegui. These activities will take into account the homogenous nature of the Dekassegui community, which includes people of different social backgrounds, levels of education, and economic capacity.

- 2.5 **Activities to strengthen the network of institutions involved in the program.** To ensure a standardized approach, the project will train staff at the executing agency (operating units) and the institutions involved in the program (including the ABD, institutions in the Japanese-Brazilian community, universities, and banks). There are plans to offer training courses and hold annual coordination meetings for those in charge of implementing the program.
- 2.6 **Program dissemination.** Based on the professionally defined program image and communication strategy, dissemination activities will be pursued in Japan and in Brazil. In Japan, the publicity campaign will include: (i) dissemination through various media; (ii) informational and motivational events and conferences; and (iii) activities, aimed at identifying beneficiaries, to maintain a regular project presence at various gathering points for the Brazilian community, such as schools, shopping centers, and others.
- 2.7 In Brazil, two dissemination activities will be pursued: (i) events to launch and publicize the initiative, including a national meeting to present the program to the institutional participants and four regional events, one in each state; and (ii) four annual business orientation events—one in each state—for persons who are about to immigrate to Japan, to explain the program and its tools and products in Brazil and Japan and provide some business training and guidance on planning a new business. In addition, a website with program information will be developed.
- 2.8 The **project will finance**: (i) the training courses for the operating units, as well as the national meeting and the regional coordination events; (ii) the shaping of the program image and the dissemination campaign and its implementation; and (iii) the development of the Web page. As a **result of this component**, a standardized implementation mechanism will be developed, and an information campaign will steer the program beneficiary application process.

2. Component 2: Selection and training of potential entrepreneurs in Japan (MIF – US\$371,200; Local – US\$211,200)

- 2.9 This component will provide the Dekassegui with the tools they need to plan a business, through a process that builds their technical, leadership, and management skills. This process will be divided into phases, through which the candidates will advance based on an evaluation of their aptitude for entrepreneurship, their character, and the skills and knowledge they acquire in the different phases. The process will begin with the Dekassegui taking a self-assessment test.
- 2.10 This **initial assessment** consists of a distance test (**self-assessment**). This tool will be based on several SEBRAE products⁴ and must allow for evaluation of aspects of

⁴ Products such as “Você é empreendedor?” [Are you an entrepreneur?], “Mapa de Competencias” [Map of competencies], “Empretec,” and “IPGN” [Starting a great small company].

character and psychology—steadfastness, perseverance, and leadership capacity—and objective factors—technical skills, experience, and socioeconomic situation—so that a beneficiary’s aptitude for business can be determined. Based on this evaluation, the beneficiary will advance to the next phase and to the other business training products. In this way, potential beneficiaries with varying skills and academic training will gain access to the program.

2.11 The **training process** will be divided into three different phases that become increasingly more challenging:

- (i) **Basic training:** Basic elements of business management, providing information on and explaining typical business functions. Several business training products currently in use at SEBRAE, such as “Aprender a Empreender” and “Saber Empreender,” will be adapted for distance training.
- (ii) **Business training:** This will provide the technical tools needed to run a business in Brazil and will consist of specialized modules that will cover various management issues (including production, marketing, and finance) The virtual courses will allow for interaction with tutors and may be supplemented with an on-site activity. Each module will include an evaluation of the participants.
- (iii) **Business plan development:** A technical assistance program to help the selected Dekassegui develop their business plans. The beneficiaries of this activity will have subsidized access to: (i) SEBRAE information and research services in the four states, which will help them make their business idea more concrete; and (ii) individual and group assistance.

2.12 Each of the phases described above will conclude with an **evaluation of the participants’ performance and an invitation or not** to advance to the next phase. An entity will be hired to carry out the selection process and better define the methodology and criteria to be used, particularly for the third phase, which will include criteria such as: (i) the results obtained in the courses; (ii) savings capacity and available capital; (iii) the nature of the business idea, the innovations it incorporates, and the added value it could contribute; and (iv) the economic viability of the idea.

2.13 To support and supplement the training process, the project calls for two additional activities:

- a. **Reference library**, on the Internet, with Brazil-specific information useful for running a business. The library will include information on regulatory topics (legally establishing a business, labor relations, taxes, etc.), a description of

tools for promoting production in each state, and the economic characteristics of the zone.⁵

- b. **Business meetings.** Using the networks of business mentors and leaders to be created in the four states (component 4), meetings will be held in Japan between them and the Dekassegui.

- 2.14 The **project will finance** the following activities: (i) the design of the self-assessment tool; (ii) the design, adaptation, and development of the training products to be used during the three phases and their deployment; (iii) the design of the selection system; (iv) the creation and development of the reference library, with information from the four states; (v) the business meetings; (vi) the partial operating costs of the training and selection activity—in the second and third phases. The additional financing for the latter will come from fees paid by the beneficiaries⁶ for these services. As a **result of this component**, approximately 10,000 Dekassegui will have access to the program and be able to perform the self assessment; 5,000 Dekassegui will participate in basic training; 10% of them will take part in the more advanced training (second phase); and 150 Dekassegui will develop part of a business plan while they are in Japan.

3. Component 3: Integration and business training in Brazil (MIF – US\$211,200; Local – US\$215,200)

- 2.15 For this component, SEBRAE will set up a specific facility to serve Dekassegui in each of the four states (the products offered may be adapted from a combination of traditional SEBRAE products). This component will target Dekassegui who have returned to Brazil and did not participate in the training program in Japan or did not complete it. The project calls for implementation of two instruments:
- 2.16 **Reintegration support.** This activity will provide support and guidance to the Dekassegui, to enable them to rapidly reintegrate into the local community, by helping them search for concrete solutions to the diverse challenges associated with insertion. This activity will rely on the efforts of the Dekassegui organizations involved in the project.
- 2.17 **“Nascer Bem:” [Right Start]⁷ Business training and preparation of business plans.** This product will train potential entrepreneurs using a process similar to the one employed in Japan, but based on courses in the classroom. The project will

⁵ SEBRAE’s office in Mato Grosso do Sul has developed a system called GIS – “Geonegócio” [Geobusiness], which provides all the economic data, by area (the data are provided at the level of city blocks, for example).

⁶ These costs are associated with: on-site activities, product maintenance, services provided over the Internet by experts (interactive courses), and the evaluation and selection of participants.

