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MULTILATERAL INVESTMENT FUND

BRAZIL

**COLETIVO MODEL: COMMUNITY DEVELOPMENT LEVERAGED
BY A COMPANY'S VALUE CHAIN**

(BR-M1117)

DONORS MEMORANDUM

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PROJECT SUMMARY

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Poverty reduction policies implemented in Brazil during the past years enabled 31M citizens to enter a growing middle class (52% of the population). However, Brazil remains among the ten most unequal countries in the world. For years, poor communities have been affected by violence and crime, preventing their residents' mobility and access to quality services, such as education. In recent years, pacifying police units were established, 87 favelas in Rio have been pacified since 2008 (300K beneficiaries), but access to economic opportunities that would allow for enhanced livelihoods remains a challenge. In addition, low self-esteem and weak leadership capabilities of residents from poor and low income communities (especially women and youth) prevent them from considering and accessing decent economic opportunities.

Large companies are struggling to take advantage of the opportunities and benefits that could arise from linking low income urban communities to their value chains. In 2009, The Coca Cola Company (TCCC) began its Coletivo initiative in Brazil. Coletivo seeks to leverage the TCCC's value chain (capabilities, expertise, access) to drive economic opportunities for disadvantaged populations (targeting mainly, but not only, women and youth) through community-based NGOs. Coletivo creates social and economic value by increasing access to employment and business opportunities. There are three different types of Coletivo: First Job, Entrepreneurship, and Recycling. To achieve scalability and sustainability, the Coletivo model needs to be refined, executing NGOs' capacities strengthened and more private partners engaged.

At the impact level, the proposed Program will improve the economic conditions of poor and low income residents of the communities served by the Coletivos. At the results level, the Program will enhance access to employment and businesses opportunities for poor and low income residents of the communities served by the Coletivos. The MIF will contribute to develop, refine, measure results and scale the Coletivo initiative as a sustainable model.

The Program will build the employability skills of 28,000 youth (at least 50% women), help 1,680 women entrepreneurs start or grow their business and link 5,000 individual recyclers in cooperatives to the TCCC value chain and recycling markets.

The MIF's additionality is given by its vast expertise to refine and improve initiatives such as Coletivo, so that it can benefit a greater number of poor and low-income communities in the areas of skills training, job placement, youth employment and entrepreneurship, small business value chain integration, women's business development and recycling. The MIF's connection with the public sector, its strong experience working with NGOs and its credibility will also be key to the success of the initiative.

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ACRONYMS AND ABBREVIATIONS

AOP	Annual Operating Plan
CCBF	Coca-Cola Brazil Foundation
DNA	Diagnostic of Executing Agency Needs
IDB	Inter-American Development Bank
SCL/LMK	Social Sector/Labor Markets Division
INE/WSA	Infrastructure and Environment Sector / Water and Sanitation Division
IRRI	Regional Initiative for Inclusive Recycling
IYF	International Youth Foundation
LAC	Latin America and the Caribbean
MIF	Multilateral Investment Fund
NEO	New Employment Opportunities
NGO	Non-Governmental Organization
OR	Operating Regulations
PCU	Project Coordination Unit
PET	Polyethylene terephthalate
QED	Quality for Effectiveness in Development
SME	Small and Medium Enterprise
TOR	Terms of Reference
TCCC	The Coca Cola Company
UN Women	United Nations Women

