

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK  
MULTILATERAL INVESTMENT FUND

**BRAZIL**

**SUSTAINABLE WORKING CONDITIONS FOR BETTER  
MICRO AND SMALL ENTERPRISE PERFORMANCE**

**(BR-M1066)**

**DONORS MEMORANDUM**

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## **ABBREVIATIONS**

APL	Arranjos produtivos locais [local industry clusters]
CNI	Confederação Nacional da Indústria [National Confederation of Industry]
CSR	Corporate social responsibility
MSEs	Micro and small enterprises
SESI	Serviço Social da Indústria

**BRAZIL**  
**SUSTAINABLE WORKING CONDITIONS FOR BETTER**  
**MICRO AND SMALL ENTERPRISE PERFORMANCE**  
**(BR-M1066)**

**EXECUTIVE SUMMARY**

<b>Executing agency:</b>	Serviço Social da Indústria (SESI)	
<b>Country:</b>	Brazil	
<b>Beneficiaries:</b>	The project will directly benefit 360 micro and small enterprises (MSEs) in six regional departments: Ceará, Roraima, Paraná, Minas Gerais, and Rio de Janeiro and the Federal District. These MSEs belong to arranjos produtivos locais [local industry clusters] (APLs), producer groups, employer organizations, or sector associations through which the project activities will be implemented.	
<b>Financing:</b>	MIF (nonreimbursable)	US\$1,700,000 <sup>1</sup>
	Counterpart:	US\$2,911,186
	<b>Total:</b>	<b>US\$4,611,186</b>
<b>Objectives:</b>	The project <b>goal</b> is to improve the performance of MSEs and promote the spread of a business culture committed to sustainable development. The <b>purpose</b> is to improve quality of life and working conditions at MSEs by adapting the SESI model of sustainable workplace practices and integrated diagnostic assessment to MSEs and implementing them in APLs, producer groups, employer organizations, and sector associations in the states of Ceará, Roraima, Paraná, Minas Gerais, and Rio de Janeiro and in Brasília, Federal District.	
<b>Execution and disbursement period:</b>	48 and 54 months, respectively.	
<b>Special contractual conditions:</b>	As a condition precedent to the first disbursement, SESI will demonstrate to the Bank's satisfaction that: (i) the project technical coordinator has been selected; (ii) the project Operating Regulations have been approved; and (iii) the Milestones Table has been validated	

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<sup>1</sup> Includes US\$10,000 for institution-strengthening (training in financial management and procurement) (see paragraph 4.8).

by the regional departments.

**Exceptions to  
Bank policy:**

None.

**Environmental  
and social  
review:**

This project has been classified as category “C” (ESR of 3 February 2010).

## I. FRAME OF REFERENCE AND RATIONALE

- 1.1 Since its creation in 1946, Serviço Social de Indústria (SESI), part of the Industry System led by the Confederação Nacional da Indústria [National Confederation of Industry] (CNI), has worked to improve the quality of life for workers in the industrial sector by providing services directly to employees and their families.<sup>2</sup> Supporting the modernization process of Brazilian industry, SESI is refocusing to put more emphasis on promoting responsible business practices. According to Serviço Brasileiro de Apoio às Micro e Pequenas Empresas [Brazilian Microenterprise and Small Business Support Service] (SEBRAE), 98.8% of the 3.6 million businesses in Brazil are micro and small enterprises (MSEs). Of the 515,418 enterprises in the industrial sector, 98.2% are MSEs and collectively employ 45.3% of the labor force. Although the makeup of labor absorption does not correspond to the number of enterprises, MSEs created more jobs than medium-sized and large enterprises in the last decade, with the number of microenterprise and small business employees increasing by 26% and 11%, respectively, compared to 0.6% for medium-sized and large enterprises.
- 1.2 **The SESI model of sustainable workplace practices and integrated diagnostic assessment.** SESI views responsible,<sup>3</sup> sustainable workplace practices as a means to business productivity and performance gains. To make this a reality, SESI has created a diagnostic assessment system for businesses based on a series of 53 workplace sustainability indicators,<sup>4</sup> which identifies very tangible ways to improve labor relations and reduce and resolve inefficiencies. Its principal tool, the SESI model of sustainable workplace practices,<sup>5</sup> was developed in cooperation with the Instituto Euvaldo Lodi of Santa Catarina (EIL/SC). The model is designed to promote the adoption of new human resource management practices, and so to improve working conditions and quality of life in the workplace, two of the basic objectives of responsible business practices.

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<sup>2</sup> Over the years, this support has led to the creation of an extensive system of educational, athletic, health, and other services and a presence in over 2,000 municípios.

<sup>3</sup> Corporate social responsibility (CSR), or socially and environmentally responsible business practices, refers to a management approach that considers the positive and negative impacts of businesses' actions in the short, medium, and long term in all areas in which they work and vis-à-vis all interested parties with which they interact (including suppliers, clients, employees, distributors, local authorities, and the community).

<sup>4</sup> The 53 indicators are divided into seven areas: (i) organizational culture: 8 indicators such as strategic focus and ethics; (ii) personnel management: 13 indicators such as organizational environment and personnel benefits; (iii) education and development: 4 indicators such as professional qualifications and hours of training; (iv) innovation: 5 indicators such as product and process innovation; (v) workplace health and safety: 8 indicators such as workplace accident prevention and physical environment; (vi) socioenvironmental development: 8 indicators such as social investment and promotion of business volunteerism; and (vii) operations: 7 indicators such as production and sales targets and organizational efficiency.

<sup>5</sup> The model encompasses: (i) the business's systemic vision and internal and external relations; (ii) continuing education; (iii) management leadership; (iv) value creation by the enterprise and its employees; and (v) valuing of individuals.



- 1.3 The SESI model has been implemented at 61 large enterprises so far with broad acceptance in regard to average relevant impact and results. The experience with this sample demonstrates that every 1% increase in the employee quality-of-life index produces 2,800 Brazilian reais in additional billings per employee,<sup>6</sup> confirming that investments in this area are not simply a cost item, but generate returns.
- 1.4 **Problem to be addressed.** Despite evidence of better performance per employee when businesses improve working conditions and quality of life in the workplace, MSEs lack the capacity to implement these practices, owing primarily to: (i) lack of awareness of the potential benefits of responsible business practices; (ii) lack of diagnostic and assessment instruments and tools adapted to MSEs, or methodologies to implement CSR initiatives; and (iii) limited availability of professional specialists in this area for MSEs.
- 1.5 **Opportunities.** SESI has adopted this approach to improving working conditions and quality of life in the workplace as part of its strategic positioning in Brazil. It possesses both the institutional capacity to deliver business development solutions in the employee relations field and the desire to adapt diagnostic assessment tools to the needs of MSEs and implement them on a large scale once their effectiveness is confirmed.