⁷ “Próprio,” developed in Paraná, and “Nascer Bem,” developed in Mato Grosso do Sul, have enabled a series of products traditionally offered by SEBRAE to be incorporated into a sequential training process.

bring added value to SEBRAE's traditional products through: (i) the self-assessment tool; (ii) the development of a "knowledge map" that makes it easier to choose from among diverse products, through a sequential set of steps; (iii) the evaluation of knowledge acquired and the selection of beneficiaries for the next module; and (iv) initial and refresher training for the course instructors and the consultants assessed and used by SEBRAE.

- 2.18 The **project will finance**: (i) basic orientation courses, focusing specifically on planning economic reinsertion; (ii) the development of new products, as well as the adaptation of SEBRAE entrepreneurial training and assistance products; and (iii) training for consultants associated with SEBRAE. As a **result of this component**, 5,000 former Dekassegui will have access to training and at least 30% of them will participate in the complete assistance program.

4. Component 4: Assistance for startup and growth of new businesses (MIF – US\$454,500; Local – US\$450,500)

- 2.19 This component is intended to support the creation of new businesses by Dekassegui who have returned from Japan and to provide intensive support to the entrepreneurs of higher-growth businesses. Beneficiaries may include: Dekassegui who have participated in program activities in Japan (component 2) and Dekassegui who have not participated in any significant way in activities in Japan, but have done so in Brazil (component 3). However, only some of the latter can gain subsidized access to the intensive program of support for the growth of their business.
- 2.20 **Implementation of the businesses.** SEBRAE has technical assistance products for legally establishing and starting new businesses, and, as in the previous component, these will be consolidated and made available through the special facility for Dekassegui.
- 2.21 **Network of mentors.** The program calls for the creation of a "Dekassegui Entrepreneur Network," which will consist of business and community leaders, not only of Japanese descent, joining together in the interest of facilitating the productive reinsertion of Brazilian expatriates and promoting the development of new entrepreneurs. The network of mentors will be responsible for: (i) identifying mentors for businesses in the "Crescer Melhor" [Better Growth] program; and (ii) participating in motivational and training activities for the Dekassegui, both in Brazil and Japan.
- 2.22 **"Crescer Melhor"** is an intensive program to help businesses manage growth and consists of three primary areas of activity: (i) training and technical assistance for businesses, in groups; (ii) the development of an individualized plan for business expansion, including specific technical assistance and training activities; and (iii) close monitoring of the results of program activities and their impact. The plans

will be developed over a three-year period. This product will be offered on a subsidized basis to eligible businesses that have been selected according to a methodology—criteria and procedures—to be developed during the project, which will include criteria such as: (i) the results of the self assessments and the courses imparted as part of the program; (ii) available capital; (iii) the nature of the business, the innovations it incorporates, its environmental impact (which should be minimal or positive), and the added value it could bring; and (iv) other elements that would contribute to development, such as export potential, replicability, and the number of jobs created.

- 2.23 To finance the subsidies provided under “Crescer Melhor”, a technical assistance facility will be created. The financing will be based on the following criteria, which may be expanded as part of the product design: (i) A subsidy may not exceed the lesser of US\$20,000 per business or one third of the resources invested by the entrepreneur; (ii) A subsidy may be used only within a business’s growth plan, which will be subject to an analysis of the business’s effectiveness and efficiency, and may be withdrawn if the business does not achieve the expected results; (iii) Subsidies may be used only for training and technical assistance activities; and (iv) Every activity will be cofinanced by the beneficiary. In addition, beneficiaries will contractually commit to make contributions to the fund, in an amount determined by them, for three years following their participation in the program.
- 2.24 The **project will finance:** (i) the creation of the network of mentors; (ii) the design and implementation of the “Crescer Melhor” product; and (iii) the initial funding needed to set up the technical assistance facility that will finance this new product. As a **result of this component**, support will be provided to approximately 1,000 businesses launched by former Dekassegui. In addition, some 40 businesses are expected to participate in the pilot phase of “Crescer Melhor.”

5. Component 5. Systematization of the experience and dissemination of the results (MIF – US\$25,000; Local – US\$50,000)

- 2.25 This component is intended to monitor, evaluate, and disseminate program outcomes. To this end, it calls for the following activities: (i) establishing a program baseline to be used for the midterm and final evaluations; (ii) setting up a system for monitoring program activities and outcomes, which could contribute to project management, as well as the learning process; (iii) systematizing the experience, for the purpose of more easily expanding the program through the documentation and transfer of successful initiatives; and (iv) holding four regional seminars to disseminate outcomes and a final national conference upon project completion.

III. COSTS

- 3.1 The total estimated cost of the project is US\$3.1 million. The MIF will contribute US\$1.55 million (50%) in nonreimbursable funds, and the local counterpart will be responsible for the remaining 50%. The **local counterpart resources** are largely a commitment in cash from SEBRAE Nacional.

Cost table

Components	MIF	SEBRAE		TOTAL	%
		In cash	In kind		
Dissemination and implementation	133,000	166,500	55,000	354,500	11
Training of Dekassegui in Japan	371,200	211,200		582,400	19
Integration and training in Brazil	211,200	215,200		426,400	15
Assistance for starting new businesses	454,500	444,000	6,500	905,000	29
Systematization and dissemination of results	25,000	35,000	15,000	75,000	2
Coordination and management	216,000	260,800	95,000	571,800	18
Audits and evaluations	100,000			100,000	3
Contingencies (3%)	39,100	45,800		84,900	3
TOTAL	1,550,000	1,378,500	171,500	3,100,000	100

- 3.2 Project sustainability is guaranteed by the local counterpart, as SEBRAE's institutional mission is to support the development of small businesses. The project will provide the financing needed to introduce new training products or adapt existing ones and introduce them, facilitating the beneficiaries' access to the project. The sustainability of the technical assistance facility will be guaranteed by the contributions pledged by the beneficiaries; it can also receive funds from other organizations, which would extend its reach and increase the number of beneficiaries.

IV. EXECUTING AGENCY AND EXECUTION MECHANISM

- 4.1 The **executing agency** will be SEBRAE, an entity that promotes the development of small businesses in Brazil and has extensive experience and proven institutional

strength. SEBRAE has a central national office, called SEBRAE Nacional (S-NA), and offices in each state in the country, with budgetary autonomy.

