



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 11-Mar-2020 | Report No: PIDC27934

**BASIC INFORMATION****A. Basic Project Data**

Country Brazil	Project ID P172605	Parent Project ID (if any)	Project Name Salvador Social Multi-Sector Service Delivery Project II (P172605)
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date May 18, 2020	Estimated Board Date Jul 09, 2020	Practice Area (Lead) Social Protection & Jobs
Financing Instrument Investment Project Financing	Borrower(s) Municipality of Salvador	Implementing Agency Casa Civil	

Proposed Development Objective(s)

To improve social service delivery in the Municipality of Salvador in terms of health care system efficiency, education completion and quality, social assistance effectiveness, gender equality, and delivery systems.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	150.00
Total Financing	150.00
of which IBRD/IDA	125.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	125.00
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Non-World Bank Group Financing

Counterpart Funding	25.00
Borrower/Recipient	25.00



Environmental and Social Risk Classification

Moderate

Concept Review Decision

Track I-The review did authorize the preparation to continue

B. Introduction and Context

Country Context

After a decade of solid growth, Brazil's economy entered a deep recession in 2015 and 2016 from which it is slowly recovering. The deterioration of both the external environment and domestic policies led to a slowdown, followed by two years of recession in 2015 and 2016. While external factors contributed to the recession, growing fiscal imbalances, structural bottlenecks and domestic political uncertainty affected investor and consumer confidence. Economic recovery remains weak with 1.3 percent real GDP growth recorded in 2017 and 2018, and 1.1 percent growth estimated in 2019 and 2.0 percent projected for 2020. Job creation is slowly improving with unemployment declining from a peak of 13.6 percent in March 2017 to 11.0 percent in 2019, but still above pre-crisis levels (6.8 percent in 2014). Most of the new jobs are created in the informal sector. As of 2018, 19.9 percent of the population lived on less than US\$5.50 per day (2011 PPP), including 4.4 percent on less than US\$1.90 per day (2011 PPP). Given the uneven recovery and continuing fiscal challenges limiting expansion of public support, poverty is expected to only gradually improve over the next few years.

Brazil's ongoing recession has reversed the trends of poverty and inequality reduction seen during 2012 to 2014. The Gini Index for household income distribution per capita calculated by the *Instituto Brasileiro de Geografia e Estatística* (IBGE) and the number of people living under the Poverty line makes it possible to measure the recession impact on low-income people. For 2012 the Gini Index was 0.54 and reached its lowest value in 2015, being it 0.524. From that point on, the index showed increasing behavior, reaching 0.545 in 2018, a little bit above the 2012 calculated Index. The same sort of performance happens on the percentage of people living with under US\$1.9 per day within the Brazilian population, which was 5.8 percent in 2012, dropped to 4.5 percent in 2014 and rose from 4.9 percent in 2015 to 6.4 percent in 2018 (SIS IBGE 2019).

Percentage of People living under US\$1.9 in Brazil and its Regions

	2012	2013	2014	2015	2016	2017	2018
Brazil	5.8	5.1	4.5	4.9	5.8	6.4	6.5
North	9.7	8.3	7.5	9.0	9.7	10.1	11.0
Northeast	12.4	11.1	9.4	10.3	12.0	13.5	13.6
Southeast	2.6	2.4	2.2	2.2	3.0	3.2	3.2



South	1.8	1.4	1.4	1.5	1.9	2.1	2.1
Center-West	1.9	1.8	1.8	2.0	2.6	2.9	2.9

Source (SIS IBGE 2019)

The Municipality of Salvador (MoS) is the third most populous municipality in Brazil, with an estimated 3.9 million people for 2019. Between all 26 Brazilian State capitals plus Brasília, Salvador is in 18th place on the Human Development Index for Municipalities (HDIM)¹ and the 4th highest place on the *Instituto de Pesquisa Econômica Aplicada* (IPEA) Social Vulnerability Index (SVI)². Salvador has the 9th largest municipal GDP³ primarily driven by the service sector (70 percent of GDP) through tourism, transport, and construction, in addition to the city and state public administrations that operate in the city. Salvador indicators show that, although Salvador is ranked highly between Brazilian capitals GDP, this does not necessarily translate into wellbeing for its population, as shown on wellbeing indicators such as HDIM and SVI. IBGE Gini for selected Metropolitan Regions also puts Salvador in the last place with a Gini coefficient of 0.57 for 2012 data.⁴ Salvador saw a faster pace of decline in poverty between 2001 and 2013 (73 percent) than the national average (52 percent). Nevertheless, poverty remains high (7.2 percent) compared to more affluent cities like Belo Horizonte (2.8 percent), although it fares better in comparison to two large cities in the Northeast (Figure 1). Moreover, Salvador is the second most unequal city in the country in terms of income distribution, just behind Brasília, with a Gini of 0.57 in 2012. The Salvador metropolitan area also is home to close to a fifth of the population of the State of Bahia. Hence addressing poverty and inequality through improved social service delivery would have considerable dent on poverty reduction for the state, and for the country.

The Brazilian Northeast Region is also the one lagging the most in terms of the 2017 World Bank's Human Capital Index (HCI).⁵ Most Northeastern municipalities have got an HCI that is under 0.58 (interpreted as children reaching 18 years old with just 58% of productive working life ahead), which is the median for all Brazilians municipalities. And among those states, Bahia (where Salvador is located) ranks among the lowest states in the country with an HCI of 0.52, equivalent to that in countries like Kenya or Algeria. Salvador's HCI is 0.54, ranking in the 1027th place out of 1794 municipalities that are part of the Northeast region. In particular, the education dimension explains the main difference between Salvador and the average Brazilian score of 0.58.

¹ The Human Development Index for Municipalities is calculated by IPEA and is based on Census Data. The last Census in Brazil is from 2010. The Index has the same dimensions as UNDP HDI. It varies from 1 to 0, and the higher the score, the closer a Municipality is from proportioning better life conditions for its citizens.

² IPEA Social Vulnerability Index is based on Brazilian Census data and is composed of 3 dimensions: (1) Urban Infrastructure, (2) Human Capital and (3) Work and Income Conditions. It aims to measure access and observance of social rights within Brazilian territory. The Index varies from 1 to 0. The higher the score, the more vulnerable its population is. More on IVS here: http://ivs.ipea.gov.br/images/publicacoes/lvs/publicacao_atlas_ivs.pdf