PROJECT INFORMATION

**COLETIVO MODEL: COMMUNITY DEVELOPMENT LEVERAGED
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(BR-M1117)**

Country and Geographic Location:	Brazil; urban communities in São Paulo, Rio de Janeiro and other cities (tentatively the 12 cities of the World Cup 2014). The Program will support the transfer and adaptation of the model in three other LAC countries.		
Executing Agency:	Instituto Coca-Cola Brasil (The Coca-Cola Brazil Foundation, CCBF)		
Access Area:	Access to Markets and Skills unit (AMC)		
Agenda:	Youth, Linking Small Firms to Value Chains, WEempower		
Coordination with Other Donors/Bank Operations:	ORP		
Direct Beneficiaries:	28,000 youth (at least 50% women); 1,680 women entrepreneurs 5,000 wastepickers		
Indirect Beneficiaries:	27,000 (family members)		
Financing:	Technical Cooperation:	US\$ 3,000,000	19%
	Investment:	NA	
	Loan:	NA	
	TOTAL MIF FUNDING:	US\$ 3,000,000	
	Counterpart:	US\$ 13,000,000	81%
	Co-financing (if available):	NA	
	TOTAL PROJECT BUDGET:	US\$ 16,000,000	100%
Execution and Disbursement Period:	42 months of execution and 48 months of disbursement.		
Special Contractual Conditions:	Conditions prior to first disbursement will be: (i) hiring of one professional to support the management of the Program, approved by the Bank; (ii) Program Operating Manual and Annual Operating Plan for the first year approved by the Bank; and (iii) A signed letter from TCCC ensuring its participation to the project and its financial commitment.		
Environmental and Social Impact Review:	This operation was screened and classified as required by the IDB's safeguard policy (OP-703). Given the limited impacts and risks, the proposed category for the project is C.		

Unit Disbursement Responsibility:	MIF/CBR
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1. BACKGROUND AND JUSTIFICATION

A. Diagnosis of the Problem to be addressed by the Project

- 1.1. Poverty reduction policies implemented in Brazil during the past years enabled 31M citizens to enter a growing middle class (52% of the population the economic growth was widely shared).¹
- 1.2. Despite this progress, Brazil remains among the ten most unequal countries in the world:² 21% of Brazilians live below the national poverty line³ and 16M do so in extremely poor conditions.⁴ Over 22% of the poor live in urban areas but lack access to quality services and employment opportunities.⁵ Women and youth are particularly affected by this situation; while the national unemployment rate is set at 6%, it is higher for both groups (11% women, 17% youth), and it triples when considering young women alone (22%).⁶ In addition, 20% of Brazilian youth neither study nor work (25% for women only). These inequalities in accessing decent jobs persist despite women having achieved higher education levels than men.⁷
- 1.3. The main causes for the lack of opportunities of the population include: (i) poor communities have been affected by violence and crime, which prevented residents' mobility and access to services such as education.⁸ In recent years, pacifying police units were established, 87 favelas in Rio have been pacified since 2008 (300K beneficiaries),⁹ but access to economic opportunities that would allow for enhanced livelihoods remains a challenge; (ii) poor quality education (formal/informal), disconnected from market needs, and inefficient job intermediation systems prevent youth from acquiring the skills and leverage needed to enter into the labor market and respond to business demands. A 2012 global survey¹⁰ revealed that 71% of employers in Brazil are struggling to find qualified employees; (iii) residents of poor communities frequently rely on wastepicking to increase their monthly income, but wastepickers' organizations/cooperatives face volume, organization, business and social problems

¹ Government of Brazil. The 'middle class' is technically defined as citizens with a combined family income between R\$1,000 and R\$4,000.

² IDBR and IFC Country Partnership Strategy for the Federative Republic of Brazil for the period FY2012-2015, 2011.

³ US\$3.50 per day.

⁴ World Development Indicators, World Bank, 2012.

⁵ UN HABITAT, Estado de las ciudades de ALC, 2012.

⁶ Decent Work Country profile, ILO, 2007.

⁷ Ibid.

⁸ Estrategia del BID con Brasil 2012-2014, BID, 2012.

⁹ UN HABITAT, Estado de las ciudades de ALC, 2012.

¹⁰ Manpower Group Seventh Annual Talent Shortage Survey, May 2012.

(low business knowledge and skills, inadequate infrastructure/equipment, informality) which prevent them from accessing efficiently the recyclable value chains; (iv) NGOs' weak strategic and management capacities hinder the delivery of quality services in a sustainable, cost-effective manner; (v) large companies are struggling to take advantage of the opportunities and benefits that could arise from linking low income urban communities to their value chains (there is a knowledge gap on how this could be done); and (vi) low self-esteem and weak leadership capabilities prevent residents from poor and low income communities (especially women and youth) from considering decent economic opportunities.