## II. THE PROJECT

### A. Objectives and description

- 2.1 The project goal is to improve the performance of micro and small enterprises (MSEs) and promote the spread of a business culture committed to sustainable development. The purpose is to improve quality of life and working conditions at MSEs by adapting the Serviço Social da Indústria (SESI) model of sustainable workplace practices and integrated diagnostic assessment to MSEs and implementing them in arranjos produtivos locais [local industry clusters] (APLs), producer groups, employer organizations, and sector associations in the states of Ceará, Roraima, Paraná, Minas Gerais, and Rio de Janeiro and in Brasília, Federal District.

### B. Components and activities

- 2.2 **Component 1. Adaptation of methodologies for MSEs (MIF: US\$98,813; Counterpart: US\$277,070).** The objective of this component is to test the methodology and experience of large companies at MSEs, in order to adapt and validate the SESI model of sustainable workplace practices and integrated diagnostic assessment through APLs, producer groups, employer organizations, and sector associations. The MSEs will represent the six states and belong to APLs,

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<sup>6</sup> This index is based on the United Nations Human Development Index. The results were confirmed by field research in Paraná involving 99 enterprises and 5,400 employees.

- producer groups, employer organizations, or sector associations (see paragraph 6.1 et seq.).
- 2.3 This component will finance the organization of meetings and workshops and contracting of consulting services for the following activities: (i) development of a baseline of the participating MSEs; (ii) adaptation and validation of the SESI model and integrated diagnostic assessment; and (iii) analysis of outcomes and documentation of the methodology.
- 2.4 The expected outcomes are: (i) a baseline describing the MSEs' situation at project start, including the determinants of competitiveness with a view to sustainability and initial socioeconomic and environmental data for the beneficiary enterprises; (ii) a methodology for implementation of the adapted SESI model in MSEs; and (iii) a methodology for implementation of the adapted integrated diagnostic assessment in MSEs.
- 2.5 **Component 2. Implementation of corporate social responsibility (CSR) measures in APLs, producer groups, employer organizations, and sector associations (MIF: US\$1,182,000; Counterpart: US\$1,731,684).** The objective of this component is to introduce responsible practices in regard to human resources and working conditions at MSEs based on implementation of the SESI model of sustainable workplace practices and integrated diagnostic assessment.
- 2.6 The following activities are planned: (i) formalization of commitment through the signature of agreements with partner organizations (APLs, etc.); (ii) development of strategic partnerships with experts in CSR; (iii) selection of the group of participating enterprises<sup>7</sup> and formalization of commitments;<sup>8</sup> (iv) training of local consultants and enterprises in CSR; (v) implementation of the diagnostic assessment process under the SESI model of sustainable workplace practices adapted for MSEs; (vi) design, implementation, and support of MSE strategic action plans; and (vii) measurement of changes in the MSEs' indicators through reapplication of methodologies under a second phase<sup>9</sup> for each group.

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<sup>7</sup> The beneficiary MSEs must: (i) belong to the APL, producer group, or employer organization of one of the six states; (ii) have 19 or fewer employees, for microenterprises, or 99 or fewer employees, for small businesses; (iii) agree to share the results of introducing the CSR measures; (iv) agree to contribute financial and/or nonfinancial resources to cover the cost of the technical assistance; and (v) have individuals with decision-making authority involved in the project.

<sup>8</sup> Through these partnerships under the project, SESI will facilitate MSE access to tools and institutions that otherwise would be out of their reach, such as: (i) consultants to conduct the diagnostic assessments; (ii) development of action plans; (iii) partnerships to support implementation of action plans; (iv) SESI products and services on more favorable terms; and (v) coordination of dealings with other institutions.

<sup>9</sup> Each group is expected to implement the diagnostic assessment and action plans in an initial phase, and then repeat the process 18 months later in a second phase, to determine the changes in the indicators.

- 2.7 The expected outcomes are: (i) 17 commitment agreements<sup>10</sup> will be entered into with project participants; (ii) two strategic partnerships will be established with CSR experts, and two with experts in the business sector; (iii) 360 MSEs will be selected with formal commitments; (iv) 18 local consultants will be trained to implement CSR action plans at MSEs; (v) 360 business professionals will be targeted by CSR training or awareness-raising activities; and (vi) 360 MSEs will benefit from the 17 strategic plans designed (one per APL, producer group, employer organization, or sector association).
- 2.8 **Component 3. Alignment, training, and mobilization of project participants, partners, and regional department technical teams (MIF: US\$9,000; Counterpart: US\$119,880).** The objective of this component is to develop the necessary internal capabilities at participating sponsor organizations and raise awareness among others not directly associated with the project.
- 2.9 This component will finance the following activities: (i) organization of meetings of the national project execution team; (ii) training of regional department personnel in CSR and sustainability, including technical and financial aspects of this project; (iii) training in the adapted SESI model of sustainable workplace practices and integrated diagnostic assessment, for personnel from the 21 regional departments not participating in the project; and (iv) organization of awareness-raising seminars with external operators on the process of adapting the SESI model. This component will be financed with counterpart resources, except for the contracting of one speaker/instructor for activity (i), to be financed with MIF resources.
- 2.10 The expected outcomes are: (i) 54 SESI professional staff will be trained in CSR and the SESI model adapted for MSEs; and (ii) 20 professional staff from partner institutions and institutions not associated with the project (external operators) will be educated on CSR and the SESI model.
- 2.11 **Component 4. Monitoring, documentation of information, and dissemination of project outcomes (MIF: US\$107,913; Counterpart: US\$166,991).** The objective of this component is to develop a monitoring and documentation process to facilitate learning as project activities proceed, and subsequently disseminate project outcomes in the context of large-scale implementation in MSEs.
- 2.12 The following activities are planned: (i) design of the monitoring and evaluation system; (ii) organization of seminars in regional departments for MSEs not participating in the project; (iii) preparation of case studies of implementation of the SESI model and integrated diagnostic assessment at MSEs; (iv) development of a learning and communication strategy to disseminate outcomes, lessons learned, and success stories throughout the execution period, in order to maximize the project's impact; and (v) participation in national and international events relating to CSR or MSEs, in order to communicate project progress and/or outcomes.

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<sup>10</sup> The total number of APLs, producer groups, employer organizations, and sector associations participating in the project.