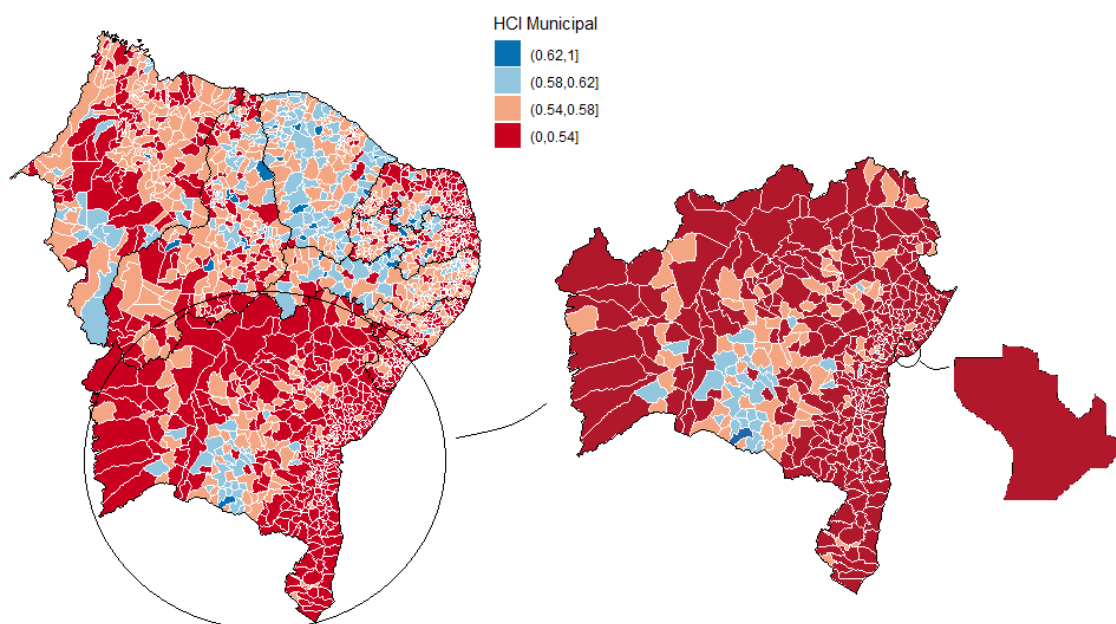
³ Municipalities GDP are calculated by IBGE and last year available data is for 2017. More on Salvador GDP here: <https://www.ibge.gov.br/estatisticas/economicas/contas-nacionais/9088-produto-interno-bruto-dos-municipios.html?t=pib-por-municipio&c=2927408>

⁴ Selected Metropolitan Regions are ranked for Gini Coefficients as follows: Curitiba, Porto Alegre, Recife, Fortaleza, Belém, São Paulo, Belo Horizonte, Rio de Janeiro e Salvador.

⁵ HCI is a composite index that has three dimensions: Survival, Health, and Education. The Survival dimension contains data on under 5 mortality rate.



Human Capital Index (HCI) in the Brazilian Northeast, Bahia and Salvador



Source: World Bank 2020

The current administration of Salvador is the same as the previous period (from 2015 to 2018), and it continues to implement an ambitious plan that aims to reduce poverty and inequality in the city. The most recent Salvador Strategic Plan (SSP) 2017 - 2020 “Salvador- A New City for a New Time” prioritizes four broad categories of themes: (1) “Urban and Economic development” - goals linked to foster economic development initiatives; (2) “Urban Services Development” - targets the enhancement of mobility services; (3) “Institutional Development and Citizens Engagement” - goals linked to communications and open data policies; and (4) “Social Development” - goals related to fighting social vulnerability situations.

Sectoral and Institutional Context

In Brazil’s federal arrangement, municipalities shoulder basic social service delivery such as early childhood education (ECE) and primary and lower secondary education (respectively grades 1-5 and 6-9), primary as well as some higher-complexity health care, and face-to-face social assistance services. In delivering these services, municipalities often follow federal (and sometimes state) policies and guidelines and receive fiscal transfers, both tied and untied to specific service responsibilities and performance. Many of the social services are guaranteed as citizen rights in the 1988 Federal Constitution. Municipalities therefore form the institutional frontline of Brazil’s rights-based social policy systems, and capable municipal administrations are fundamental for effective delivery of these social services and hence for poverty reduction. In addition to managing networks of health and education facilities both under their direct administration and through service contracts, municipalities are also called upon to play specific roles in implementing programs and mandates that are constitutionally or legally assigned to the federal government. These include the conditional cash transfers program, *Bolsa Família*, and the social pension program, *Benefícios de Prestação Continuada de Assistência Social* (BPC) for which municipalities are responsible for maintaining an up-to-date social registry (*Cadastro Único*) and for identifying and enrolling new beneficiaries.



Over the years, Salvador's social service delivery was characterized with low coverage and relatively poor quality due to years of under-investments and inefficiency. Not only Salvador still lacks sufficient numbers of basic service facilities, but many of its existing facilities, such as ECE facilities, schools, health facilities, or social assistance centers, are in suboptimal physical conditions. For example, some of the *Centros de Referência de Assistência Social* (CRAS) fails to meet the federal government standards.

But the current administration continues to arrest this trend and considerably increased investments in the social sectors as central elements of the city's strategic plan. The new policy priorities are expected to be articulated in the next strategic plan that the municipality is currently developing. While continuing to address gaps in service coverage that remain in specific areas or sub-sectors (e.g., ECE and basic social assistance which still needs further development, high-complexity health care given the shifting epidemiological profile of the city's population and the inability of the existing facilities to fully respond to the needs), the new strategy is expected to place comparatively greater emphasis on measures to improve service quality and ensure long-term fiscal sustainability of these services.

The primary tool that the Municipality adopted to sharpen its institutional capacity for policy prioritization is the strategic plan, implemented since 2014. A unit within the Mayor's office (*Casa Civil*) led the preparation of the strategic plan and monitors its execution. The Mayor regularly reviews the implementation status of each of the priority actions to ensure their timely completion. And while encouraging each sectoral secretariat to pursue its own set of measures to increase access, improve quality and ensure sustainability, the MoS has also developed, and is intent on further refining, a set of cross-cutting management initiatives. Some of these measures are intended to sharpen the municipal administration's capacity to prioritize its actions and monitor their implementation. Others are explicitly intended to improve the efficiency of municipal expenditures and/or control future growth of expenditures, especially personnel expenditures.

Since 2018 the World Bank has been supporting these efforts through the first Salvador Social Multi-Sector Service Delivery Project (P162033), which aims at improving social service delivery in the MoS, emphasizing improvements in health care system efficiency, education quality, and social assistance effectiveness. Expected to close in December 2022, it has been advancing at fast pace with more than 70 percent of funds disbursed. Efforts to sustain gains achieved in social service delivery and more ambitious goals aimed by the administration provides a case for a second phase of the Project.

Social Assistance Sector

It is estimated that Salvador's population was around 3.9 million people in 2018. Historically, about 20 percent of its population is covered under *Cadastro Único*. That means that one fifth of Salvador's population is under some government social protection net due to income or any other kind of social vulnerability. Despite the fact that this is a high number, it's still not enough. It is estimated that around 30 percent of the city population are considered low income families (live under half of the Brazilian minimum wage as an income per month).⁶ Poverty trends seem to be stable from since 2016, as shown in the table below.

⁶ Based on *Pesquisa Nacional por Amostra de Domicílios* (PNAD) Contínua surveys.