- 1.4. In 2009, TCCC began the Coletivo initiative in Brazil. Coletivo leverages TCCC value chain to drive economic opportunities for disadvantaged populations through community based NGOs.
- 1.5. There are different types of Coletivo: (i) First Job: teaches life and job skills to youth to get their first job and increase participants' self-esteem; (ii) Entrepreneurship: transfers knowledge and best practices to new and current TCCC micro and small, women-owned retail stores, to empower them and improve business performance; (iii) Recycling: improves cooperatives' management and production skills and delivers social support services to improve members' quality of life. 150 First job and 300 Recycling Coletivos have been established so far. These have benefit 50,000 people, of which 30% of participating youth got their first job¹¹, which led to a 50% increase in their family monthly income (60% of the employed are women).¹²
- 1.6. In Brazil, Coletivo Entrepreneurship is linked to TCCC's 5by20 initiative, through which TCCC seeks to enable the economic empowerment of 5M women entrepreneurs across the Company's global value chain by the year 2020. Initiated in four countries in 2010 (Brazil, India, the Philippines and South Africa), the initiative works with NGOs, governments and businesses to provide business skills training, access to financial services, and connections to networks of peers and mentors to help women grow their businesses linked to the company's value chain. By the end of 2012, the initiative had reached 300,000 women. A 5by20 beneficiary has been defined as a woman who is participating in an enabling activity as supplier, distributor, recycler, artisan, producer, or retailer. Also through 5by20, and in partnership with UN Women, TCCC is working to increase public and private companies' commitment to adopt affirmative procurement and other policies that help to advance women's economic empowerment.
- 1.7. The Coletivo initiative has a strong potential for replication and scale but, in order to achieve it in a sustainable way, the model needs to be refined and the methodologies of the different Coletivos improved or further developed.

¹¹ All participants of the Coletivo First Job program were enrolled in secondary school or had already finished high school (program's requirement) and those who were still studying were not necessarily interested in finding a job. They could be interested in acquiring new skill or just occupying their free afternoons. The jobs were mainly in the retail sector, food industry or services like call centers.

¹² IPSOS. Coletivo's External Evaluation.

- 1.8. Current restrictions for achieving scale include: (i) executing NGOs have low managerial capabilities and limited capacity to establish a local network to support the initiative and improve results - this forces TCCC to micromanage; (ii) recycling cooperatives need more coordination among stakeholders in the market/value chain to increase the volume of materials as well as the improvement of cooperatives' business management; and (iii) more private partners are needed: although large companies are interested in taking advantage of the economic opportunities in low income communities, they normally don't see it as a value chain approach. Furthermore, at the operational level, most of them don't have the appropriate tools and processes to implement these business opportunities.
- 1.9. As for the individual Coletivos, (i) First Job: even though it is the most developed Coletivo, its results could be improved. For that, the life skills component should be reinforced, the follow-up with hiring companies better structured, and more online activities incorporated; (ii) Entrepreneurship is still being developed, its content and form drawing heavily upon other TCCC initiatives that support women entrepreneurs in the region, as part of its mentioned 5by20 initiative; and (iii) Recycling is being reviewed. New opportunities arise as the result of the recent approval of the National Waste Management Policy, which implies a change of scenario. Selective collection will be mandatory in 2014 and cooperatives will have priority to manage the materials. Legislation is based on the shared responsibility of the industry that generates the waste. Moreover, wastepickers associations/cooperatives that collect and sell recyclable materials are an opportunity to improve the income of its members and waste management in communities. Additionally, TCCC's Bottle to Bottle program requires a minimum percentage of recyclable resin in its bottles, but the recyclable PET available for the national industry is not enough with most of the recyclable materials generated in Brazil being exported to Asian markets.

B. Project Beneficiaries

- 1.10. All the stakeholders involved in the Coletivo model will benefit from the Program: youth, women and wastepickers cooperatives located in the target communities will increase their access to economic opportunities and improve their life quality; community based NGOs, wastepickers organizations and cooperatives will improve their managerial capabilities; small retails will receive customized business support from the participants of First Job; TCCC and the private partners of Coletivo will reinforce their retail distribution channels and brand, in view of expanding local product sale; they will have access to a better prepared youth to comply with the Lei da Aprendizagem¹³, and will develop recycling practices to comply with environmental

¹³ According to Brazilian law, young people aged 14-24 who are enrolled or have completed high school can be hired for a special job, which guarantees the same rights as other workers and vocational training, offered by an institution hired in agreement with the Company. All the youth participating in the Aprendiz Program of Femsá (Coca Cola's bottler in Brazil) are from Coletivos. According to the Company these youth are better prepared for a long term internship/work relationship.

policies and company targets; the public sector (at municipal, state and national levels) will find solutions to address waste management and the economic and social costs of not targeting disadvantaged and/or unemployed; and finally, poor and low income residents of the communities where Coletivos are located, will benefit from a safer, more inclusive society.