- 2.13 At least 2,000 business owners, managers, and other interested professionals are expected to receive information on case studies and project outcomes. Specifically, the expected outcomes are: (i) a monitoring and evaluation system will be developed and implemented; (ii) 18 seminars will be held to disseminate project outcomes in six regional departments (three per state); (iii) 15 case studies will be conducted and disseminated throughout Brazil; (iv) a learning and communication strategy will be designed and implemented; and (v) project representatives will participate in five national and international events relating to CSR and/or MSEs.

### III. COST AND FINANCING

- 3.1 The cost of the project is approximately US\$4,611,185. The MIF will finance up to US\$1,700,000 (37%) of that amount, and SESI will contribute US\$2,911,185 (63%), at least half of which in cash. The execution period will be 48 months.

Description	MIF (US\$)	Local counterpart (US\$)	Total (US\$)
Component 1. Adaptation of methodologies for MSEs	98,813	277,070	375,883
Component 2. Implementation of CSR measures in APLs, producer groups, employer organizations, and sector associations	1,182,000	1,731,684	2,913,684
Component 3. Alignment, training, and mobilization of project participants, partners, and regional department technical teams	9,000	119,880	128,880
Component 4. Monitoring, documentation of information, and dissemination of project outcomes	107,913	166,991	274,904
Project execution unit	137,380	611,186	748,566
Baseline and midterm and final evaluations	60,000	0	60,000
Audit	60,000	0	60,000
Contingencies	26,394	4,375	30,769
Institution-strengthening (training in financial management and procurement)	10,000	0	10,000
<b>SUBTOTAL</b>	<b>1,691,500</b>	<b>2,911,186</b>	<b>4,602,686</b>
Impact Evaluation Account	8,500	0	8,500
<b>TOTAL</b>	<b>1,700,000</b>	<b>2,911,186</b>	<b>4,611,186</b>

- 3.2 **Rationale.** The project's value added lies in the opportunity to adapt a methodology and apply it at interested MSEs to improve working conditions and quality of life in the workplace, and at the same time improve the MSEs' performance.
- 3.3 The MIF's involvement in the project will allow the integration of proven aspects of CSR methodologies, and will help to document the experience and develop metrics to evaluate efficiency gains from the initiatives undertaken. This is even more significant in the current phase of SESI's transformation from a service provider to a developer of solutions and methodologies. For the MIF, this project is

unlike other CSR projects supported to date for several reasons: (i) it focuses specifically on workplace quality of life; (ii) the beneficiaries are MSEs; and (iii) the point of entry is through APLs, producer groups, employer organizations, and sector associations.<sup>11</sup> The instruments and methodologies developed will facilitate the transfer of learning to other areas of the country and other countries in Latin America and the Caribbean.

- 3.4 **Sustainability.** The project's sustainability is based on adaptation of the SESI model of sustainable workplace practices and integrated diagnostic assessment for MSEs. SESI's national scope, presence in the majority of Brazil's regions, and relationship with the industrial sector will facilitate participation by business owners and technical experts, which in turn will facilitate dissemination and maximize the project's demonstration effect, scale, and impact. Also, capacity-building in the regional departments and other organizations and partnerships with key institutions will ensure that the knowledge is perpetuated and the initiatives can continue. Implementation through APLs, producer groups, employer organizations, and sector associations will enable those entities to promote CSR among their members. In addition, the MSEs that successfully participate in the project will play a leadership role which is expected to produce a demonstration effect among other enterprises in their APLs, producer groups, employer organizations, and sector associations.
- 3.5 At least six months before the end of the execution period, the project will hold a sustainability workshop, attended by representatives of the MIF and the executing agency and others to be agreed upon, to evaluate progress achieved and identify the measures needed to ensure that project activities can continue once the funding has ended. The executing agency will determine the scope and structure of the sustainability workshop, which will be agreed upon sufficiently in advance among the participants.

## IV. PROJECT EXECUTION

### A. Executing agency

- 4.1 The mission of **Serviço Social da Indústria (SESI)**, created in 1946, is to promote and improve the quality of life for workers and their families by providing health, educational, recreational, cultural, and nutritional services and promoting citizenship. It also promotes socially responsible management practices among industrial enterprises.

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<sup>11</sup> The projects in the CSR cluster have focused on: (i) all internal and external aspects of CSR; (ii) small and medium-sized enterprises (SMEs); and (iii) the value chains of large enterprises. The MIF project in Brazil, Implementation of Corporate Social Responsibility Measures in SMEs (ATN/ME-9332-BR), executed by Instituto Ethos (Brazil's leading CSR institution), developed and disseminated CSR studies, indicators, and other CSR-related methodologies for SMEs.

- 4.2 SESI has established itself as a partner to industry providing social services to workers and the community and offering products and services to meet the demands of the industrial sector and contribute to sustainable development in Brazil. SESI offices located in 26 states and the Federal District are regarded by local business owners as partners in the social development of their industries and employees.
- 4.3 SESI will enlist prominent partners in project execution, such as Serviço Brasileiro de Apoio às Micro e Pequenas Empresas [Brazilian Microenterprise and Small Business Support Service] (SEBRAE), Serviço Nacional de Aprendizagem Industrial [National Industrial Training Service], the federations of industry of the participating states, and other organizations (Instituto Ethos, Fundação Nacional da Qualidade, and others).
- 4.4 The Industry System, represented by the Confederação Nacional da Indústria [National Confederation of Industry] (CNI) and the Instituto Euvaldo Lodi, are already executing projects with the Bank (ATN/ME-11076-BR, ATN/KK-11713-BR) and therefore have experience with the Bank's administrative and fiduciary procedures.

#### **B. Project execution and management**

- 4.5 SESI will establish a project execution unit (PEU) consisting of an executive manager, a senior analyst for technical coordination, an administrative/accounting assistant, and six regional technical coordinators who will support all project activities in the six participating states.
- 4.6 **Disbursement by results.** Project disbursements will be contingent upon the achievement of milestones, which will be agreed between the executing agency and the MIF along with their means of verification. Achievement of milestones does not exempt the executing agency from responsibility to meet the project's objectives. Under the risk- and performance-based modality of project management, project disbursements will be made through an advance of funds of 10% sufficient for project startup. Subsequent disbursements will be made against presentation of evidence that the milestone has been met, and of the cash flow required to achieve the following milestones, based on the disbursement schedule approved by the Bank (Conditions Precedent – General Conditions).
- 4.7 **Procurement.** The executing agency will procure goods and consulting services in accordance with Bank policies (documents GN-2349-7 and GN-2350-7) and the applicable MIF guidelines. Following an analysis by its procurement specialist, the Bank may allow the application of SESI procurement policies and procedures for consulting services. Prior to initiating project procurements, the executing agency will submit the procurement plan to the Bank for consideration, which will be reviewed and updated every twelve months. Given that the executing agency has received an institutional risk rating of **low risk**, project procurements will be subject to **ex post** review on an **annual** basis.