- 4.2 The **S-NA** will establish a project executing unit and will be responsible for the overall coordination of the program, its financial management, and execution of the activities in Japan. The **SEBRAE offices in the four states** will perform most of the program activities, through operating units. The **Brazilian Dekassegui Association** (ABD) will support program implementation. The ABD is headquartered in Curitiba (Paraná) and is made up of professionals from the Japanese-Brazilian community who provide services to the Dekassegui on a volunteer basis. It will be responsible for the following activities: (i) supporting the reintegration of the Dekassegui; (ii) participating in setting program strategy; and (iii) participating in disseminating the program. The S-NA will also sign specific implementation agreements with each of the four state SEBRAE offices that will participate in the program—São Paulo, Mato Grosso do Sul, Paraná, and Pará—and with the ABD. In Japan, the S-NA will create one operating unit. It will also create a program governing council consisting of two representatives from the S-NA, a representative from each of the state SEBRAE offices, and a representative from the ABD. As part of its duties and responsibilities, the council will: (i) approve the semiannual action plan and annual budget; (ii) set program strategy; and (iii) approve the semiannual progress reports.
- 4.3 The **executing unit** will be composed of a professional who will serve as program coordinator and will also be responsible for: (i) centralized activities; (ii) activities in Japan; and (iii) secretarial duties for the governing council. For execution of the activities in Japan, a manager will be hired, who will be based in Nagoya, the capital of the prefecture of Aichi (the region with the largest concentration of Dekassegui).
- 4.4 Each state SEBRAE office will establish an **operating unit**, within that institution's organizational structure. It will be responsible for carrying out program activities and will be made up of a business support specialist, who will organize the activities in components 3 and 4. In addition, each state SEBRAE office will assemble the most important institutions for the program (the Japanese-Brazilian community, trade associations, universities, etc.) to form a **strategic council**. Council members, who will serve ad honorem, will be well-respected figures in the community who are committed to the success of the program. The strategic council will: (i) help the operating units set a program strategy; (ii) ensure the dissemination of information and the transparency of the program; and (iii) provide the institutional framework for creating a network of mentors.
- 4.5 **Project readiness.** SEBRAE has established a working group, made up of representatives from its operational units and the participating states, which has been working on project-related issues. With the support of the Bank, the SEBRAE

team has drafted terms of reference for the positions of coordinator and the manager in Japan, which will expedite their selection.

- 4.6 **Execution period.** The execution period for the program will be four years (48 months), and the disbursement period will be 54 months.
- 4.7 **Monitoring and oversight.** The Bank's Country Office in Brazil will be responsible for project oversight. SEBRAE Nacional will submit to the Bank drafts of its semiannual progress reports as of 15 June and 15 December and the final versions no later than 30 days after the end of each six-month period and a final report no more than 30 days after the last disbursement. The semiannual reports will follow a format decided in advance with the Bank and will describe project activities, finances, and outcomes achieved. They will be used to monitor the project and draft the project completion report, in accordance with Bank rules and regulations. The Bank's Country Office will conduct ex post reviews of the procurement of consulting services valued at less than US\$20,000.
- 4.8 **Disbursements.** The first disbursement will be subject to the following conditions: (i) the signature and entry into force of the agreements between SEBRAE Nacional and the four state SEBRAE offices, in accordance with the terms and conditions agreed on with the Bank; (ii) the selection of a program coordinator; and (iii) the entry into force of the Operating Regulations. A revolving fund with up to 10% of the Bank's contribution will be established. All disbursements will be made *pari passu* with disbursements of local counterpart resources.

V. THE ENVIRONMENT AND OCCUPATIONAL SAFETY

- 5.1 Project activities are not expected to have any negative socioenvironmental impact. On the contrary, as part of the project, senior staff and employees will receive training on issues related to occupational health and safety and environmental protection. In addition, the selection criteria will take into account social and environmental factors (paragraph 2.22).

VI. EVALUATION

- 6.1 Using project resources, the Bank will engage consulting services for two project evaluations: a midterm evaluation, upon disbursement of at least 50% of the resources or 24 months into project execution, whichever occurs first, and a final evaluation, upon project completion. These evaluations will be based on a monitoring methodology that, based on the logical framework, will be developed by SEBRAE and approved by the Bank. The midterm evaluation will focus on: (i) the fulfillment of programmed activities; (ii) the performance of the operating units, with regard to the efficiency and quality of services provided to beneficiaries;

- (iii) the efficacy of activities pursued with regard to the establishment of new businesses; and (iv) beneficiary satisfaction and the efficacy of the activities conducted in Japan. The final evaluation will focus on: (i) program sustainability; (ii) the vitality of the new businesses; (iii) the types of businesses benefited by the project; and (iv) the development impact, particularly of businesses with high added value that took part in the “Crescer Melhor” program.
- 6.2 The executing agency will set up a monitoring system that includes quantitative and qualitative development indicators. The **qualitative indicators** will include: (i) type of Dekassegui beneficiary; (ii) an evaluation by the beneficiary entrepreneurs; and (iii) project impact in terms of development and efficiency of the investment (entrepreneurial success of the Dekassegui). The **quantitative indicators** will include: (i) the number of Dekassegui participating in the project; (ii) the impact of the second component; and (iii) the impact in terms of the number of successful businesses created.

VII. BENEFITS AND RISKS

A. Benefits

- 7.1 The beneficiaries will be Brazilian expatriates in Japan who return to Brazil in order to start a new business, using money saved during their time abroad. The project will increase the knowledge and improve the skills of more than 10,000 Dekassegui, approximately 25% of whom will participate in more intensive training, leading to the establishment of at least 1,000 new businesses. Through activities planned under the “Crescer Melhor” program, the project will support a pilot group of 35-40 businesses run by former Dekassegui that will be characterized by high growth and innovative capacity.

B. Risks

- 7.2 One of the main risks associated with the project has to do with a lack of understanding of the specific nature of demand among the Dekassegui, their availability and preferences, and their level of specific skills, given the sociocultural heterogeneity of this group. The executing agency, with the support of the manager in Japan and the organizations involved in the program, both in Japan and in Brazil, will publicize and explain the objectives of the program which, together with the self-assessment instrument, will: (i) ensure that only those individuals who are most interested in building their business skills join the program; and (ii) better identify the real nature of the demand, so that the program format and content can be fine-tuned accordingly. Thus, the project will be flexible enough to modify part of the activities in the event that demand so requires. In addition, the project will offer business orientation activities to people who are preparing to migrate to Japan, which should result in clearer demand among the Dekassegui.

