

TC ABSTRACT

I. Basic Project Data

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| ▪ Country/Region: | BRAZIL/CSC - Southern Cone |
| ▪ TC Name: | Support ProSocial (Education) operations' design |
| ▪ TC Number: | BR-T1510 |
| ▪ Team Leader/Members: | COSSI FERNANDES, JOAO PAULO (SCL/EDU) Team Leader; DUENAS HERRERA, XIMENA (SCL/EDU) Alternate Team Leader; BLASCO, IVANA (SCL/EDU); PEREZ, MARCISGLEY VIEIRA (CSC/CBR); AVILA, KRYSIA A (LEG/SGO); EMILIO LAGUILLO (SCL/EDU) |
| ▪ Taxonomy: | Operational Support |
| ▪ Number and name of operation supported by the TC: | CCLIP - Social Spending Modernization Program in Brazil - BR-O0009 |
| ▪ Date of TC Abstract: | 15 Mar 2022 |
| ▪ Beneficiary: | Brazil, through the ministry of education and/or other state and municipal departments of education |
| ▪ Executing Agency: | INTER-AMERICAN DEVELOPMENT BANK |
| ▪ IDB funding requested: | US\$250,000.00 |
| ▪ Local counterpart funding: | US\$0.00 |
| ▪ Disbursement period: | 36 months |
| ▪ Types of consultants: | Individuals; Firms |
| ▪ Prepared by Unit: | SCL/EDU - Education |
| ▪ Unit of Disbursement Responsibility: | CSC/CBR - Country Office Brazil |
| ▪ TC included in Country Strategy (y/n): | No |
| ▪ TC included in CPD (y/n): | Yes |
| ▪ Alignment to the Update to the Institutional Strategy 2010-2020: | Social inclusion and equality |
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II. Objective and Justification

- 2.1 The objective of this TC is to support the dialogue and preparation of operations under ProSocial's CCLIP, which has the goal of increase efficiency in the administration of social spending in Brazil. This CCLIP, an multisectoral type II (MM-II) according to CCLIP's policy GN-2246-13, contemplates multisectoral interventions that cover services throughout the citizen's life cycle, including actions in: (i) early childhood development; (ii) education (primary and secondary); (iii) health; (iv) labor markets; and (v) pension systems. This TC will focus on designing operations regarding the education sector.
- 2.2 According to ProSocial's Concept Framework, the principles on which the implementation of prosocial is based are: (1) Strengthening of operational management capacities at the sector level (2) Strengthening of strategic management capacities of sector institutions; (3) Improvements in provision of high-quality social services. Improvements in the efficiency of social spending require not only changes in the way spending is managed and planned, but also investments that are capable of improving the way in which the social spending reaches the citizen.
- 2.3 The education sector in Brazil faces great efficiency challenges. It has an average expenditure of 6% of GDP in recent years (CEPAL) and being the sector that receives the highest investment at the state level, 29% in 2011 . According to the analysis

document of the public spending on education in the Brazilian states, there seems to be great difficulty, from a certain level of spending, to transform spending into proportionally better results (IDB). The foregoing suggests that education problems may go beyond the lack of resources, and that they are really management problems, given that the study reveals that the inefficient use of resources is greater in those states where resources are relatively more abundant. For example, the state of Alagoas, according to the State Efficiency Ranking (REE-F), is in the last position of efficiency in education (0.134 in a range of 0 to 1), and when compared to States that have an investment per capita and a larger population (Bahía, Piauí and Maranhão), Alagoas has a lower IDEB, lower approval rates, while much higher failure and dropout rates.