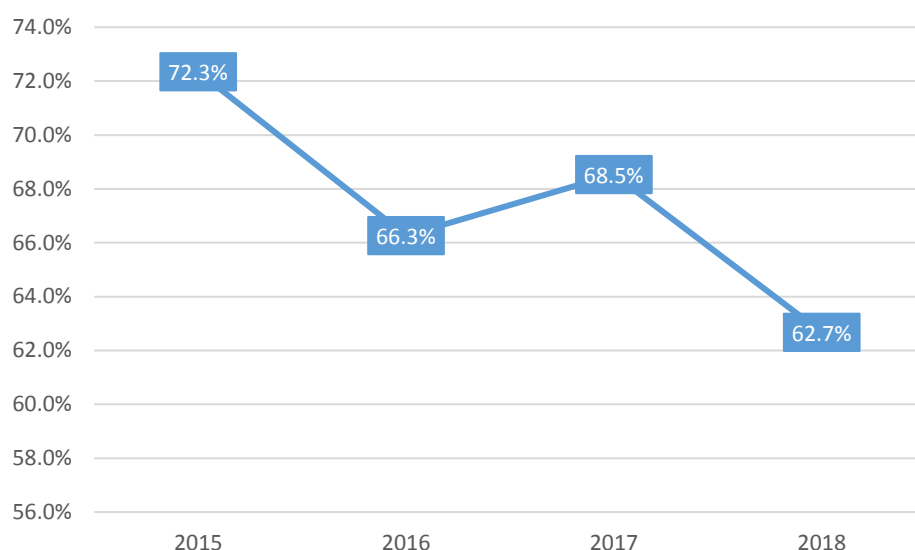


Percentage of Salvador Population living under each Poverty Line

	Brasil sem miséria	Bolsa Família	1/4 Salário Mínimo	1/2 Salário Mínimo	Salário Mínimo
2016	3.70%	7.49%	11.03%	31.73%	62.10%
2017	5.80%	8.53%	12.48%	30.18%	58.15%
2018	3.58%	7.19%	10.13%	29.74%	59.39%

Although the numbers seem to gravitate around a medium for each of the poverty lines, Salvador has not been able to reach its whole vulnerable population. Data available on *Cadastro Único* coverage on low income families (living under ½ a minimum wage and PNAD) based estimates on the same poverty line shows that since 2015 there has been a decrease in the percentage of families under the government protection net and its vulnerable population.

Percentage of people living under ½ a minimum Wage Covered Under *Cadastro Único*



The MoS has 101.602 children under 6 years old that are covered on *Bolsa Família* support. *Bolsa Família* eligibility is based on income, and families with children from 0 to 17 years old that live under a per capita income of R\$ 178,00 are eligible to be covered by the program. In 2018, Salvador had 25.811 children enrolled in public schools focused on the early year, private and public school enrollment data reveals there is an increasing trend on supply and demand for early childhood education. School is mandatory for children over six years old, but families under vulnerable situations usually have a hard time getting an available vacancy. Vulnerable families need support and directions to educate their children before they reach the age of six, when they get into school. The available data on public and private school enrolment and the difference on number of vulnerable children reveals that interventions on early childhood development could be an alternative to provide support on children education.

The MoS has been dedicating efforts to exercise quality management and to reverse a history of underinvestments in the social area. The Salvador Social Project in its first phase demonstrated management's commitment to: (i) strengthening the basic social assistance network to further expand effective coverage and improve the services; (ii) improving data quality of *Cadastro Único*; and (iii) enhancing SEMPRE's organizational capacity. To date, the number of families supported by the Integrated Family Support Program (PAIF) at CRAS reached 13,500. It reformed and adapted



10 units of CRAS and development new management system for social services. The project has also supported over 10,000 household visits to improve the quality of information and updated registries of extreme poor population under *Cadastro Único*, with 89 percent of them now with updated records. Two new mobile registration units of *Cadastro Único* are now in operation. To improve services, new staff was hired and trained, 189 to staff CRAS and management of SEMPRES. And the new management information system under SEMPRES is being updated.

Performance still needs to be improved to obtain higher fiscal transfers from federal government towards social assistance services. In 2018, the performance indicator for CRAS (IDCRAS) corresponded to 2.29, below the appropriate standard equal to or above 5. This indicator compromises the SUAS Management Index of the municipality, currently at 0.74 score for performance, below the quality standard established in 1.0. The Decentralized Management Index of the *Bolsa Família*-IGD-M also shows low performance in monitoring health conditions, at 51.1 percent, when the national average is 76 percent. The low performance of the indices compromises financial transfers from the Federal Government and access to new programs and services. To meet these new targets, SEMPRES would need to continue revisiting and adjusting its organizational structure in line with the enhanced responsibilities and increased workload, recruiting qualified professionals for both policy management and service delivery functions, instituting an effective program of ongoing staff training, and modernizing its management systems and practices.

Education Sector

The provision of early-childhood education (ECE), primary and lower secondary education is mainly under the responsibility of the municipal government, and Salvador is seeking to improve the education quality at a faster pace. Due to the decentralization of education provision in Brazil, 61 percent of students enrolled in public schools in ECE, primary and lower secondary education in Salvador are in the municipal network (100 percent of students in ECE, 99 percent in primary and 19 percent in lower secondary education, which corresponds to approximately 140 thousand pupils). Salvador has consistently improved its learning outcomes, as measured by the National Quality Index for Education (IDEB). Between 2013-2017, Salvador raised its IDEB from 4.0 to 5.7 in primary education and from 3.0 to 3.9 in lower secondary, being among the five state capitals with the highest percentage increase (out of 26). The municipality

Recent improvements of education outcomes in MoS are associated with the support of the first phase of the project that supported the expansion of quality ECE coverage and better managerial practices at the secretary of education. The municipality has substantially expanded ECE coverage, with 98 percent of children at ages 4 and 5 in pre-school and 45 percent of children at ages 0 to 3 in kindergarten (the third and fifth highest percentages among all state capitals in Brazil, respectively). Approximately 26,000 children are enrolled in municipal ECE centers, with about 13,000 additional places in ECE centers run by nonprofit institutions (*creches conveniadas*), and more recently MoS innovated by creating a school-voucher program to ECE (*"Pé na Escola"*) that, in 2019, enrolled about 3,500 children in private institutions. This expansion is partially due a new enrollment system that collected information about 15,000 children demanding ECE and allowed the municipality to predict demand more precisely. Improvements in pedagogical management also contributed to better learning outcomes. The municipality increased student participation in external learning assessments to nearly 80% of the students and has established a results management process in the secretary of education to monitor students and school performance more effectively and design tailored pedagogical interventions.