- 4.8 SESI Nacional will be responsible for financial and fiduciary execution. Despite the low institutional risk rating, an allocation of resources is considered necessary to provide training in financial management and procurement that may be needed by certain federal units involved in the project. This will give the regional departments more autonomy and flexibility to operate as the specific features of their region dictate, while maintaining the expected standards of quality, and streamlining the preparation of basic documentation.

## V. MONITORING AND EVALUATION

- 5.1 **Project status reports.** The executing agency will be responsible for delivering project status reports (PSR) to the MIF within 30 days after the end of each six-month period, or more frequently on the dates determined by the MIF and indicated to the executing agency at least 60 days in advance. These reports will follow a format previously agreed with the MIF and will contain information on project execution, milestones met, and completion of project objectives as stated in the logical framework and other operative planning instruments. They will also report on problems encountered during execution and outline possible solutions. Within 90 days after the end of execution period, the executing agency will deliver a final PSR to the MIF that highlights results achieved, the sustainability plan, and lessons learned.
- 5.2 **Evaluations.** Two evaluations—a midterm review and a final evaluation—will be performed by consultants to be contracted by the Bank. The midterm review will be conducted once 50% of contribution has been disbursed, or one half of the execution period has elapsed, whichever occurs first. The midterm review will address: (i) the extent to which the project objectives, as defined in the logical framework, have been met as of the evaluation date; (ii) any significant deviations in the execution of project activities; (iii) whether CSR, the SESI model, and/or the integrated diagnostic assessment has been more successful in certain APLs, producer groups, employer organizations, or sector associations than others, and the reasons why; and (iv) alternatives and strategies to improve execution and thereby increase the likelihood of achieving the project's expected outcomes. The final evaluation will be conducted once 90% of the contribution has been disbursed, and will include: (i) an analysis of outcomes achieved in relation to the logical framework objectives relating to adaptation of the SESI model and diagnostic assessment, the number of enterprises participating in the project, and documentation of the process; and (ii) lessons learned and project sustainability.
- 5.3 **Financial supervision.** The executing agency will establish and assume responsibility for maintaining effective accounts of finances, advances, and the use of resources for each component; internal control mechanisms; and record-keeping systems for the project, consistent with generally accepted financial reporting requirements and Bank/MIF financial management rules and policies. The project financial statements will be audited at the **end** of the execution period. Supporting

documentation for disbursements will be subject to **ex post** review on an **annual** basis.

- 5.4 The application and frequency of ex post reviews of procurement processes and of supporting documentation for disbursements may be modified by the MIF based on the findings of reviews and/or subsequent institutional assessments performed by the MIF during project execution. The MIF will contract independent auditors to audit the financial statements and conduct the ex post reviews of procurement processes and of supporting documentation for disbursements. The cost of audits and ex post reviews will be covered by MIF contribution in accordance with Bank procedures.
- 5.5 At least three months before the end of the disbursement period, the executing agency will organize a **closing workshop**, attended by the project team members, beneficiary and sector representatives, and others to be agreed with the Bank/MIF, to jointly evaluate the outcomes achieved, identify additional tasks to ensure sustainability of the activities begun by the project, and identify lessons learned and best practices.

## **VI. BENEFITS AND RISKS**

### **A. Beneficiaries**

- 6.1 The project will directly benefit 360 MSEs (in six states) belonging to APLs, producer groups, employer organizations, and/or sector associations through which the project activities will be implemented. In addition, 18 local consultants, 54 SESI professionals, and 20 professionals from other organizations will be trained in implementation of corporate social responsibility (CSR) plans based on the SESI model for sustainable workplace practices and integrated diagnostic assessment for MSEs; and more than 2,000 business owners, managers, and other interested professionals will be made aware of responsible practices in regard to human resources and working conditions and the application of those practices to MSEs and their impact on MSE performance.
- 6.2 In Ceará, 71 MSEs are expected to participate, including 26 MSEs from the metal and mechanical APL, 25 MSEs from the food sector APL (wheat), and 20 MSEs from the sorbet industry employer/sector association. The metal and mechanical sector participants represent prospects for new investments in the iron and steel, refining, and shipyards, opening opportunities to strengthen and develop the MSEs that supply various products. In regard to the food-sector APL, the 2010 projected GDP growth of 7.5% will have a direct impact on Brazil's food sector, and the four largest wheat producers are located in Ceará. The sorbet employer association is expanding along with the tourist industry, and sector associations are highly receptive to socially and environmentally responsible practices. In all three sectors, safety and working conditions are critical, and 80% of the enterprises are MSEs.



- 6.3 In Minas Gerais, 60 MSEs are expected to participate, including 30 MSEs from the shoe industry APL, 15 MSEs from the electronics APL, and 15 MSEs from the bakery owners' association. In the shoe industry, CSR can serve as a tool to combat the problem of piracy; in the electronics sector, CSR represents an opportunity for management and process innovation; and in the bakery sector, the organizations are interested in developing sustainable models of employment. There is strong local governance, considerable openness to innovation and training, and the will on the part of business owners to implement CSR.
- 6.4 In Rio de Janeiro, where the state strategy focuses on sustainable development, 60 MSEs will participate, including 30 MSEs from metal and mechanical industry APLs and 30 MSEs from the lingerie industry, a labor-intensive segment in which working conditions and human resources take on special significance.
- 6.5 In Roraima, 60 MSEs are expected to participate, including 15 MSEs from wood and laminates producer groups, 15 MSEs from bakery industry groups, and 30 MSEs from the auto shop owners' association, all of which have a clear interest in environmental issues and working conditions. The wood and laminates producer group includes the largest employers, which take an interest in the sustainable growth of their sectors, and waste treatment is a significant issue for the auto repair sector.
- 6.6 Paraná has three APLs in the textiles industry (clothing) and two employer associations, of which 60 MSEs are expected to participate.<sup>12</sup> They include enterprises with labor-intensive operations and employer associations from the metal and civil construction industries, where safety and working conditions play an important role.
- 6.7 In the Federal District, 60 MSEs are expected to participate, including 15 MSEs from metal and mechanical industry producer groups, 15 MSEs from wood and furniture producer groups; and 30 MSEs from the food industry employer association that have shown interest in responsible practices.
- 6.8 To be eligible to participate in the project, the beneficiary MSEs must: (i) belong to an APL, producer group, employer organization, and/or sector association in any of the six states participating in the project; (ii) be microenterprises (with 19 or fewer employees) or small businesses (with 19 to 99 employees); (iii) agree to share the results of introducing the CSR measures; (iv) agree to contribute financial and/or nonfinancial resources to cover part of the cost of the technical assistance; and (v) have individuals with strategic decision-making authority fully involved in the project.