- 1.11. The main beneficiaries are residents of poor and low income urban communities in Brazil: (i) youth (15-29 years old) who are unemployed, not studying or both (50% women); (ii) women entrepreneurs, including existing entrepreneurs (micro and small business who are already part of the TCCC value chain) and new entrepreneurs (women interested in creating businesses and linking them to the Company's value chain, whether as retailers, distributors or recyclers); (iii) wastepickers' cooperatives and their members, most earning less than US\$200/month, living and working in highly vulnerable conditions; and (iv) community based NGOs.
- 1.12. Beneficiaries' families and other community members where a Coletivo is established will indirectly benefit from the Program's results. The beneficiaries' families will see improvements of one of its members' life skills and self-esteem, and an increase in their incomes, as a consequence of the economic activity developed (a youth that finds a job, a woman entrepreneur that begins a business or improves the results of the business that she already has, a recycler that has a better income). Indirect beneficiaries will also include inhabitants of the communities where the Coletivos are functioning, because they will have a cleaner community, as an outcome of Coletivo Recycling; more and better stores in their neighborhood, as a result of Coletivo Entrepreneurship; and also better neighbors (with better life skills as a result of the training received in the Coletivos).

C. Contribution to MIF Mandate, Access Framework and IDB Strategy

- 1.13. **Poverty Reduction.** The Program will directly back the MIF's poverty-reduction strategy by helping poor and low income populations (mainly women and youth) in building skills to access better economic opportunities. Through the model, new employment, self-employment and business opportunities will be identified and linkages to TCCC and its partners' value chain reinforced.
- 1.14. **Women's Economic Empowerment.** The Program will contribute to advancing the MIF's WEempower initiative through: (i) women's business start-up and growth activities; (ii) training to female youth; and (iii) other activities geared towards female wastepickers.
- 1.15. **Link to the Agenda.** The Program will contribute to the MIF's **Youth Agenda** in terms of results and knowledge generation; it will test projects' scalability with the private sector (following the suggestion from OVE's evaluation of MIF's youth projects); it will generate evidence on the importance and value proposition of life skills and basic skills training, and establish a methodology to forge productive partnerships between communities/youth and the value chains of anchor companies; and it will provide a

platform to test youth empowerment activities. The intervention will reinforce MIF's position as a leader in the youth field.