BRAZIL
DEKASSEGUI ENTREPRENEURS (BR-M1021)
LOGICAL FRAMEWORK MATRIX

Summary of objectives	Indicators	Means of verification	Assumptions
Goal			
To facilitate the reintegration of Brazilians who have spent a period of time in Japan, through economic insertion in Brazil.	Three years after project completion: 1. Forty percent of the businesses are still operating after five years.	1. Statistics derived from monitoring program beneficiaries, measured against the baseline	1. The macroeconomic climate does not undergo any significant changes.
Purpose			
The specific objective is to implement a program that gives the emigrants the tools, skills, and support they need to start a new business in Brazil.	The four states participating in the program report, on average, the following outcomes, with respect to their baselines: 1. A 100% increase in the success rate of new businesses launched by Dekassegui. 2. At least 10% of current and former Dekassegui who have participated in the different phases of the program have established a business.	1. Semiannual progress reports prepared by the executing agency 2. Midterm and final project evaluation reports 3. Baseline information for each state 4. Project monitoring and oversight system reports 5. Project performance monitoring reports (PPMR) and the project completion report (PCR)	1. The Dekassegui participate actively in the program and adopt the tools and techniques they learn. 2. The technical support provided by SEBRAE and other organizations in Brazil's productive system continues. 3. There continues to be access to credit and financing.
Components			
1. Dissemination and implementation of the program	Within 6 months of the first disbursement: 1.1 The implementation structure of the program, in Brazil and Japan, as well as the participating institutions, has been established and is in operation. 1.2 Baseline defined. Within 12 months of the first disbursement: 1.3 At least 2,000 beneficiaries have accessed the program and taken the self-assessment test.	1. Semiannual progress reports 2. Agreement between SEBRAE Nacional and the co-executing agencies 3. Outputs of the publicity campaign 4. Log of hits to the website 5. PPMR and the PCR 6. Midterm evaluation	1. The Dekassegui continue to demonstrate a propensity for entrepreneurship. 2. Skilled bilingual personnel (Portuguese and Japanese) are available to organize the program in Japan.

Summary of objectives	Indicators	Means of verification	Assumptions
	<p>Within 36 months of the first disbursement:</p> <p>1.4 At least 10,000 beneficiaries have taken the self-assessment test.</p> <p>1.5 Between 5 and 20 institutions are involved in the project.</p>		
2. Selection and training of potential entrepreneurs in Japan	<p>Within 12 months of the first disbursement:</p> <p>2.1 At least 1,000 beneficiaries have consistently attended basic courses.</p> <p>Within 24 months of the first disbursement:</p> <p>2.2 150 have participated in the more intensive business training (second phase).</p> <p>2.3 50 have developed business plans.</p> <p>Within 48 months of the first disbursement:</p> <p>2.4 At least 5,000 beneficiaries have consistently attended basic courses.</p> <p>2.5 500 have participated in the more intensive business training.</p> <p>2.6 150 have developed business plans.</p> <p>2.7 Over 200 entrepreneurs have used the reference library.</p>	<p>1. User database</p> <p>2. Semiannual progress reports</p> <p>3. Program monitoring and oversight system reports</p> <p>4. PPMR and the PCR</p> <p>5. Midterm and final evaluations</p>	<p>1. The Dekassegui are inclined to participate in training and technical assistance activities and have the time and money to do so.</p> <p>2. Local or Brazilian entities are available to provide experts and infrastructure for on-site activities.</p>
3. Integration and business training in Brazil	<p>Within 24 months of the first disbursement:</p> <p>3.1 With the support of the program, 2,000 former Dekassegui have participated in sequential training programs.</p> <p>Within 36 months of the first disbursement:</p> <p>3.2 With the support of the program, 3,500 former Dekassegui have participated in sequential training programs.</p> <p>Within 48 months of the first disbursement:</p>	<p>1. Semiannual progress reports</p> <p>2. Program monitoring and oversight system reports</p> <p>3. Satisfaction survey administered to the community of former Dekassegui</p> <p>4. PPMR and the PCR</p>	<p>1. The individual businesses remain committed to participating in the program.</p> <p>2. The businesses are willing to pay for services rendered, in accordance with the payment method established under the program.</p>

Summary of objectives	Indicators	Means of verification	Assumptions
	3.3 With the support of the program, 5,000 former Dekassegui have participated in sequential training programs. At least 30% have completed them.		
4. Assistance for startup and growth of new businesses	<p>Within 12 months of the first disbursement:</p> <p>4.1 A system for selecting businesses with the greatest potential and impact and a program of ongoing support for business expansion have been implemented in SEBRAE.</p> <p>Within 36 months of the first disbursement:</p> <p>4.2 With program support, former Dekassegui have created 600 new businesses.</p> <p>4.3 100 businesses associated with the program are receiving support through the network of mentors.</p> <p>4.4 30 businesses are receiving ongoing support to help them grow.</p> <p>Within 48 months of the first disbursement:</p> <p>4.5 With program support, former Dekassegui have created 1,000 new businesses.</p> <p>4.6 200 businesses associated with the program are receiving support through the network of mentors.</p> <p>4.7 40 businesses are receiving ongoing support to help them grow.</p>	<p>1. Semiannual progress reports</p> <p>2. Program monitoring and oversight system reports</p> <p>3. Final design and dissemination of a SEBRAE product to provide ongoing support for business expansion</p> <p>4. Satisfaction survey administered to the community of former Dekassegui</p>	<p>1. The individual businesses remain committed to participating in the program.</p> <p>2. The businesses are willing to pay for services rendered, in accordance with the payment method established under the program.</p>
5. Systematization of the experience and dissemination of the results	<p>Within 6 months of the first disbursement:</p> <p>5.1 The project monitoring and oversight system is in operation.</p> <p>Within 24 months of the first disbursement:</p> <p>5.2 At least one nationwide technical event has been held to disseminate the initial outcomes and discuss possible improvements and the</p>	<p>1. Semiannual progress reports</p> <p>2. Programs and attendance records for seminars</p> <p>3. Agreement to launch a new project in a state or group not included in this proposed project</p> <p>4. Log of hits to the website</p>	<p>1. Other groups or states are interested in replicating the model and have the capacity to do so.</p>

Summary of objectives	Indicators	Means of verification	Assumptions
	<p>possibility of replicating the program in other states or for other groups.</p> <p>5.3 An analysis of the efficacy of the products and methodology used has been done.</p> <p>Within 48 months of the first disbursement:</p> <p>5.4 The program has been expanded to other states or groups.</p> <p>5.5 A second nationwide event has been held to present lessons learned.</p>		
Activities			
<p>1. Component 1. Dissemination and implementation of the program</p> <p>Activities to strengthen the network of institutions participating in the program</p> <p>Program dissemination</p> <p>Website</p>	<p>Total: US\$354,500 MIF: US\$133,000 Local counterpart: US\$221,500</p> <p>1.1 Team of operators formed by no later than month 3. 1.2 Team of operators trained before month 4.</p> <p>Prior to the sixth month:</p> <p>1.3 A nationwide event held in Brazil. 1.4 Dissemination events in each of the four states. 1.5 A business orientation fair in each state (this will be an annual event). 1.6 Design and implementation of the publicity campaign in Japan. 1.7 Website developed.</p> <p>After 24 months of project execution:</p> <p>1.8 Second training event for program operators. 1.9 Annual refresher trainings continue to be held. 1.10 Annual business orientation events continue to be held.</p>	<p>1. Semiannual progress reports 2. Meetings and visits 3. SEBRAE publications 4. Website operating</p>	<ul style="list-style-type: none"> There is sufficient interest in the project within the Dekassegui community.