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<sup>12</sup> Ten MSEs from the headwear APL, ten from the stockings/tights APL, ten from the menswear APL, 15 from the metal industry APL, and 15 from the construction sector employers' association.

**B. Risks**

- 6.9 The main risk is that MSEs may not respond positively to the proposed ideas under one of two potential scenarios: (i) the beneficiaries do not understand the benefits of the methodology because of the highly technical terms and concepts used in it, resulting in lack of interest; or (ii) the beneficiaries understand and show interest in the methodology but are unable to successfully implement the action plans due to lack of management capacity or human or financial resources to accomplish the task.
- 6.10 These risks will be mitigated by: (i) an effective communication strategy regarding the benefits of implementing the methodology, and participation of representative MSEs during development of the methodologies, to ensure that the documents utilize appropriate language; and (ii) coordination of the services provided to MSEs by SESI and other institutions within the Industry System to support their implementation needs.

**VII. ENVIRONMENTAL AND SOCIAL REVIEW**

- 7.1 Because the project's principal objectives are to develop tools and methodologies for businesses to improve their working environment and their relationship with the environment and their communities, the project is expected to promote practices that combine economic viability with the achievement of these objectives, which will have a positive social and environmental impact. The Environmental and Social Impact Review Secretariat (ESR) classified this project as category "C" on 3 February 2010.

**BRAZIL**  
**SUSTAINABLE WORKING CONDITIONS FOR BETTER MICRO AND SMALL ENTERPRISE PERFORMANCE**  
**(BR-M1066)**  
**LOGICAL FRAMEWORK**

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<b>GOAL</b>			
Improve the performance of micro and small enterprises (MSEs) and promote the spread of a business culture committed to sustainable development.	<u>Two years after project completion:</u> <ul style="list-style-type: none"> <li>- At least 70% of the MSEs that implement the action plan show improved performance reflected by increased revenue and/or reduced costs resulting from better working conditions.</li> <li>- At least 21 additional states are applying the SESI model of sustainable workplace practices and integrated diagnostic assessment for MSEs.</li> <li>- At least 1,000 additional MSEs use the SESI model and integrated diagnostic assessment for MSEs as a tool to support socially responsible management.</li> <li>- At least three additional partnerships are formed with organizations to support, disseminate, and replicate the model.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Final evaluation.</li> <li>▪ Report of ex post evaluation compared to the results of the diagnostic assessment.</li> <li>▪ Annual reports and/or publications on the sustainability or social responsibility of partner enterprises.</li> </ul>	<p>Brazil's economic and political climate remains stable.</p> <p>Businesses and citizens in general become more aware and educated about the importance of responsible behavior on the part of MSEs.</p>
<b>PURPOSE</b>			
Improve quality of life and working conditions at MSEs by adapting the Serviço Social da Indústria (SESI) model of sustainable workplace practices and integrated diagnostic assessment. <sup>1</sup>	<u>By project completion:</u> <ul style="list-style-type: none"> <li>- At least 70% of participating MSEs fully implement the SESI model of sustainable workplace practices and integrated diagnostic assessment.</li> <li>- At least 50% of the MSEs that implement action plans show improvement in the synthetic indicator<sup>2</sup> of quality-of-life and working conditions (based on the Employee Quality-of-Life</li> </ul>	<ul style="list-style-type: none"> <li>▪ Midterm and final evaluation, including satisfaction survey.</li> <li>▪ Final project status report (PSR).</li> <li>▪ Analysis in relation to the executing agency baseline.</li> <li>▪ Beneficiary satisfaction</li> </ul>	

<sup>1</sup> The model and diagnostic assessment will be adapted to MSEs. The MSEs are affiliated with arranjos produtivos locais [local industry clusters] (APLs), producer groups, employer organizations, and sector associations in the states of Ceará, Roraima, Paraná, Minas Gerais, and Rio de Janeiro, and the Federal District.

<sup>2</sup> The synthetic indicator will be based on the indicators specifically defined as applicable to MSEs, and will be equivalent to the Employee Quality-of-Life Index developed for large companies. The starting point will be the 53 indicators presented in Annex VIII.

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	Index for large companies).	surveys. ▪ Territorial data on MSEs.	
<b>COMPONENTS</b>			
Component I: Adaptation of methodologies for MSEs.	<p><u>By month 9:</u></p> <ul style="list-style-type: none"> <li>- A baseline document with MSE profiles has been developed.</li> </ul> <p><u>By month 12:</u></p> <ul style="list-style-type: none"> <li>- A methodology has been adapted for application of the SESI model of sustainable workplace practices at 210 MSEs from nine APLs and four producer groups.</li> </ul> <p><u>By month 24:</u></p> <ul style="list-style-type: none"> <li>- An integrated diagnostic assessment methodology has been adapted for implementation at 150 MSEs from six employer organizations/sector associations.</li> </ul> <p><u>By month 48:</u></p> <ul style="list-style-type: none"> <li>- A methodology for implementation of the SESI model and integrated diagnostic assessment for MSEs has been validated.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Midterm and final evaluation.</li> <li>▪ Final PSR.</li> <li>▪ Reports of project execution in the six regional departments.</li> <li>▪ Baseline document</li> <li>▪ Adapted methodology and diagnostic assessment documents.</li> </ul>	
Component II: Implementation of corporate social responsibility (CSR) measures in APLs, producer groups, employer organizations, and sector associations.	<p><u>By month 27:</u></p> <ul style="list-style-type: none"> <li>- At least 12 consultants (two per regional department) have been trained to prepare and implement action plans at MSEs from APLs and producer groups (groups 1 and 2).<sup>3</sup></li> <li>- At least six consultants (one per regional department) have been trained to prepare and implement action plans at MSEs</li> </ul>	<ul style="list-style-type: none"> <li>▪ Midterm and final evaluation.</li> <li>▪ Final PSR.</li> <li>▪ Survey of beneficiary satisfaction at this phase.</li> </ul>	

<sup>3</sup> There will be two groups of enterprises in the categories of APLs and producer groups. The first group is expected to begin implementation at the beginning of year 2, and the second group 12 months later, together with the MSEs from employer organizations and sector associations.