- 1.16. ***Connection with the New Employment Opportunities for Youth Program (NEO)***. NEO is an innovative regional partnership lead by the MIF, SCL/LMK, and IYF, whose purpose is to scale up the most effective youth training and job placement models for poor and low-income youth. Approved by the Donor's Committee on April 12th 2012, NEO brings together private, public and civil society actors. Since Coletivo is based on a large Company's model, it is designed for scale, and makes significant social investments on youth, it has high potential to be linked to the NEO initiative. However, the Coletivo model still needs to be refined, integrating youth employment programs' best practices and lessons learned as well as creating a gender integration strategy for all projects included in the initiative. Possible linkages with NEO will thus be revisited after this process takes place, estimated to occur one year into the Program's execution.
- 1.17. ***Linking Small Firms to the Value Chain Agenda***. The Program will contribute to achieving wastepickers' poverty reduction by increasing cooperatives members' income, and supporting health, safety, education and environmental issues to improve their life quality and that of their communities. It will contribute to the Agenda's results and knowledge by developing and systematizing a methodology to link wastepickers' cooperatives to TCCC's and its partners' value chain. Stakeholders (such as large waste generators, retailers, recyclable buyers, municipalities and NGOs) will also be involved in the implementation of Coletivo Recycling thus contributing to scale inclusive recycling practices.
- 1.18. ***Connection with the Regional Initiative for Inclusive Recycling (IRRI, RG-M1179)***. Approved by the Donor's Committee on May 4th 2011, the initiative is a platform for strategic, multisector partnership among the various stakeholders in the recycling business (private and public sector, civil society, research and knowledge institutions and the wastepickers) to achieve greater scale and impact with specific initiatives. It aims to test and disseminate good practices and effective models for the economic inclusion of wastepickers. The initiative is a joint effort created by the MIF and Fundación AVINA, with technical and financial support from INE/WSA through the AquaFund. The initiative seeks to bring about systemic change in three areas: (i) in the economic and social conditions of wastepickers and their families, by upgrading their skills and making their activities more profitable and secure, (ii) in public policies, by improving municipal capacities to work with wastepickers and to develop inclusive waste management systems; and (iii) in the private sector, by including wastepickers in the value chain. Coletivo Recycling fits perfectly within the IRRI, since it will improve wastepickers' income and labor conditions by linking cooperatives with the recycling markets, while establishing alliances with municipalities and companies. A gender integration strategy is currently being developed.
- 1.19. **Collaboration with the Bank Group**. The Program is relevant and meets the country strategy of poverty and social inequality reduction. Its emphasis on youth training and economic improvement for wastepickers reinforce the country strategy of working with

the population in the base of the pyramid and provide the beneficiaries of “Bolsa Família” (the Brazilian Government’s conditional cash transfer program) with economic opportunities. This Program can also have an interesting intersection with all of the Bank’s loans that have a Local Economic Development Component, such as Procidades or other Infrastructure Loans (OC/BR-2846). To create opportunities of interaction, a cross referenced list will be prepared to identify the municipalities served by both the Coletivo and a Bank Loan with a Local Economic Development Component. A work plan will be prepared to define collaborating activities in these municipalities.

2. PROJECT DESCRIPTION

A. Objectives

- 2.1. At the impact level, the Program will improve the economic conditions of poor and low income residents of the communities served by Coletivos. At the results level, the Program will enhance employment and business creation opportunities of poor and low income residents of the communities served by the Coletivos (targeting mainly women and youth). The MIF will contribute to develop, refine, measure results and scale the Coletivo initiative as a sustainable model.

B. Description of Model/Solution/Intervention

- 2.2. Coletivo is an initiative by TCCC in Brazil that leverages its value chain (capabilities, expertise and access) to drive economic opportunities for disadvantaged populations (targeting mainly women and youth) through community-based NGOs and cooperatives. Coletivo creates economic and social value by increasing access to employment and business opportunities while strengthening TCCC’s access to recyclable materials to use in its bottles,¹⁴ retail distribution channels and brand.
- 2.3. The Coletivos are funded through a combination of TCCC resources and other partners’ support with a common vision and complementary expertise (TCCC bottling partners, McDonald’s and Microsoft). As mentioned before, there are three different types of Coletivo: (i) First Job: teaches life and job skills to youth to get their first job and increase participants’ self-esteem; (ii) Entrepreneurship: transfers knowledge and best practices to new and current TCCC micro, small, women retail store owners, to empower them and improve business performance; and (iii) Recycling: improves cooperatives’ management and production skills and delivers social support services to improve members’ life quality. Through TCCC’s Bottle to Bottle program, the Company has to incorporate recycled PET resin in its bottles, therefore TCCC’s and its bottlers are highly interested in contributing to the development of the recyclable PET value chain as well as other consumer product companies.

¹⁴ TCCC has targets related to the percentage of recyclable materials that its bottles should contain.