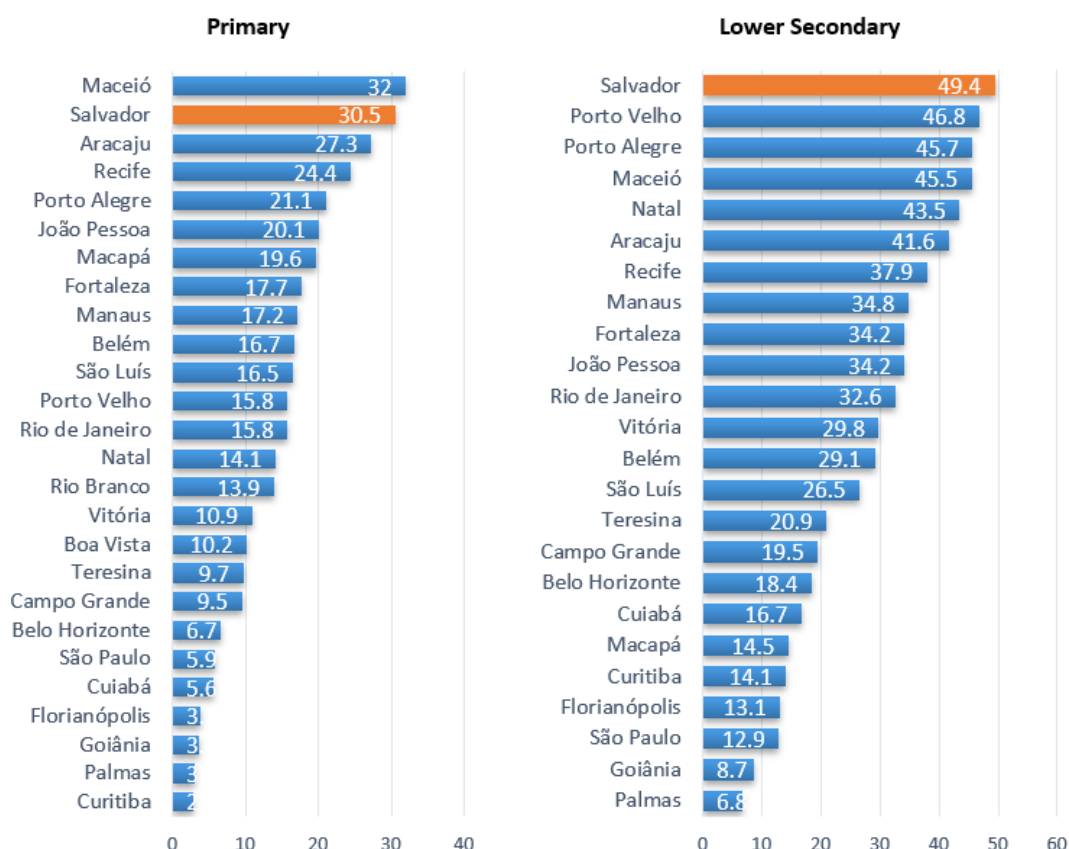
Despite substantial improvements in critical education indicators associated with the objectives of the first phase of the project - such as literacy rates of grade 2 students, that raised from 28.3 percent in 2014 to 45.1 percent in 2018, surpassing the target for the end of the project - Salvador still has fundamental challenges in education, such as a very high proportion of students that are overage (i.e. at least 2 years older than expected for the grade), with direct impact on learning and school completion. The municipal school network of Salvador has the highest age-grade distortion rate among all state capitals, with almost half of students enrolled in lower secondary education of Salvador municipal



network being overage, whereas in primary the figure is approximately 30 percent. The problem starts as early as the first grade - despite the fact that there is no formal repetition and school dropout is very low - and yet almost 10 percent of Salvador students at grade 1 are overage (the second highest among the state capitals, after Maceió), revealing that social aspects are critical to the high levels of age-grade distortion in the Salvador municipal school network.

Age-grade distortion in Salvador derives from high levels of repetition rates, school dropout and late entry in the school system. The main factors leading to high age-grade distortion rates are high grade repetition and school dropout rates, with the distortion rate being particular high in grades 3 (first grade where repetition is formally possible) and grade 6 (first grade of lower secondary education, when pupils transit from a single teacher to multiple teachers). These factors in turn are associated with low attendance rates, low learning and lack of school readiness, often associated with social vulnerabilities. Conversely, the high level of age-grade distortion is one of the major causes of the low student learning and high dropout rates in Salvador mainly in lower secondary education, as older children are increasingly drawn to work opportunities. General interventions to improve attendance rates, education quality and school readiness are required to reduce the flow of students that become overage, as well as more targeted interventions to deal with the existing stock of overage students

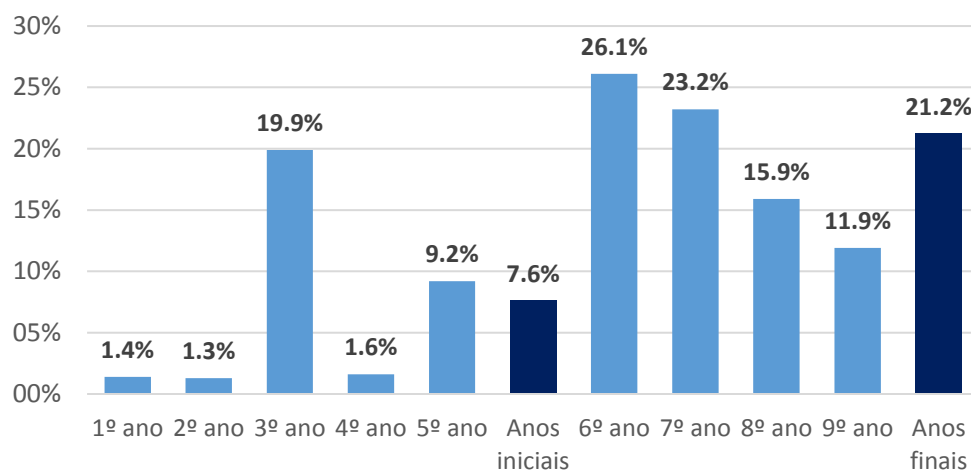
Age-grade distortion rates – Municipal School Networks, State Capitals, 2017



Source: World Bank with INEP/MEC data



Grade repetition rates in primary and lower secondary education – Salvador municipal school network, 2018



Source: World Bank with INEP/MEC data

Health Sector

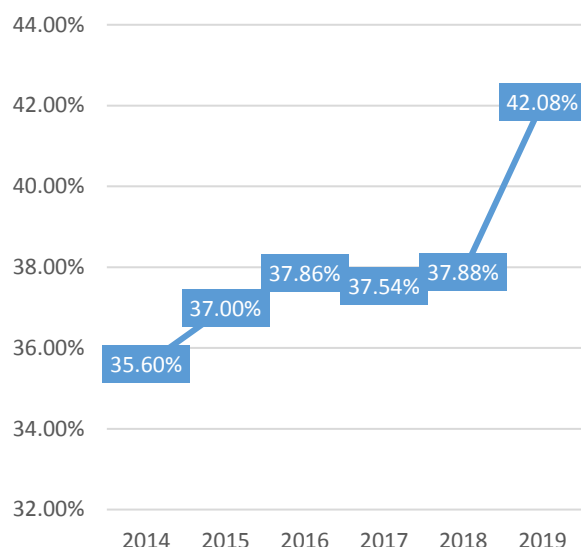
The MoS follows a positive trajectory when compared to the national health sectoral profile. In the last 10 years, most indicators on health status improved. The MMR decreased from around 80 per 100,000 LB in 2010 to 64.87 per 100,000 in 2015. Although the MMR is slightly above the national average, it is lower than the Bahia State average of 70 per 100,000 LB. The IMR decreased substantially between 2005 and 2017, from 21.94 per 1,000 LB to 14.56 LB.⁷ Despite the general accomplishments described above, the MoS continues facing several challenges. The demographic and epidemiologic transition, resulting from aging and increase in life expectancy, also meant increasing health chronic conditions. The population aging index in the MoS increased from 14.1 in 2005 to 23.3 in 2015. About 70 percent of all deaths in Salvador are attributable to NCD - cardiovascular diseases, cancer, other NCD and chronic respiratory diseases.