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p>from employer organizations and sector associations.</p> <ul style="list-style-type: none"> <li>- At least 360 participating MSEs have been trained in socially and environmentally responsible business practices (CSR).</li> <li>- At least 210 MSEs (groups 1 and 2) have successfully applied the SESI model of sustainable workplace practices.</li> <li>- At least 150 MSEs from employer organizations and sector associations have completed the integrated diagnostic assessment.</li> </ul> <p><u>By month 36:</u></p> <ul style="list-style-type: none"> <li>- At least 360 participating MSEs have been trained in the application of CSR tools.</li> </ul> <p><u>By project completion:</u></p> <ul style="list-style-type: none"> <li>- At least 70% of the MSEs have successfully implemented action plans under the adapted SESI methodology of sustainable workplace practices.</li> <li>- At least 70% of the MSEs have implemented action plans based on application of the integrated diagnostic assessment.</li> <li>- 17 action plans have been prepared (one per APL, producer group, and employer organization/sector association).</li> </ul>		

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
<p>Component III: Alignment, training, and mobilization of project participants, partners, and regional department technical teams.</p>	<p><u>By month 27:</u></p> <ul style="list-style-type: none"> <li>- At least 30 professionals<sup>4</sup> from the six participating regional departments have been trained in CSR, sustainability, and technical and financial aspects relating to the project.</li> <li>- At least 42 professionals from the 21 regional departments not participating in the project have been trained in CSR and the SESI model and integrated diagnostic assessment for MSEs.</li> <li>- At least 20 professionals from other partner institutions and institutions not associated with the project (external operators) have been educated on CSR and the SESI model and integrated diagnostic assessment for MSEs.</li> </ul> <p><u>By project completion:</u></p> <ul style="list-style-type: none"> <li>- At least 100 professionals (national and all regional departments) have been made aware of and received training in CSR and the SESI model of sustainable workplace practices and integrated diagnostic assessment for MSEs.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Midterm and final evaluation.</li> <li>▪ Final PSR.</li> <li>▪ Survey of beneficiary satisfaction at this phase.</li> </ul>	
<p>Component IV: Monitoring, documentation of information, and dissemination of project outcomes.</p>	<p><u>By month 6:</u></p> <ul style="list-style-type: none"> <li>- The monitoring system is in operation.</li> </ul> <p><u>By month 24:</u></p> <ul style="list-style-type: none"> <li>- At least 500 MSE representatives have been made aware of the project's issues.</li> </ul> <p><u>By month 36:</u></p> <ul style="list-style-type: none"> <li>- At least 1,500 (cumulative) and MSE representatives have been made aware of the project's issues.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Midterm and final evaluation.</li> <li>▪ Final PSR.</li> <li>▪ Monitoring system available.</li> <li>▪ List of participants in events organized by the regional departments.</li> <li>▪ List of participants in national/international events focusing on CSR or MSEs.</li> </ul>	

<sup>4</sup> Including superintendents, managers, regional coordinators, one technical team member, and one financial manager of the regional departments.

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	<p><u>By project completion:</u></p> <ul style="list-style-type: none"> <li>- At least 2,000 business owners, managers, and other interested professionals have received information about project case studies and outcomes.</li> </ul>		

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION
<b>ACTIVITIES</b>		
<p>1.1 Adapt the SESI model of sustainable workplace practices for MSEs.</p> <p>1.2 Adapt the integrated diagnostic assessment methodology for MSEs.</p> <p>1.3 Prepare a baseline document that considers the results previously obtained with the model in a sample of medium-sized and large companies; the determinants of competitiveness with a view to sustainability; and socioeconomic and environmental data for the beneficiary enterprises.</p>	<ul style="list-style-type: none"> <li>- A draft (pending subsequent validation) of the adapted methodology for MSEs has been prepared by month 9.</li> <li>- A draft of the integrated diagnostic assessment methodology (pending subsequent validation) has been prepared by month 21.</li> <li>- At least six baseline reports (one per regional department) have been prepared by month 9.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Midterm and final evaluation.</li> <li>▪ Final PSR.</li> <li>▪ Reports on project execution in the six regional departments.</li> <li>▪ Materials to be disseminated.</li> <li>▪ Baseline report on MSEs' situation at project start.</li> <li>▪ Reports analyzing outcomes of validations.</li> </ul>
<p>1.4 Validate the SESI model and integrated diagnostic assessment with a sample of MSEs.</p>	<ul style="list-style-type: none"> <li>- Technical materials (manuals) have been developed for validation of the model by month 12.</li> <li>- Technical materials (manuals) have been developed for validation of the integrated diagnostic assessment by month 24.</li> <li>- The SESI model has been validated with at least 15 MSEs in three validation sessions held in three regional departments (one session per</li> </ul>	

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION
	<p>department) by month 12.</p> <ul style="list-style-type: none"> <li>- The SESI model and integrated diagnostic assessments have been validated with at least 30 MSEs in six validation sessions held in six regional departments (all figures cumulative) by month 24.</li> </ul>	
1.5 Analyze outcomes and document the process.	<ul style="list-style-type: none"> <li>- At least one report analyzing outcomes and documenting the SESI model of sustainable workplace practices at a sample of 15 MSEs has been prepared by month 13.</li> <li>- At least one report analyzing outcomes and documenting the integrated diagnostic assessment at a sample of 15 MSEs has been prepared by month 23.</li> <li>- The SESI model of sustainable workplace practices and assessment have been adjusted (if necessary) by month 25.</li> </ul>	
2.1 Formalize commitment agreements with organizations representing APLs, producer groups, employer organizations, and MSEs.	<ul style="list-style-type: none"> <li>- At least 13 commitment agreements have been formalized by month 9.</li> <li>- At least 17 commitment agreements (cumulative) have been formalized by month 21.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Midterm and final evaluation.</li> <li>▪ Final PSR.</li> <li>▪ Reports of diagnostic assessments of MSEs.</li> <li>▪ Consultant training outputs.</li> <li>▪ Agreements signed with partners.</li> </ul>
2.2. Establish partnerships to cooperate in implementing CSR in MSEs.	<ul style="list-style-type: none"> <li>- At least 1 partner with extensive knowledge of APLs has been enlisted to implement CSR at MSEs by month 12.</li> <li>- At least 2 partners (cumulative) with extensive knowledge of APLs have been enlisted to implement CSR at MSEs by month 24.</li> <li>- At least 2 partners with extensive knowledge of the business sector represented by employer organizations and sector associations have been enlisted to implement CSR at MSEs by month 24.</li> </ul>	
2.3. Select the group of enterprises <sup>5</sup> and formalize commitments.	<ul style="list-style-type: none"> <li>- At least 110 MSEs have been selected for the first group from APLs and producer groups by month 12.</li> <li>- At least 210 MSEs (cumulative) have been selected for the second group from APLs and producer groups by month 24.</li> </ul>	

<sup>5</sup> The selection criteria to be met by the businesses are described in the Donors Memorandum, and in greater detail in the Operating Regulations.



NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION
	<ul style="list-style-type: none"> <li>- At least 150 MSEs have been selected from employer organizations/sector associations by month 24.<sup>6</sup></li> </ul>	
2.4. Train local consultants in CSR for implementation in MSEs, business groups, and employer organizations/sector associations.	<ul style="list-style-type: none"> <li>- Consultant training materials have been developed by month 9.</li> <li>- At least one 16-hour seminar on CSR has been held to prepare for implementation of action plans in APLs and producer groups by month 12.</li> <li>- At least one 16-hour seminar on CSR has been held to prepare for implementation of action plans in selected employer organizations/sector associations by month 23.</li> </ul>	
2.5. CSR training for participating MSEs.	<ul style="list-style-type: none"> <li>- CSR training materials for participating MSEs have been prepared by month 9.</li> <li>- At least 6 4-hour CSR training sessions (one per regional department) have been held for the first group of MSEs from APLs and producer groups by month 12.</li> <li>- At least 6 4-hour CSR training sessions (one per regional department) have been held for the second group of MSEs from APLs and producer groups by month 23.</li> <li>- At least 6 4-hour CSR training sessions (one per regional department) have been held for MSEs from employer organizations/sector associations by month 23.</li> </ul>	
2.6. Technical workshops on CSR tools for participating MSEs.	<ul style="list-style-type: none"> <li>- Materials for workshops on application of CSR tools for MSEs have been prepared by month 12.</li> <li>- At least 12 3-hour workshops have been held by month 24.</li> <li>- At least 24 3-hour workshops have been held by month 36.</li> <li>- At least 36 3-hour workshops have been held by month 45.</li> </ul>	

<sup>6</sup> A total of at least 360 MSEs (90 per regional department) will have been selected from APLs, producer groups, and employer organizations by month 24.

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION
2.7. Implement the diagnostic assessment process of the SESI model of sustainable workplace practices adapted to MSEs and integrated diagnostic assessments.	<ul style="list-style-type: none"> <li>- At least 110 participating MSEs (group 1) from APLs and producer groups have begun the diagnostic assessment process by month 11.</li> <li>- At least 100 participating MSEs (group 2) from APLs and producer groups have begun the diagnostic assessment process by month 23.</li> <li>- At least 150 participating MSEs affiliated with employer organizations/sector associations have begun the diagnostic assessment process by month 24.</li> </ul>	
2.8. Design CSR strategic action plans for APLs, producer groups, and employer organizations/sector associations.	<ul style="list-style-type: none"> <li>- Implementation plans (group 1) have been designed by month 13.</li> <li>- Revised implementation plans (group 2) have been designed by month 26.</li> <li>- Implementation plans for employer organizations/sector associations have been designed by month 27.</li> </ul>	
2.9. Implement and support <sup>7</sup> action plans.	<ul style="list-style-type: none"> <li>- At least 25% of participating MSEs (group 1) have begun implementing action plans by month 15.</li> <li>- At least 25% of participating MSEs (group 2) have begun implementing action plans by month 27.</li> <li>- At least 50% of participating MSEs from employer organizations/sector associations have begun implementing action plans by month 28.</li> </ul>	
2.10. Reapply the methodologies under a second phase to measure changes in MSE indicators <sup>8</sup> for each group.	<ul style="list-style-type: none"> <li>- 100% of participating MSEs have reapplied the model by month 46.</li> </ul>	

<sup>7</sup> The action plan consists of offering MSEs technical consulting services and tools (some to be provided by SESI) to improve responsible practices in regard to working conditions and quality of life at the workplace. The services and tools will be based on the needs of all beneficiary enterprises identified through the SESI integrated diagnostic assessment. SESI's portfolio includes a number of services that can be offered free of charge throughout the execution period depending on demand and availability.

<sup>8</sup> Each group is expected to implement the diagnostic assessment and action plans in an initial phase, and then repeat the process 18 months later in a second phase, to determine the changes in the indicators.

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION
3.1. Hold meetings of the national project execution team.	<ul style="list-style-type: none"> <li>- At least 2 national team meetings have been held by month 12.</li> <li>- At least 4 (cumulative) national team meetings have been held by month 24.</li> <li>- At least 6 (cumulative) national team meetings have been held by month 36.</li> <li>- At least 8 (cumulative) national team meetings have been held by month 45.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Midterm and final evaluation.</li> <li>▪ Minutes of team meetings and list of attendees.</li> <li>▪ List of training attendees.</li> <li>▪ Simple database of contact information for external operators targeted by awareness activities.</li> </ul>
3.2. Train regional department personnel in CSR and sustainability, including technical and financial aspects of the project.	<ul style="list-style-type: none"> <li>- Materials for training for regional department personnel in CSR, sustainability, and technical and financial aspects of the project have been developed by month 3.</li> <li>- At least one 10-hour seminar has been held in Brasilia by month 4.</li> </ul>	
3.3. Train personnel from the 21 regional departments not participating in the project in the adapted SESI model and integrated diagnostic assessment.	<ul style="list-style-type: none"> <li>- Materials have been developed for training events on the SESI model in regional departments not participating in the project by month 12.</li> <li>- At least one SESI training seminar has been held for the 21 regional departments not participating in the project by month 15.</li> <li>- Materials have been developed for training events on the SESI integrated diagnostic assessment in the regional departments not participating in the project by month 24.</li> <li>- At least one training seminar on the integrated diagnostic assessment has been held for the 21 regional departments not participating in the project by month 27.</li> </ul>	
3.4. Conduct awareness-raising seminars with external operators on the process of adapting the SESI model of sustainable workplace practices and integrated diagnostic assessment.	<ul style="list-style-type: none"> <li>- Materials have been developed by month 5.</li> <li>- At least 2 meetings with external operators have been held by month 12.</li> <li>- At least 4 meetings (cumulative) have been held with external operators by month 24.</li> </ul>	

NARRATIVE SUMMARY	INDICATORS	MEANS OF VERIFICATION
4.1 Design the monitoring and evaluation system.	- The project monitoring and evaluation system is developed and in operation by month 6.	<ul style="list-style-type: none"> <li>▪ Midterm and final evaluation.</li> <li>▪ Final PSR.</li> <li>▪ Monitoring system.</li> <li>▪ Electronic publication of case studies and distribution list.</li> <li>▪ List(s) of event attendees and/or participants.</li> <li>▪ Dissemination materials, distribution lists, and lists of event attendees.</li> <li>▪ Event materials and lists.</li> <li>▪ Report on presentations at national/international events.</li> </ul>
4.2 Conduct seminars in regional departments for MSEs not participating in the project.	- At least 18 seminars (3 per regional department) have been held by month 45 to disseminate project activities and outcomes to MSEs not participating in the project.	
4.3 Prepare case studies of implementation of the SESI model and integrated diagnostic assessment at MSEs.	- At least 15 case studies have been prepared by month 42.	
4.4 Develop a learning and communication strategy to disseminate project outcomes, lessons learned, and success stories, in order to maximize the project's impact.	- The project learning and communication strategy has been designed by month 12.	
4.5 Participate in national and international events relating to CSR or MSEs, in order to disseminate project progress and/or outcomes.	- Presentations have been given at 5 or more national/international CSR or MSE events by month 46, in order to disseminate project progress, lessons learned, and outcomes.	