- 2.4 In Early Childhood Development (ECD), the Country struggles to reach target from the National Plan of Education (PNE) of 50% of children from 0 to 3 years old enrolled at daycares and 100% of children from 4 to 5 years old enrolled at pre-school until 2024. Until 2019, the enrollment rate at these stages are 37% and 94%, respectively. The country also faces high levels of inequality, which begins early on. While 54.3% of the wealthiest children up to 3 years old had access to nursery school early childhood development programs in 2019, only 27.8% of the poorest children did. At elementary school, Brazil has improved the IDEB indicator but still struggles with inequality. According to IBGE in 2019, the black or brown population in Brazil has higher illiteracy rates (9.1%) than the white population (3.9%). At middle and high school, the official targets for these stages have not been reached since 2011. In 2019 (IDEB-INEP, 2020), only 7 out of 27 state education systems achieved middle school targets, and only 2 out of 27 for high school. In addition to that, the inequality is also a challenge. In 2020, the graduation rate in high school is 92.6% for the wealthiest individuals up to 19 years old, while for the poorest it was 58.8% (OBSERVATÓRIO DO PLANO NACIONAL DE EDUCAÇÃO, 2021). Considering the significant difference in the educational contexts for each region and each potential client for the CCLIP, this technical cooperation will contribute to the preparation and design of the operations of the CCLIP ProSocial program, generating relevant, specific information for decision-making on each context, designing solutions to be implemented by these operations, and sharing the knowledge generated by these studies and pilots with other potential clients.

III. Description of Activities and Outputs

- 3.1 **Component I: Design of Operations and Projects.** The objective of this component is to provide technical assistance to design, pilot and scale solutions which can improve equality and efficiency in the education sector. TC will finance (i) technical assistance (individual consultants or companies) to support EDU's clients to design interventions and operations in accordance with the ProSocial challenges. Outputs will be "Presentations delivered" and/or "Policy briefs completed."
- 3.2 **Component II: Innovative Solutions.** The TC will fund pilots to combat inefficiency, inequality and learning losses, such as adaptations in management processes, innovative tools, professional training, etc. Outputs will be "Pilots designed" and/or "Pilots implemented".
- 3.3 **Component III: Knowledge, communication and strategy.** This component will finance studies, workshops and other events with authorities, researchers, and non-governmental organizations to support the local authorities in the process of designing, implementation and dissemination of policies to combat inefficiencies and inequalities in Brazilian educational systems. Outputs will be "Technical notes started" and "Policy dialogue events organized" regarding innovation and/or inequality.

IV. Budget

Indicative Budget

| Activity/Component | IDB/Fund Funding | Counterpart Funding | Total Funding |
|---------------------------------------|-----------------------|---------------------|-----------------------|
| Design of Operations and Projects | US\$100,000.00 | US\$0.00 | US\$100,000.00 |
| Innovative Solutions | US\$100,000.00 | US\$0.00 | US\$100,000.00 |
| Knowledge, communication and strategy | US\$50,000.00 | US\$0.00 | US\$50,000.00 |
| Total | US\$250,000.00 | US\$0.00 | US\$250,000.00 |

V. Executing Agency and Execution Structure

- 5.1 This TC will be executed by the Bank. All activities to be executed under this TC have been included in the Procurement Plan (see Annex IV) and will be contracted in accordance with Bank policies as follows: (a) AM-650 for Individual consultants; (b) GN-2765-4 and Guidelines OP-1155-4 for Consulting Firms for services of an intellectual nature and; (c) GN-2303-28 for logistics and other related services.
- 5.2 The interventions financed through this TC will need to deliver products aligned to the format required for project preparation processes, therefore, it is necessary a deep knowledge of the expected deliveries to hire them. Additionally, the pilots to be financed are highly innovative. Finally, products financed by this TC could be of great interest to other Brazilian states/municipalities and countries in the region. Ensuring that the Bank is involved in the design and implementation process will increase the probability of replicability in other countries. Additionally, the Education Division at IDB has experience carrying out successful innovation pilots and will also ensure consistency with EDU's agenda in CBR.

VI. Project Risks and Issues

- 6.1 The main risk associate with this operation is the delay of delivery the products because of the low institutional capacity of some education departments to deliver the information required for the studies. The Bank, through SCL/EDU, has extensive experience in the development of the issues requested by the Government of Brazil, in addition to maintaining a permanent dialogue with both local counterparts and organizations, and with local and international experts to obtain the technical assistance required. Additionally, given the COVID 19 pandemic and its unpredictable nature, some flexibility and adaptation to varying conditions should be expected which will require permanent supervision in contracts execution.
- 6.2 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Banks Environmental and Social Policy Framework (ESPF).

VII. Environmental and Social Classification

- 7.1 The ESG classification for this operation is "undefined".