Summary of objectives	Indicators	Means of verification	Assumptions
	<p>After 36 months:</p> <p>1.11 A nationwide event is held to disseminate the results of the experience.</p>		
<p>2. Component 2. Selection and training of potential entrepreneurs in Japan</p> <p>Design and development of training products</p> <p>Implementation and completion of training</p> <p>Selection of beneficiaries and development of business plans</p> <p>Business meetings</p>	<p>Total: US\$582,400 MIF: US\$371,200 Local counterpart: US\$211,200</p> <p>Two months into project execution:</p> <p>2.1 A specialized consulting firm has been hired to develop the training and selection process.</p> <p>At 6 months:</p> <p>2.2 A complete self-assessment test has been developed.</p> <p>2.3 Products for basic training have been adapted.</p> <p>2.4 Products for the more intensive business training have been developed.</p> <p>At 24 months:</p> <p>2.5 Four on-site activities have taken place.</p> <p>2.6 An Internet-based reference library is in operation.</p> <p>2.7 Five business meetings per year.</p>	<p>1. Semiannual progress reports</p> <p>2. Reports from the program registration database</p> <p>3. Evaluations of training activities</p> <p>4. Oversight visits</p>	<ul style="list-style-type: none"> There is sufficient demand among Dekassegui who intend to start businesses.
<p>3. Component 3: Integration and business training in Brazil</p> <p>Integration support</p> <p>Adaptation of the “Nascer Bem” program</p> <p>Initial and refresher training for instructors</p>	<p>Total: US\$426,400 MIF: US\$211,200 Local counterpart: US\$215,200</p> <p>At 3 months:</p> <p>3.1 One contact person has been identified and hired in each state to guide former Dekassegui.</p>	<p>1. Registration records</p> <p>2. Consultant contracts</p> <p>3. Consultant reports</p> <p>4. Evaluations of training activities</p>	<ul style="list-style-type: none"> Local specialized technical consultants are available. Consulting services are hired in a timely fashion. The entities involved in the program maintain their interest.

Summary of objectives	Indicators	Means of verification	Assumptions
	<p>At 12 months:</p> <p>3.2 “Nascer Bem” or other similar courses have been given by SEBRAE in the four states.</p> <p>3.3 The first refresher training for SEBRAE business development consultants has been provided.</p> <p>At 48 months:</p> <p>3.4 “Nascer Bem” has been repeated each year.</p> <p>3.5 Three refresher-training sessions for business development consultants have been provided in each state.</p>		
<p>4. Component 4 – Assistance for startup and growth of new businesses and “Crescer Melhor”</p> <p>Technical assistance for starting a new business</p> <p>Creation of a network of mentors</p> <p>Selection process</p> <p>Design and implementation of the “Crescer Melhor” product</p>	<p>Total: US\$905,500 MIF: US\$454,500 Local counterpart: US\$450,500</p> <p>4.1 1,000 technical assistance activities have been hosted by the end of month 48.</p> <p>4.2 The network of mentors has been created.</p> <p>4.3 40 pilot projects have been selected and supported through the technical assistance facility by the end of month 48.</p>	<p>1. Records of activities in the network of mentors</p> <p>2. Consultant contracts</p> <p>3. Consultant reports</p> <p>4. Accounting records for the fund</p>	<ul style="list-style-type: none"> Local specialized technical consultants are available. Consulting services are hired in a timely fashion.
<p>5. Component 5: Systematization of the experience and dissemination of the results</p> <p>5.1 Creation of a database</p> <p>5.2 Systematization of the experience</p> <p>5.3 Four seminars and a final national conference</p>	<p>Total: US\$75,000 MIF: US\$25,000 Local counterpart: US\$50,000</p> <p>5.1 A consulting firm has been hired to develop the evaluation methodology by the third month.</p> <p>5.2 The baseline has been established and the project monitoring and oversight system has been adapted from the MIF system and put into operation by the sixth month.</p>	<p>1. Semiannual progress reports</p> <p>2. Case studies</p> <p>3. Regular program monitoring and oversight system reports</p> <p>4. Dissemination materials</p> <p>5. Attendance records for national seminars</p> <p>6. Evaluation documents</p>	<ul style="list-style-type: none"> The program can be replicated for other productive areas of business/sectors, for dissemination/acceptance of the project’s proven model.

Summary of objectives	Indicators	Means of verification	Assumptions
	<p>5.3 Dissemination materials have been designed and produced for dissemination by the third year.</p> <p>5.4 Four regional seminars are held during the second year of the project and one final natinwide conference is held upon project completion.</p>		

Dekassegui Entrepreneurs - Itemized Budget (Table 1)