In addition, Salvador has the lowest coverage of PHC when compared to the other capitals of the Northeast. The MoS has been investing in expansion of the PHC level to organize and guarantee all individuals access to comprehensive care with adequate clinical and collective health services, including secondary and tertiary care. In 2002, the Municipal Secretariat of Health (Secretaria Municipal de Saúde – SMS) implemented the Family Health Strategy (Estratégia de Saúde da Família - FHS) to reorganize the primary health care network in connection with the secondary and tertiary care. During the period between 2002 and 2013, the coverage of FHS in Salvador has increased from 3 percent to 25.6 percent, reaching 42.0 percent of primary health care coverage in 2019. Despite the expressive progress, coverage is still low for the level of care which should be the entry door for the health system. This data is even more significant when compared to the coverage at the national level (64.34 percent), the State of Bahia (74.83 percent), and the other Northeast capital cities.

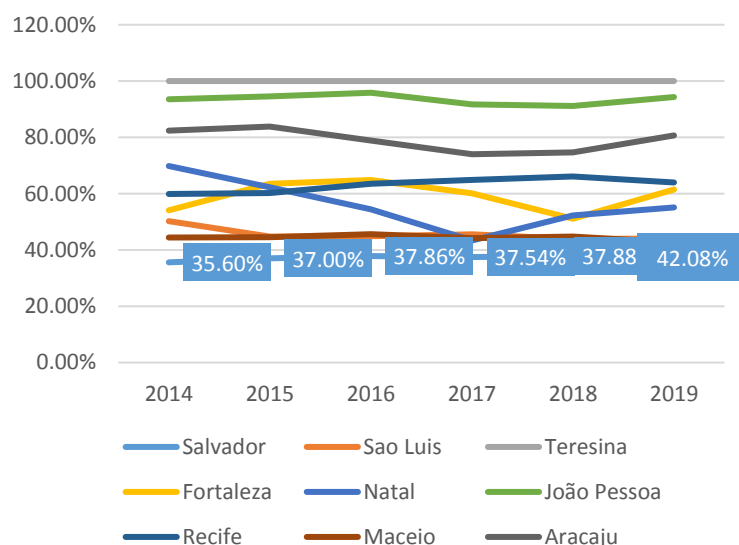
⁷ <https://cidades.ibge.gov.br/brasil/ba/salvador/panorama>



Primary Health Care Coverage in the Municipality of Salvador (2014 – 2018)



Primary Health Care Coverage – Salvador and other Northeast Capital Cities (2014 – 2018)



Source: <https://egestorab.saude.gov.br/paginas/acesoPublico/relatorios/relHistoricoCoberturaAB.xhtml>

In Salvador, 72 percent of population is SUS-dependent, and despite recent investments in all levels of health care, the challenges that motivated the first phase of the Salvador Social Project persist. Low coverage of PHC, low quality and limited effectiveness of health services in general, and aging population and growing burden of chronic diseases challenges. As per health financing, the MoS regularly invests more than the minimum 15 percent established by Constitution – in 2019, investments were almost 19 percent of net revenues. However, a recent change in the Ministry of Health's model to co-finance PHC at the municipal level, which will also be based on performance, will require more attention and effectiveness in order to not lose part of that co-financing.

The first phase of the Salvador Social aims at expanding PHC coverage, strengthening secondary and tertiary care under municipality's governance, and improving health system functioning through clinical and managerial tools. The MoS has achieved notable results in the use of technologies to improve efficiency and quality of health care management. As of August 2019, the number of municipal health facilities with electronic record management system installed and operational has increased from a baseline of zero to 80 units (out of 143); the percentage of health units with health services provision available within the municipal regulation system has increased from 22 to 100 percent; and the number of municipal primary care units with management system installed has increased from 30 to 143 (100 percent). Although the 2019 expected target for patients cared in the Emergency Care Units (*Unidades de Pronto Atendimento* – UPAs) with low or no risk has not been achieved, good progress was observed, decreasing from 85 percent to 82.4 percent (compared to a target of 81 percent). Percentage of PHC coverage has been increasing overtime (see detailed data below), although a more substantial progress continues to be expected. Challenges exist to the implementation of patients' biometric data in the municipal health facilities, for which progress is lagging what was expected. The same is observed in some output and outcome indicators that probably need more time to reflect the investments made and managerial changes pursued by the municipality. It is the case for diagnostic and therapeutic health services provided by

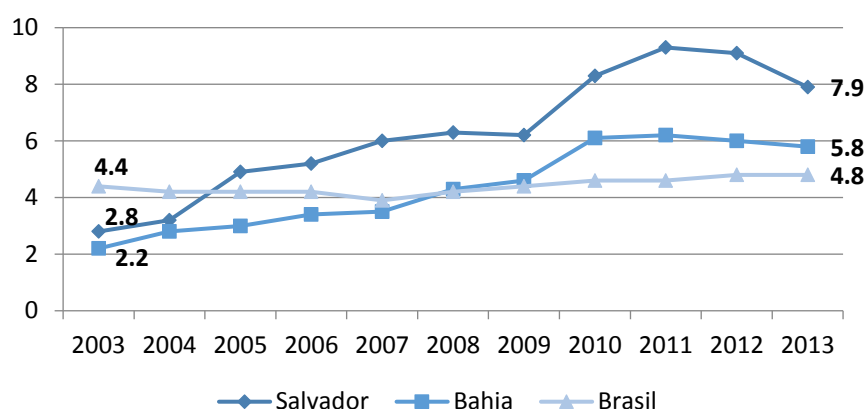


multi-centers, which achieved 46.6 percent compared to a target of 70 percent for the period, and the rate of hospital admissions for Ambulatory Care Sensitive Conditions (ACSC), for which percentage increased instead of decreasing.

Gender Aspects

In 2017, while Bahia was ranked second among the Brazilian Northeast states in terms of femicide rates, Salvador ranked first among the Northeast capitals with higher prevalence of domestic violence, based on the findings of the Survey of Socioeconomic Conditions and Interpersonal Domestic Violence (PCSVDFMulher). The municipality also concentrates 37.7 percent of the state's total notifications of domestic violence, based on the data provided by the Brazilian Map of Violence 2015. The Map also shows that fatal violence against women are elevated, with a female homicide rate of 7.9 per 100,000, above the state average (5.8 per 100,000) and the national (4.8 per 100,000)⁸.