**SUSTAINABLE WORKING CONDITIONS FOR BETTER MICRO AND SMALL ENTERPRISE PERFORMANCE  
(BR-M1066)**

**SUMMARY BUDGET (US\$)**

		<b>Total</b>			
		<b>MIF</b>	<b>Counterpart</b>		<b>Total</b>
			<b>Financial</b>	<b>Economic</b>	
<b>I</b>	<b>Adaptation of methodologies for MSEs</b>	<b>98,812.50</b>	<b>277,070.45</b>	<b>0.00</b>	<b>375,882.95</b>
1.1	Adapt SESI model of sustainable workplace practices for MSEs	0.00	106,084.09	0.00	106,084.09
1.2	Develop integrated diagnostic assessment methodology	0.00	106,084.09	0.00	106,084.09
1.3	Prepare baseline document	0.00	56,556.82	0.00	56,556.82
1.4	Validate the SESI model and integrated diagnostic assessment with a sample of MSEs	93,812.50	8,345.45	0.00	102,157.95
1.5	Analyze results and document the process	5,000.00	0.00	0.00	5,000.00
<b>II</b>	<b>Implementation of CSR measures in APLs, producer groups, employer organizations, and sector associations</b>	<b>1,182,000.00</b>	<b>1,731,684.09</b>	<b>0.00</b>	<b>2,913,684.09</b>
2.1	Formalize commitment agreements with representative organizations	0.00	36,081.82	0.00	36,081.82
2.2	Establish partnerships	0.00	24,054.55	0.00	24,054.55
2.3	Select group of enterprises and formalize commitments	0.00	39,661.36	0.00	39,661.36
2.4	Train local consultants in CSR for implementation	20,000.00	20,213.64	0.00	40,213.64
2.5	Train participating MSEs in CSR	63,000.00	19,309.09	0.00	82,309.09
2.6	Technical workshops on CSR tools for participating MSEs	54,000.00	10,800.00	0.00	64,800.00
2.7	Implement the diagnostic assessment process of the SESI model of sustainable workplace practices adapted to MSEs and integrated diagnostic assessments	0.00	153,409.09	0.00	153,409.09
2.8	Design strategic CSR action plans	85,000.00	0.00	0.00	85,000.00
2.9	Implement and support action plans	960,000.00	1,274,745.45	0.00	2,234,745.45
2.10	Reapply the methodologies to measure changes in indicators	0.00	153,409.09	0.00	153,409.09
<b>III</b>	<b>Alignment, training, and mobilization of project participants, partners, and regional department technical teams</b>	<b>9,000.00</b>	<b>119,879.55</b>	<b>0.00</b>	<b>128,879.55</b>
3.1	Conduct meetings of the national project execution team	0.00	46,636.36	0.00	46,636.36

3.2	Provide CSR and sustainability training for regional department personnel	9,000.00	17,975.00	0.00	26,975.00
3.3	Train personnel from 21 nonparticipating regional departments in the SESI model and integrated diagnostic assessment	0.00	42,704.55	0.00	42,704.55
3.4	Conduct awareness-raising sessions with external operators	0.00	12,563.64	0.00	12,563.64
<b>IV</b>	<b>Monitoring, documentation of information, and dissemination of project outcomes</b>	<b>107,912.95</b>	<b>166,990.91</b>	<b>0.00</b>	<b>274,903.86</b>
4.1	Design the monitoring and evaluation system	20,000.00	42,272.73	0.00	62,272.73
4.2	Conducts seminars in the regional departments for MSEs not participating in the project	0.00	56,536.36	0.00	56,536.36
4.3	Prepare case studies	45,000.00	0.00	0.00	45,000.00
4.4	Prepare a learning and communication strategy	42,912.95	0.00	0.00	42,912.95
4.5	Participate in national and international events	0.00	68,181.82	0.00	68,181.82
<b>V</b>	<b>Management Unit</b>	<b>137,380.57</b>	<b>0.00</b>	<b>611,185.75</b>	<b>748,566.31</b>
5.1	Regional technical coordinators (in order, MG, CE, RJ, RJ, PR, DF, DF, RR)**	0.00	0.00	550,470.87	550,470.87
5.2	Technical assistant (CE, RR, RR)**	0.00	0.00	60,714.87	60,714.87
5.3	Junior analyst	137,380.57	0.00	0.00	137,380.57
<b>VI</b>	<b>Evaluations</b>	<b>60,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>60,000.00</b>
6.1	Midterm evaluation	30,000.00	0.00	0.00	30,000.00
6.2	Final evaluation	30,000.00	0.00	0.00	30,000.00
<b>VII</b>	<b>Financial audit</b>	<b>60,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>60,000.00</b>
<b>VIII</b>	<b>Contingencies</b>	<b>26,393.98</b>	<b>4,375.00</b>	<b>0.00</b>	<b>30,768.98</b>
<b>IX</b>	<b>Institution-strengthening (training in financial management and procurement)</b>	<b>10,000.00</b>	<b>0.00</b>	<b>0.00</b>	<b>10,000.00</b>
<b>SUBTOTAL</b>		<b>1,691,500.00</b>	<b>2,300,000.00</b>	<b>611,185.75</b>	<b>4,602,685.74</b>
<b>X</b>	<b>Impact Evaluation Account (0.5% of the MIF contribution)</b>	<b>8,500.00</b>	<b>0.00</b>	<b>0.00</b>	<b>8,500.00</b>
	<b>TOTAL</b>	<b>1,700,000.00</b>	<b>2,300,000.00</b>	<b>611,185.75</b>	<b>4,611,185.74</b>

\*\* Dedicating 40% of their weekly work schedule to the project, or 16 hours per week.