Activities		Units	Unit cost	Number of times	TOTAL (US\$)	Total (US\$)		
						MIF	SEBRAE	
						Cash	Cash	In-kind
Component 1: Dissemination and implementation of the program								
Institutional support network	Training instructors/operators in Brazil	30	100	2	6,000		6,000	
	Travel and per diem for training instructors / operators in Brazil	1	4,000	1	4,000		4,000	
	Annual refresher meeting	1	35,000	1	35,000		17,500	17,500
	Participation of the executive from Japan	1	7,000	1	7,000		3,500	3,500
Program dissemination	Image and design marketing and dissemination	1	30,000	1	30,000		30,000	
	Preparation of materials	1	14,500	1	14,500	5,000	9,500	
	Publicity campaign in Japan	1	30,000	2	60,000	60,000		
	Dissemination events in Brazil	5	4,000	1	20,000		10,000	10,000
	Travel and per diem for executive in Japan for dissemination	1	10,000	4	40,000	20,000	20,000	-
	Fees of executive in Japan (25%)	1	1,500	24	36,000	18,000	18,000	-
	ABD Ouvridor	1	500	48	24,000	12,000	12,000	-
	Business orientation initiatives	4	3,000	4	48,000		24,000	24,000
Website	Development	1	6,000	1	6,000	6,000		
	Website maintenance	1	500	48	24,000	12,000	12,000	
SUBTOTAL FOR COMPONENT 1					354,500	133,000	166,500	55,000
Component 2: Selection and training of potential entrepreneurs in Japan								
Design and development of training products	Complete self-assessment test	1	10,000	1	10,000		10,000	
	Part-time remote test reviewer	1	800	48	38,400	19,200	19,200	
	Basic training	1	10,000	1	10,000	5,000	5,000	
	Business training	1	20,000	1	20,000	8,000	12,000	
	Development of business plans	1	4,000	1	4,000	2,000	2,000	
Preparation and provision of training	Preparation of part of the materials	1	5,000	1	5,000	2,000	3,000	
	Remuneration of instructors in Brazil	4	2,500	12	120,000		120,000	
	Remuneration of SEBRAE instructors in Japan	2	3,000	8	48,000	28,000	20,000	
	Travel costs of SEBRAE instructors in Japan	2	2,000	8	32,000	32,000		
	Per diem of SEBRAE instructors in Japan	40	300	4	48,000	48,000		
	Projection equipment in Japan	1	500	8	4,000	4,000		
	Rental of computer equipment in Japan	5	150	8	6,000	6,000		
	Other miscellaneous expenses in Japan	1	1,500	8	12,000	12,000		
	Design of selection methodology and criteria	1	15,000	1	15,000	15,000		
	Fees of executive in Japan (25%)	1	1,500	24	36,000	36,000		
	Part-time executive in Japan	1	3,000	24	72,000	72,000		
	Fees of experienced local professionals	2	600	30	36,000	36,000		
	Adaptation and expansion of the library	1	4,000	1	4,000	2,000	2,000	
Internet-based reference	Development of the library	1	4,000	4	16,000	8,000	8,000	
	Preparation of materials	5	200	4	4,000	4,000		
Business meetings	Venue	1	500	20	10,000		10,000	
	Projection equipment	1	100	20	2,000	2,000		
	Other miscellaneous expenses in Japan	1	1,500	20	30,000	30,000		
SUBTOTAL FOR COMPONENT 2					582,400	371,200	211,200	-
Component 3: Integration and business training in Brazil								
Reintegration support	Basic orientation courses	16	500	4	32,000		32,000	
	Part-time assistant for reintegration support	4	700	48	134,400	67,200	67,200	
Business training and preparation of business plans	Adaptation and development of training products	1	4,000	1	4,000		4,000	
	Initial and refresher training for instructors	8	2,000	1	16,000		16,000	
	Program professional (50%)	4	1,000	48	192,000	96,000	96,000	
	Part-time assistant for training sessions	4	500	24	48,000	48,000	-	
SUBTOTAL FOR COMPONENT 3					426,400	211,200	215,200	-
Component 4: Assistance for starting and running new businesses								
Network of mentors	Creation of the network	1	3,000	1	3,000	1,500	-	1,500
	Implementation of the network	1	10,000	1	10,000	5,000	-	5,000
Implementing businesses	Group and individual technical assistance	4	500	48	96,000		96,000	
	Design of "Crescer Melhor," including selection process	1	50,000	1	50,000	50,000	-	
"Crescer Melhor"	Program professional (25%)	4	500	48	96,000	48,000	48,000	
	Ad-hoc consultants for definition of business plan and monitoring, with quarterly visits	1	50,000	1	50,000	50,000	-	
	Technical assistance facility	30	20,000	1	600,000	300,000	300,000	
SUBTOTAL FOR COMPONENT 4					905,000	454,500	444,000	6,500
Component 5: Systematization of the experience and dissemination of the results								
Creation of a database		1	40,000	1	40,000	20,000	20,000	
Systematization of the experience		1	15,000	1	15,000	5,000	10,000	
Four seminars and one conference		5	4,000	1	20,000		5,000	15,000
SUBTOTAL FOR COMPONENT 5					75,000	25,000	35,000	15,000
Coordination and management								
Coordination and management	Program coordinator	1	2,500	48	120,000	60,000	60,000	
	Travel and per diem in Brazil	1	12,000	4	48,000		48,000	
	Administrative assistant	1	500	48	24,000			24,000
	Executive in Japan (50%)	1	3,000	24	72,000	72,000		
	Office in Nagoya	1	700	48	33,600	16,800	16,800	
	Travel expenses of coordinator in Japan	1	2,000	8	16,000	16,000		
	Per diem for coordinator in Japan	1	300	64	19,200	19,200		
	Program professional (25%)	4	500	48	96,000		96,000	
	Local program assistants	4	300	48	57,600			57,600
	Equipment, communications, and other expenses in Brazil	1	13,400	1	13,400			13,400
	Governing council	1	2,000	4	8,000		8,000	
	Strategic councils	4	4,000	4	64,000	32,000	32,000	
SUBTOTAL FOR COORDINATION AND MANAGEMENT					571,800	216,000	260,800	95,000
Evaluations		1	30,000	2	60,000	60,000		
Audits		1	10,000	4	40,000	40,000		
SUBTOTAL FOR EVALUATIONS AND AUDITS					100,000	100,000	-	-
CONTINGENCIES (3%)					84,900	39,100	45,800	-
TOTAL					3,100,000	1,550,000	1,378,500	171,500

RELATED PROJECTS IN BRAZIL

A. Identical or similar MIF projects

None.

B. Similar or related Bank projects

Project number and approval date	Project title, executing agency, and amount	Date of signature and disbursement period, in months	Percentage disbursed	Comments
1308/OC-BR 31 January 2001	Program to expand markets for small and medium-sized enterprises in northeastern Brazil Banco do Nordeste do Brasil (BN) Bank loan of up to US\$150 million	31 July 2003 48 months	0%	This project is rated unsatisfactory and has not yet begun to be implemented. A pre-start-up mission was conducted in November 2003, to lay the groundwork for execution with the new administration at Banco do Nordeste. However, the Bank has not been able to form alliances with financial institutions to channel program resources.
1387/OC-BR 9 January 2002	Global credit program for microenterprises in Northeastern Brazil Banco do Nordeste do Brasil (BN) Bank loan of up to US\$30 million	9 September 2002 48 months	8%	This project is rated unsatisfactory. Banco do Nordeste has not shown interest in using loan proceeds to finance microcredit and therefore has requested that this program be cancelled.