- 2.4. The process of establishing a Coletivo starts with an assessment of TCCC'S value chain opportunities (suppliers, bottlers, distributors and employees) segmented by target population in a specific location. A community diagnosis is conducted, focusing on the per capita incomes and population, complemented by an NGO mapping (legitimacy, infrastructure and sustainability analysis) to choose the institution to run the First Job and Entrepreneurship (Recycling is developed with already established cooperatives in collaboration with specialized NGOs, academia and other organizations). Based on these studies, the type of Colectivo to be established is defined. In the case of First Job and Entrepreneurship, TCCC equips a designated space within an NGO. Courses are delivered through 4 independent modules for First Job (Retail, Audiovisual, Logistics, and Events, emphasizing life skills) and one for Entrepreneurship. Each module trains 20 people/classroom, and has a duration of 32 hours during 8 weeks. Each Coletivo has the capacity to train 500 people/year.
- 2.5. First Job also enables the students to deliver, at the end of the 2 months training, advice to small retails inside their communities who also benefits from the Program as this "consultancy" helps them improve their business.
- 2.6. For Recycling, CCBF will be assessing cooperatives and classifying them in four categories (I to IV) based on the organizations' degree of sophistication in formalization, management, collection capacity, production, commercialization and service provision. This will allow CCBF to design a specific modular package (formalization, health and safety, business training, production flows, collection services, logistics, equipment and infrastructure management) for each category according to their needs. All packages will include life skills, leadership and technical competencies as well as on the job training. Recycling generates income for its members through the wastepickers cooperatives by selling recyclables to the industry. It is expected that the cooperatives will be able to finance social services offered to the community (citizenship, health, education, etc.). These services will be defined for each Recycling cooperatives depending on the needs assessment of cooperative members and the community context. Services will contribute to improve quality of life beyond the expected income increase from the cooperative business activities.¹⁵
- 2.7. The Coletivo model emphasizes the following key aspects: (i) value chain approach, identifying bottlenecks and opportunities of TCCC's value chain that could lead to (self) employment, business linkages with individuals, SMEs, and cooperatives; (ii) alliances with the private and public sectors, incorporating companies and connecting with the public sector; and (iii) community development, through institutional capacity building of executing NGOs, providing them with tools and training to identify and develop viable funding models and increase their long-term financial base.

¹⁵ The project will draw upon the knowledge and experience to be generated through the Regional Initiative for Inclusive Recycling (see paragraph 1.16).

- 2.8. In a first phase, the Coletivo model will be refined and tested in Brazil. In a second phase, the model will be systematized and scaled in three LAC countries (1 or 2 Coletivos per country). Countries' selection will be based on TCCC local partners' willingness to implement the model, and the existence of interesting experiences developed using the value chain. Central American countries will be prioritized.

C. Components

- 2.9. The Program has the following components: (i) develop knowledge on community-based models and TCCC value chain potential to work in poor communities; (ii) strengthen participating organization's capacity; (iii) develop and refine the training modules and pilot the integrated model; (iv) systematize and scale the Coletivo model; and (v) monitoring, evaluation, knowledge and communication.

Component I: Develop knowledge on community-based models and TCCC value chain potential to work in poor communities. (MIF: US\$113,000; Counterpart: US\$142,500).

- 2.10. The objective of this component is to gather the practical knowledge needed to benchmark the Coletivo model.
- 2.11. The activities of this component are the following: (i) conduct a benchmark study of social business' best practices from inside and outside the region and analyze other recycling experiences; (ii) analyze TCCC's and partners' value chains, including the recyclables market, to identify additional opportunities for Coletivo; (iii) assess the results of the First Job (to determine the refinement needed) and study 5by20 initiatives¹⁶ related to the Coletivo model (e.g. Women Entrepreneurs Program in Costa Rica; and Potencia Mexico, focus on youth employment); (iv) assess the participating recycling cooperatives to classify them by type (I to IV); and (v) analyze sex-disaggregated Coletivos' results to understand how boys and girls, women and men have participated and benefitted from past activities .
- 2.12. The main product is an analysis of TCCC's value chain identifying linkages opportunities with poor and low income communities, a set of recommendations to improve the model, and the classification of the recycling cooperatives.

Component II: Strengthen participating organizations' capacity. (MIF: US\$1,047,375; Counterpart: US\$1,449,175).

- 2.13. The objective of this component is to strengthen the capacity of the community-based organizations involved in the initiative as to allow for an enhanced and sustainable implementation of the Coletivos, and for a better collaboration and coordination between these organizations and TCCC.

¹⁶ For further information on the 5by20 initiative please see paragraph 1.5.