Female Homicide Rates (per 100,000 inhabitants), Salvador, Bahia and Brazil, 2003-2013



Source: Map of Violence, 2015

As a result, 32 percent of gender-based violence (GBV) victims in Salvador needed to access health care services while 22 percent had to be absent from work due to the violence suffered. GBV also affects the average time of permanence of women in their jobs: victims of GBV tends to stay 48 percent less time in their jobs when compared to non-victims. The violence suffered also impacts in the victim's average salary when compared to non-victims, affecting even harder black women. While the difference in salaries is 14 percent lower among white victims, it can reach 32.5 percent when comparing white non-victims with black victims. That scenario demonstrates how GBV impacts significantly the society as a whole, bringing severe social, economic and public health costs. Studies also demonstrate that GBV affects directly the child development and perpetuate the intergenerational violence.

Social assistance services are a key component to prevent and address GBV and give support to women and families facing domestic violence situation. In this context, in 2019 the World Bank was granted a trust fund (TF) to complement the Salvador Social Project's social assistance component in what concerns GBV prevention. The TF was assigned with the objective of contributing to prevent GBV by raising awareness and strengthening the technical and institutional capacity of the municipal social assistance network to better deal with GBV situations. The TF is developing a series of training sessions and workshops with a group of social workers beneficiary families on gender equity and GBV-related

⁸ Brazil is in the 5th position in the international ranking on female homicide.



topics. As a result, it is expected that, besides contributing to address gender-related bias often present in the services offered by the social assistance network, the new Project will allow more accurate referrals, and develop prevention actions to domestic violence that consider the multidimensionality of the phenomenon. In the other hand, working with Single Social Assistance System's (SUAS) beneficiary families would also bring a valuable contribution to reduce intra-family gender inequalities. Similarly, working with Single Social Assistance System's (SUAS) beneficiary families would also bring a valuable contribution to reduce intra-family gender inequalities.

The proposed second phase of the Salvador Social Project intends to extend the capacity building efforts to the whole municipal network for GBV prevention and fighting, also including the education and health services and professionals. The actions will include technical support to the preparation of an intersectoral protocol to identifying and referring GBV victims; strengthening the municipal intersectoral gender committee; studies on the social and economic impacts of GBV in the municipality; impact evaluation of municipal GBV prevention and fighting actions and programs; training of municipal professionals on GBV and gender equality related topics.

Relationship to CPF

The proposed operation will support relevant aspects of the municipal strategic plan for the period 2017-20. It will prioritize support for the municipality's continued efforts to close the remaining service coverage gaps and improve service quality. An explicit objective will include ensuring that additional investments and expenditures will not compromise the city's long-term fiscal outlook. This will be pursued with measures to control long-term growth of expenditures, including aggressive pursuit of service contracting, where appropriate, and introduction of systematic approaches to managing major cost items including personnel. At the same time, the city does need to continue to invest in solidifying its institutional foundations for service delivery in selected areas, most notably social assistance, including by recruiting a necessary number of statutory civil servants to manage the sector's critical functions that, legally as well as managerially, cannot be outsourced to contractual staff.

The proposed Project is fully aligned with the FY18-23 Country Partnership Framework (CPF) for Brazil. This proposed operation is one of a number of sub-national projects designed to strengthen public sector management and service delivery, as an integral part of the Bank's Country Partnership Strategy in Brazil. The CPS states that its goal is for the Bank to contribute to Brazil's aim of faster, more inclusive and more environmentally sustainable growth, with macroeconomic stability. In this context, the proposed project will contribute to the CPS strategic objective of improving quality and expanding provision of public services for low income households. Results areas of education, health, and social assistance will improve the living conditions of low-income populations living in the city. The Government's strategy to modernize public sector management and introduce greater results orientation would further contribute to improvements in the provision of public services.

The Project's proposed design is fully aligned with the World Bank Group twin goals of poverty reduction and increasing shared prosperity. Investments in education, health, and social assistance, in parallel with the modernization of public management including strengthening of tax administration, will be designed to improve the human capital and welfare of families living in Salvador. Direct benefits to human development of the poor are expected from strengthened early-childhood education, because access is more limited among the poor, and basic social assistance, which by design targets the poor and the vulnerable. Overall improvements in efficiency and quality of fundamental education and health care (at all levels of complexity) would benefit the population in general, but again, any marginal improvements in public services are more likely to benefit the poor and the vulnerable than the better-off in the city because of the latter's easier access to privately-run facilities. A poverty and social impact assessment will be conducted to further refine the causal linkages between interventions to be supported by this operation and impacts on the poor and the vulnerable, including by gender.



C. Proposed Development Objective(s)

To improve social service delivery in the Municipality of Salvador in terms of health care system efficiency, education completion and quality, social assistance effectiveness, gender equality, and delivery systems.

Key Results (From PCN)

The following indicators are proposed to track progress toward the PDO.

- Unified Social Assistance System Decentralized Management Index (IGD-SUAS)
- Age-grade distortion at lower secondary education for Salvador municipal schools.
- Rate of hospital admissions for Ambulatory Care Sensitive Conditions (ACSC)
- Professionals of the municipal network for GBV prevention and fighting trained

D. Concept Description

The first component (US\$100 million) of the proposed project would provide support for the implementation of the Municipality's key strategic actions in the three social sectors. The second component (US\$25 million) would provide technical assistance to facilitate the Municipality's efforts to achieve the targeted results supported under the first component as well as selected additional measures of institutional strengthening to ensure quality and sustainability of the social services. Financing for the first component would be disbursed against achievements of pre-specified performance/result targets as performance-based conditions (PBCs) and verified execution of the eligible expenditure programs (EEPs). The second component would follow the traditional IPF modality.

Component 1 – Support for strategic actions to improve service delivery (US\$100 million). This component will provide support for the implementation of the EEPs and key reform actions to ensure, access, quality and sustainability of services in education, health and social assistance following a results-based disbursement approach. The EEPs will consist of priority public expenditure programs in education, health and social assistance associated with the PBCs. The key performance targets and reform actions will be captured as PBCs, possibly, as secondary indicators (not linked to disbursement of the Bank financing). Three secretariats: Social Promotion, Education, and Health, will be responsible for delivering the agreed performance targets to be captured as PBCs.

Sub-component 1.1: Social Assistance. This sub-component will provide support to the municipality of Salvador by the Municipal Secretariat of Social Promotion and Hunger Alleviation (SEMPRE) to continue improve the effectiveness of the social services in three main result areas: 1.1.1) continue improvement of institutional capacity by strengthening intersectoral coordination and integrated social assistance services; 1.1.2) consolidation of social registry to include most vulnerable groups and use as planning tool for social programs; 1.1.3) development and tailoring of social services to boost early childhood development, reduce gender based violence and promote income generation interventions.