C. MIF projects in Brazil related to the same sector

Project number and approval date	Project title, executing agency, and amount	Date of signature and disbursement period, in months	Percentage disbursed	Comments
ATN/ME-9001-BR 85/MS-BR 8 December 2004	Expanding the coverage of financial services for microenterprises and small business through microfinance institutions affiliated with the Women's World Banking network Banco da Familia MIF contribution: US\$90,000 MIF loan: US\$600,000	N/A 42 months	0%	The Donors Committee has just approved this project.
ATN/ME-7927-BR 26 June 2002	Program for the development of industrial districts Serviço Brasileiro de Apoio às Micro e Pequenas Empresas (SEBRAE) MIF contribution: US\$2,075,000	10 September 2002 42 months	10%	This project is rated satisfactory. There has been significant progress in almost all program components. The districts, institutions, and companies directly involved in program execution have gained important experience in activities related to all the established indicators: awareness and mobilization; business partnering; training, promotion, and marketing; participation in trade fairs and missions at home and abroad; and design of and access to new markets and outlets. Moreover, while the level of disbursement of the MIF contribution is only at 10%, the level for the local counterpart contribution is 74%.

Project number and approval date	Project title, executing agency, and amount	Date of signature and disbursement period, in months	Percentage disbursed	Comments
EQU/MS-7425-BR 16 May 2001	Equity investment in the Venture Capital Fund for Returning Entrepreneurs Banco Sudameris de Inverimento (BSI) MIF venture capital: US\$5 million	28 January 2002 Fund life: 10 years	35%	N/A

MULTILATERAL INVESTMENT FUND

BRASIL MIF PORTFOLIO

No.	Memo #	Project #	ATN #	Name	Exec. Agency	FAC	Approval	Status	MIF Amount	% Disb
1	MIF/AT-180	TC9607295	ATN/MT-6003-BR	Water Concession in Goias	AGR	I	10-Jun-98	Completed	350,000	100.00
2	MIF/AT-178	TC9703499	ATN/ME-6001-BR	Support for Technology-based Incubators SC	IELSC	IIla	10-Jun-98	In execution	3,500,000	87.72
3	MIF/AT-186	TC9801459	ATN/MH-6050-BR	Development of Skills, Standards and Certification System for the Tourism Sector	IH	II	15-Jul-98	Completed	2,500,000	100.00
4	MIF/AT-196	TC9803108	ATN/ME-6100-BR	Development of Small Technology-Based Companies	BIOMINAS	IIla	12-Aug-98	In execution	3,250,000	87.59
5	MIF/AT-196	TC9803116	EQU/MS-6099-BR	Development of Small Technology-Based Companies	BIOMINAS	IIlb	12-Aug-98	In execution	5,000,000	57.90
6	MIF/AT-200	TC9807156	ATN/MH-6211-BR	Job Skills Training of Urban Youth	AACS	II	30-Oct-98	Completed	5,150,000	100.00
7	MIF/AT-231	TC9802035	ATN/MH-6375-BR	Strengthening Consumer Protection in Public Utilities	IDEC	II	3-Feb-99	Completed	834,000	100.00
8	MIF/AT-235	TC9802358	ATN/MT-6378-BR	Alternative Dispute Resolution Methods	CAC	I	3-Feb-99	In execution	1,599,400	82.56
9	MIF/AT-247	TC9810476	EQU/MS-6535-BR	Equity Fund for Technology-based Industry	CRP	IIlb	2-Jun-99	In execution	3,000,000	69.93
10	MIF/AT-247	TC9904030	ATN/ME-6536-BR	Equity Fund for Technology-based Industry	CRP	IIla	2-Jun-99	Completed	10,280	100.00
11	MIF/AT-270	TC9607089	ATN/MT-6603-BR	Strengthening Negotiation & Mediation of Labor Disputes	SRT	I	4-Aug-99	Cancelled	0	0.00
12	MIF/AT-293	TC9901028	ATN/MT-6697-BR	Renewable Energy Service Delivery	PDEEM	I	13-Oct-99	In execution	2,250,000	12.04
13	MIF/AT-312	TC9702334	ATN/MT-6880-BR	Institutional Support for Competition Regulation	CADE	I	26-Jan-00	Cancelled	0	0.00
14	MIF/AT-320	TC9904027	ATN/MH-6951-BR	Trade Unions Leadership Training Program	DIEESE	II	26-Apr-00	In execution	1,534,000	96.86
15	MIF/AT-315	TC9808182	ATN/MT-6982-BR	Regulation of Private Health Plans	ANS	I	31-May-00	In execution	1,550,000	56.62
16	MIF/AT-335	TC0006012	ATN/MH-7045-BR	Training Program for Energy Regulators in Mercosur	CERME	II	12-Jul-00	Cancelled	0	0.00
17	MIF/AT-340	TC0005044	EQU/MS-7065-BR	Santa Catarina Equity Investment Fund	FMIEEBT	IIlb	26-Jul-00	In execution	3,300,000	12.71
18	MIF/AT-356	TC0008018	EQU/MS-7137-BR	MVP TechFund for Emerging Software Companies	MVP TECH	IIlb	20-Sep-00	In execution	4,500,000	13.35
19	MIF/AT-394	TC0011041	ATN/ME-7332-BR	Development of an Institutional Framework to Stimulate Venture Capital Investment	FEP	IIla	14-Feb-01	In execution	1,122,000	43.67
20	MIF/AT-410	TC0004002	EQU/MS-7425-BR	Remittance Fund for Entrepreneurs (Dekassegui Fund).	IDB	IIlb	16-May-01	In execution	5,000,000	34.61
21	MIF/AT-412	TC0009012	ATN/ME-7426-BR	Equity Fund for SMEs in Northeast Brazil	BNB	IIla	16-May-01	In execution	750,000	10.00
22	MIF/AT-412	TC0009014	EQU/MS-7427-BR	Equity Fund for SMEs in Northeast Brazil	BNB	IIlb	16-May-01	In execution	6,000,000	16.01
23	MIF/AT-413	TC0101064	ATN/ME-7466-BR	Information Technology Program "Rio Digital"	VIVA	IIla	27-Jun-01	In execution	860,000	70.79
24	MIF/AT-439	TC0007028	ATN/ME-7626-BR	Technology Transfer and Support for Agribusinesses	EMBRAPA	IIla	10-Oct-01	In execution	1,600,000	13.72
25	MIF/AT-435	TC0103043	ATN/ME-7619-BR	Investment Fund for Emerging Technology-based Companies(Stratus)	IDB	IIla	10-Oct-01	Approved	60,000	0.00
26	MIF/AT-435	TC0109008	EQU/MS-7620-BR	Investment Fund for Emerging Technology-based Companies(Stratus)	IDB	IIlb	10-Oct-01	In execution	3,000,000	68.49

No.	Memo #	Project #	ATN #	Name	Exec. Agency	FAC	Approval	Status	MIF Amount	% Disb
27	MIF/AT-475	TC0106034	ATN/MT-7887-BR	Modernization and Institutional Strengthening of the Securities Exchange Commission (CVM)	CVM	I	29-May-02	In execution	2,000,000	10.00
28	MIF/AT-482	TC0109005	ATN/ME-7927-BR	Local Economic Development of Industrial Districts	SEBRAE-BR	IIIa	26-Jun-02	In execution	2,075,000	10.00
29	MIF/AT-486	TC0205010	EQU/MS-7959-BR	Investment Fund for Emerging Technology-based Companies LatinTech Inovar	IDB	IIIb	24-Jul-02	Completed	0	0.00
30	MIF/AT-486	TC0205011	ATN/ME-7958-BR	Investment Fund for Emerging Technology-based Companies LatinTech Inovar	IDB	IIIa	24-Jul-02	Cancelled	0	0.00
31	MIF/AT-490	TC0205012	EQU/MS-7976-BR	Investment Fund for Emerging Technology-based Companies Rio Bravo Investech II	IDB	IIIb	7-Aug-02	Approved	3,000,000	0.00
32	MIF/AT-490	TC0205013	ATN/ME-7977-BR	Investment Fund for Emerging Technology-based Companies Rio Bravo Investech II	IDB	IIIa	7-Aug-02	Approved	60,000	0.00
33	MIF/AT-495	TC0111042	ATN/ME-8031-BR	Promotion of Socially Responsible Market Opportunities	VMB	IIIa	25-Sep-02	In execution	975,000	10.00
34	MIF/AT-496	TC0203001	ATN/MH-8032-BR	Sustainable Tourism Certification System	IH	II	25-Sep-02	In execution	1,675,000	29.96
35	MIF/AT-519	TC0206018	ATN/MH-8134-BR	Support to the Microfinance Sector Program	ARCA	II	11-Dec-02	Approved	925,000	0.00
36	MIF/AT-557	TC0201026	ATN/ME-8512-BR	Promotion Trade of Family-Based Agriculture	FLS	IIIa	19-Nov-03	Approved	1,125,000	0.00
37		BR-M1012	ATN/ME-8595-BR	Support to Community-based Microenterprises in Alagoas	OCEANUS	IIIa	4-Dec-03	In execution	88,130	30.00
38	MIF/AT-572	TC0207027	EQU/MS-8549-BR	Strengthening the Guarantee System	SGSG	IIIa	10-Dec-03	Approved	1,800,000	0.00
39	MIF/AT-572	TC0207027	ATN/ME-8548-BR	Strengthening the Guarantee System	SGSG	IIIa	10-Dec-03	Approved	600,000	0.00
40		BR-M1003	ATN/ME-8647-BR	Virtual Incubator for Fruit-Processing Microenterprises	SENAI/DR-CE	IIIa	5-Jan-04	In execution	27,700	30.00
41		BR-M1004	ATN/ME-8643-BR	Quality Enhancement through Human Resource	IPT	IIIa	5-Jan-04	In execution	95,000	30.00
42		BR-M1006	ATN/ME-8644-BR	Development of a Distribution System for Auto	FENABRAVE	IIIa	5-Jan-04	In execution	77,050	69.54
43		BR-M1007	ATN/ME-8646-BR	Worker-Managed Microenterprise Network	ANTEAG	IIIa	5-Jan-04	In execution	89,850	30.00
44		BR-M1008	ATN/ME-8645-BR	Implementation of Quality System in the Civil Construction Sector	SENAI/DR-BA	IIIa	5-Jan-04	In execution	60,150	30.00
45		BR-M1010	ATN/ME-8648-BR	Strengthening the Cleaner Production Center in Bahia	SENAI/DR-BA	IIIa	5-Jan-04	In execution	68,000	33.79
46	MIF/GN-62-2	BR-M1002	ATN/ME-8631-BR	Implementation & Certification of ISO 14001 Environmental Management System	EEPI	IIIa	19-Feb-04	In execution	60,000	56.96
47		BR-M1005	ATN/ME-8698-BR	Microenterprise Development in the Agricultural Sector	APROCOCO	IIIa	12-Apr-04	Approved	92,750	0.00
48		BR-M1009	ATN/ME-8699-BR	Competitiveness of the Productive Chain of the Rattan Sector	SEBRAE/SC	IIIa	12-Apr-04	Approved	89,500	0.00
49	MIF/GN-62-2	BR-M1011	ATN/ME-8677-BR	Implementation & Certification of ISO 14001 Environmental Management System	FEAPI	IIIa	13-Apr-04	Approved	65,000	0.00
50	MIF/AT-594	BR-M1001	ATN/MT-8724-BR	Public-Private-Association (PPA) Minas Gerais	SEDE	I	19-May-04	Approved	675,000	0.00

No.	Memo #	Project #	ATN #	Name	Exec. Agency	FAC	Approval	Status	MIF Amount	% Disb
51		BR-M1016	ATN/ME-8745-BR	Support for the Cooperative Credit System in Tocantins	SICREDI	IIIa	1-Jun-04	In execution	95,000	30.00

52		BR-M1019	ATN/ME-8835-BR	Microenterprise Integration into the Formal Economy	IFV	IIIa	13-Aug-04	Approved	46,870	0.00
53		BR-M1018	ATN/ME-8836-BR	Implementation of Strategic Planning in Microcredit Institutions	PFB	IIIa	16-Aug-04	Approved	45,000	0.00
54	MIF/AT-609	BR-M1013	EQU/MS-8865-BR	CRP Venture	CRPCP	IIIa	22-Sep-04	Approved	3,700,000	0.00
55	MIF/AT-609	BR-M1013	ATN/ME-8866-BR	CRP Venture	CRPCP	IIIa	22-Sep-04	Approved	75,000	0.00
56	MIF/AT-620	BR-M1014	EQU/MS-8947-BR	Investment Fund for Technology Companies, DVC II	DYNAMO	IIIb	17-Nov-04	Approved	4,000,000	0.00
57	MIF/AT-620	BR-M1014	ATN/ME-8948-BR	Investment Fund for Technology Companies, DVC II	DYNAMO	IIIb	17-Nov-04	Approved	75,000	0.00
58	MIF/AT-634	BR-M1022	ATN/ME-9001-BR	Women's World Banking	BDF	IIIa	8-Dec-04	Approved	90,000	0.00
59	MIF/AT-634	BR-M1022	85/MS-BR	Women's World Banking	BDF	IIIa	8-Dec-04	Approved	600,000	0.00
Total MIF Amount									81,169,680	