1.1.1 Continue improvement of institutional capacity strengthening intersectoral coordination and integrated social assistance services. This activity will consolidate the achievements from first phase of Salvador project and develop integration strategies between areas of SUAS and coordination with other sectors. It will be measure by ID CRAS which includes 3 structural dimensions and 5 development levels. This activity will include (i) Standardize the instruments and implement integration tools to ensure the reference and counter-reference of the services provided PAIF and PAEFI at



CRAS; (ii) it will continue to improve quality and infrastructure of CRAS units; and (iii) improve the information system provided to monitor the provision of services linked to the Social Registry with data on case management and referrals for monitoring the care provided by the areas of education and health; among others.

1.1.2 Consolidation of social registry to include most vulnerable groups and be used as planning tool for social programs. It will include active search strategies and promote the inclusion of priority vulnerable groups, such as people living in homeless situation or victims of violence and specific traditional population. It will be a diagnostic tool for design and target interventions. Expanding coverage to specific groups strengthens the planning of sector strategies and local integration. The initiative also provides for the implementation of a strategy to increase the quality of data by increment and technological investment for crossing information through images. This result area will (i) increase the coverage of the registry for the population using satellite maps and artificial intelligence technology; and (ii) develop of a model for sharing data between policies to strengthen integration of services.

1.1.3 Development and tailoring of social services to boost early childhood development, increase gender equality, and promote income generation interventions. This subcomponent will support the adaptation of services to assist in developing strategic actions aimed at:

- **Early Childhood Development:** Adaptation of the services of the social assistance network to implement activities that strengthen family and community competences with a focus on the training, protection, well-being and development of children from 0 to 6 years as a way to contribute to overcoming the social vulnerability of families and reducing poverty. The initiative consists of reinforcing services and family support provided by CRAS / PAIF, home visits, activities in groups of families, community actions and integration of the First Step Program (*Programa Primeiros Passos*). It is worth mentioning that the intervention in the field of child development focuses on bonding and parenting, reinforcing the protective role played by the family, which implies a change in the family context, engaging factors to overcome and prevent violence and violation of rights, and enhancing the role of the child.
- **Productive Inclusion:** Implementation of actions aimed at the development of skills and competences and preparation for the world of work. The initiative consists in adapting offers to promote the integration of families with work opportunities such as social groups, workshops for the development of skills for the elaboration of professional life projects. It includes improving local strategies for accessing employment and income opportunities and promoting work fronts as professional experiences.
- **Gender equality:** Qualification of services for women by expanding preventive services and promoting gender equality. The initiative consists of implementing integration of services and interventions between the areas of social assistance, health, education and policies for women, establishing the convergence of offers and results in empowering and confronting violence against women, with a view to consolidating a unified and coordinated network.

Possible indicators (including PBCs):

- Decentralized Management Index of the Unified Social Assistance System (IGD SUAS).⁹
- Decentralized Management Index for Municipalities (IGD-M).¹⁰

⁹ It is a compound index that ranges from 0 (zero) to 1 (one). The closer to 1, the better the performance of the management and the greater the transfer from federal government. It is expected that the Index is used as a factor to induce the improvement of priority aspects for the management of SUAS, through ID CRAS and improve execution resources received from National Fund of Social Assistance (FNAS).

¹⁰ It is a compound index that measures the Registration Update and Monitoring Rates for Education and Health Conditions on a monthly basis.



- Development indicator of Reference Centers of Social Assistance (ID CRAS).¹¹
- Updating rate of *Cadastro Único*.
- Monitoring rate of conditionalities for health and education for *Bolsa Família* beneficiaries.

Sub-component 1.2: Education. This sub-component would provide support for efforts by the Municipal Secretariat of Education (SMED) in implementing strategies to tackle age-grade distortion in the Salvador municipal school network that can be grouped into two main results areas: 1.2.1) Reduction of the stock of overage students by expanding accelerated learning programs in both primary and lower secondary education that allow students to progress more quickly between grades with strong focus on learning; and 1.2.2) Reduction of the flow of students that become overage by implementing activities and strategies to reduce grade repetition, school dropout and the proportion of overage students that enter primary education, including measures to improve education quality and attendance and multisector activities to improving school readiness at ECE level and increasing school enrollment at the right age.

1.2.1 Reducing the stock of overage students in Salvador. The Project would support the expansion of an accelerated learning program in primary education (grades 1-5) as well as the implementation of an accelerated learning program for lower secondary education (grades 6-9). The program at the primary level would continue with the support from the Ayrton Senna Institute that provides the methodology, training and support for the M&E. The accelerated learning program would also be implemented at the lower secondary level for the first time. The programs are targeted to children who are at least two years above the target age for their grade level, including functionally illiterate students. The project would also support the SMED to undertake monitoring of graduates of the flow correction programs to ensure their permanence in school and academic performance.

1.2.2 Reducing the flow of overage students in Salvador. Four groups of activities and strategies would be supported under this pillar: (i) strategies to reduce grade repetition by identifying the drivers of the repetition, supporting pedagogical and institutional actions to tackle it and strengthening teachers training in subjects with the highest repetition rates; (ii) strategies to reduce school dropout, with strong focus on early warning systems and monitoring of student attendance, including activities to increase school retention; (iii) strategies to improve management for learning, by strengthening the process of pedagogical feedback between SMED and school principals based on learning diagnostics, as well as strengthening pedagogical management within the school ensuring that the results of formative assessments inform pedagogical practice and guide learning goals in each school; (iv) SMED-led multisector programs that promote the entry of students in primary education at the right age by strengthening the coverage and quality of ECE. The ECE activities would support the expansion of the *Pé na Escola* program that offers ECE places in private institutions through vouchers to poor families, as well as the First Steps Program (*Primeiros Passos*) that provides cognitive stimulation of children who are not enrolled in ECE. The sub-component would also strengthen the monitoring and execution of actions to increase the school attendance of elementary school students, such as through the Education Agents Program and the *Bolsa Família* program.

Possible Indicators (including PBCs):

- Percentage of children from the municipal education network covered by the program to strengthen monitoring and execution of actions to increase school attendance

Based on this index, which ranges from 0 (zero) to 1 (one), the financial transfers made by the Ministry of Citizenship to the municipalities to help manage the *Cadastro Único* and *Bolsa Família* are calculated.

¹¹ It seeks to capture, in an approximate and comparative way, the “quality of services” provided to the population through the CRAS. It consists of information structured in three dimensions and 5 levels of development, where level 5 represents the situation that most closely resembles the desirable quality standards and level 1 represents the situation furthest from the desired standard.



- Percentage of children in the municipal education network covered by the program to strengthen management for learning
- Percentage of children enrolled in acceleration programs that progress at least 2 grades
- Percentage of children enrolled in full-time schools with improved learning conditions
- Number of households with children from 0 to 3 years old who participate in cognitive and socioemotional stimulation provided by SMED early childhood interventions
- Data management and analysis center to guide educational policies operational

Sub-component 1.3: Health. This sub-component would support the following health service delivery improvements: 1.3.1) Further expansion of the PHC coverage; 1.3.2) Consolidation of secondary and tertiary care under municipal's governance; and 1.3.3) Strengthening access to and improve the quality of the health care services by strengthening of management practices and tools into the local health system.

1.3.1 Further expansion of the PHC coverage through the expansion of PHC units and in-service training of health professionals, as an entry point for organizing access and adequate care to most of health needs. The Municipal Health Secretariat (*Secretaria Municipal de Saúde – SMS*) plans to continue expanding primary care coverage, both by increasing the number of Family Health units/teams and upgrading the capacities of the facility-based primary care units. Further expansion in the primary level's capacity to handle lower-complexity cases would alleviate some of the high demands currently overwhelming the secondary-level facilities. In addition to continue the expansion, the MoS will have to adapt to the implementation of the new PHC financing model recently launched by the Ministry of Health (MoH). The *Previne Brasil* Program introduces a new mechanism to transfer federal resources to municipalities. The MOH used to transfer funds mainly on per capita basis, with little incentive to improved quality and patient flow. In the new mechanism, most of resources will be linked to performance indicators on priority areas defined by the MoH. The program also includes weighted capitation, which provides additional resources to municipalities registering vulnerable populations (beneficiaries of social assistance programs such as *Bolsa Família* or *Benefício de Prestação Continuada - BPC*), children under five years old, and the elderly (over 65 years) in PHC teams. The municipality will also foster the promotion of health surveillance into the PHC activities.

1.3.2 Consolidation of secondary and tertiary care under municipal's governance. Activities include (i) increasing the provision of ambulatory specialized care, diagnostic procedures and tests, through multi-centers in a regional basis; and (ii) maintenance of local emergency care system to address NCDs with focus in cardiovascular diseases, diabetes, and cancer. With increased coverage of PHC, the secondary level has emerged as a priority bottleneck in the population's access to quality healthcare. Unmet demand for high-complexity care is overwhelming the municipality's existing secondary care facilities such as the Health Multi-centers and intermediate Emergency Care Units (*Unidades de Pronto Atendimento, UPAs*). SMS will continue strengthening the existing facilities' capacity to receive patients at this level of care.

1.3.3 Strengthening access to and improve the quality of the health care services by strengthening of management practices and tools into the local health system. Many activities are already planned or under implementation in phase 1 – clinical protocols, medical electronic records, patients' biometric data, IT resources. For phase 2, the SMS and the Bank teams will analyze the current situation and identify remaining challenges and the most pressing needs to be supported by the Project to improve practices and procedures for a more effective health service provision.

The municipal programs and budget lines to implement the activities described above will be selected from the Pluriannual Plan (2018 – 2021), based on the priorities outlined in the Municipal Health Plan (2018 – 2021), on a health strategic plan for the next 10 years that is being prepared by the SMS, and on the most recent budget law.



Possible Indicators (including PBCs) for the second phase are listed below:

- Number of people enrolled (capitation) in PHC
- Percentage of PHC centers showing improvements in pay-for-performance indicators;
- Percentage of diagnostic and therapeutic health services provided by multi-centers;
- Percentage of patients cared in the UPAs with low-risk (green) or no-risk (blue); and
- Number of health units adopting clinical protocols to guide PHC referrals to other levels of care.

Component 2 – Technical Assistance (US\$25 million). This Component will provide technical assistance to the four Municipal Secretariats that are responsible for delivering the agreed targets under the Component 1 (i.e., Social Promotion, Education, and Health) as well as to the Municipal Secretariat of Management (*Casa Civil*) to play critical roles in coordinating and leading the municipal administration's cross-cutting policy and management. Specific activities to be financed will be selected by the municipal administration following pre-agreed criteria that are expected to include the following:

- Consistency with the PDO;
- Immediate need for the secretariat to meet the agreed PBC targets;
- Evidence base and technical advice to develop a policy, management approach/model, etc., implementation of which could potentially be supported under a possible follow-on operation (Phase 2 of the approved financing); and
- Other cross-cutting priorities of the municipal administration (e.g., preparation of the next strategic plan, design specification of a management information system).

An indicative list of activities for technical assistance are the following: (i) studies and diagnoses; (ii) mapping of processes and cost analyses; (iii) consultancies for the development of management systems; and (iv) acquisition of computer equipment and vehicles.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No
Summary of Screening of Environmental and Social Risks and Impacts	

The Project will support the municipality's continued efforts to close the remaining service coverage gaps and improve service quality. Investments in education, health, and social assistance, in parallel with the modernization of public management including strengthening of tax administration, will be designed to improve the human capital and welfare of families living in Salvador.

The potential Environmental and Social risks and impacts are moderate. Investments for continued and strengthened improvement of accessibility, quality and efficiency of health, education and social protection services considered under this second phase of the project include mainly capacity building and technical assistance activities, some equipment for health and education facilities procurement, and minor works for small reforms and maintenance of health and education



facilities (so far works defined are access ramps, painting of building, changing floors, etc.). The scope of these works will be duly assessed once defined during the preparation of the project.

Therefore, with defined activities to be financed so far, there are no significant risks or impacts on the environment expected. For the minor civil works, mitigation measures are already widely known and used.

However, reoptimizing services with associated facilities, particularly health can bring downstream environmental issues that need to be considered, including use and disposal of hazardous chemicals, increased production of wastewater and medical waste, occupational, health and safety (OHS) risks of worked force for healthcare.

Further assessment on these potential environmental risks will be conducted during project preparation as part of the Environmental and Social Management Framework (ESMF) of the project that will be developed, consulted and disclosed by the client before appraisal.

Activities of the improvement of health, education, and social protection services of the poor and more vulnerable population of Salvador city pose predictable social risks, and no direct, permanent, or irreversible impacts are screened. On the contrary, envisaged targeted beneficiaries of the project are poor and more vulnerable groups. Nevertheless, some of them can be excluded from the project's benefits due to i.e., complexity of reaching them because of a lack of reliable data. Several activities and expected outputs and outcomes would tackle by design this only potential negative social risk of the project, which is to ensure vulnerable individuals or groups full access to the project's benefits.

Specific measures from the supply and demand sides for improving social services to most poor and vulnerable that are being discussed are studies, diagnostics, development and implementation of poverty maps, strategies and protocols in improving social protection, education and health services that will focus on population in extreme poverty (CRAS plus), most vulnerable populations in disaster areas, homeless, elderly and the disabled, female heads of households, violence against women.

Principles and procedures for the design and monitoring of the above social inclusion measures will be included in the ESMF of the project. Consultations will be within the stakeholders engagement plan (SEP), including a suitable grievance redress mechanism (GRM) to be also developed and implemented by the client.

CONTACT POINT

World Bank

Pablo Ariel Acosta, Andre Loureiro
Program Leader

Borrower/Client/Recipient

Municipality of Salvador
Paulo Hermida Gonzalez
Director General of Strategic Projects
paulo.gonzalez@salvador.ba.gov.br



Implementing Agencies

Casa Civil
Paulo Hermida Gonzalez
Director General of Strategic Projects
paulo.gonzalez@salvador.ba.gov.br

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>

APPROVAL

Task Team Leader(s):	Pablo Ariel Acosta, Andre Loureiro
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Approved By

Practice Manager/Manager:	Pablo Gottret	11-Mar-2020
Country Director:	Paloma Anos Casero	02-Apr-2020