- 2.14. The market logic used by Coletivo to address social issues (i.e., a business approach that provides increased access to employment and business opportunities with strengthened retail distribution channels, brand, and the possibility of a better work force) allows for a public-private partnership. Since the model complements a public function, the public sector appears as a natural partner. Coletivo could be a tool to improve public programs' efficiency. The enhancement of NGOs' managerial capacities to implement Coletivos is expected to have a positive impact on other programs run by these NGOs, most of them public. Other public programs not reaching poor communities could be announced and delivered using the Coletivo platform.
- 2.15. Regarding the sustainability of Recycling it is key to subscribe alliances with the municipalities and also with companies that generate recyclable materials (for donation or sale) as well as those who buy the materials (PET, plastic, paper and cardboard, glass and metal scrap) once these are sorted.¹⁷
- 2.16. The activities of this component are the following: (i) develop and structure a standardized and sustainable Coletivo model (using a similar concept to 'social franchise') that will link community beneficiaries to TCCC's and partners' value chain; (ii) develop a methodology for NGO strengthening (Communities Leadership), with a business perspective and standardized interventions, trainings and materials; (iii) implement the new methodology in the selected NGOs; (iv) develop an NGO management system; (v) refine the value proposition offered by the Coletivo model to also include other private companies, in addition to TCCC, and the public sector, at local and national levels.
- 2.17. The main product is the development of a standardized and partly sustainable model for Coletivo. Sustainable means that new partners share part of the cost of the model (i.e. TCCC provides funding equivalent to 40% of total costs, now provides 80%) and that the model is adopted by TCCC subsidiaries around the region. For Recycling, sustainable means that the cooperatives are financially sustainable to generate income for their members and pay for the activities offered to the community.

Component III: Develop and refine the training modules and pilot the integrated model. (MIF: US\$719,800; Counterpart: US\$10,917,800¹⁸).

- 2.18. The objective of this component is to develop, refine and test the training methodologies and content used in the First Job, Entrepreneurship and Recycling, as appropriate for each module.
- 2.19. The activities and products of this component are the following: (i) refine the First Job: design a "Life Skills module" (that can be adapted to the different Coletivos) and also

¹⁷ As an example, for PET, cooperatives type IV and Supercoops (more sophisticated) will be able to sell directly to Brazil PET or CPR, that are companies which transform recyclable PET resin that can be used for food and beverages container. Cooperatives type I to III will be selling to intermediaries.

¹⁸ Most of CCBF's counterpart should be used to the financing of the piloting Coletivos (Operational costs for the 50 First Job; 25 Entrepreneur and 300 Cooperatives).

update or create a new game as an interface of learning through the CCBF Methodology. Develop an online platform to provide services to youth, keep track of their performance, and build an online community (incorporating alumni). The platform will encourage youth to learn together and socialize, promoting teamwork and encouraging users to develop personal profiles and share information and experiences with other users. It will integrate existing social networks (Facebook, LinkedIn, Twitter) to incorporate social functionality¹⁹; (ii) design the model of the Entrepreneurship Coletivo and develop content to empower women entrepreneurs in Coca-Cola's value chain, transfer knowledge and best practices to improve business results. Content will be tailored to women's sector specific needs, educational level, and demographic profiles²⁰; (iii) develop content for Recycling's trainings on formalization, cooperative and business management, collection, production flow and logistics, commercialization, service provision and customer service, that will be adjusted to the specific needs of the cooperatives based on their level of development (Type I to IV); and (iv) test the refined Coletivo model (including testing the new and improved training modules).

Component IV: Systematize and scale the Coletivo model. (MIF: US\$124,000; Counterpart US\$271,500).

- 2.20. The objective of this component is to systematize the developed/tested Coletivo model and launch the first stage of the scale strategy in Brazil and other LAC countries (the Program will support the transfer and adaptation of the Coletivo model in three countries, 1 or 2 Coletivos per country. The scale will be supported by TCCC and its partners).
- 2.21. The activities and products of this component are the following: (i) systematize and package the Coletivo model to create scalability conditions, through the creation of a manual and systems to support the operations, ensuring that quality is maintained and impact measured; (ii) analyze expansion possibilities, geographic focus and partners in other countries; and (iii) design the scale up plan for the Coletivo model and begin implementation in other countries.
- 2.22. The main products are the systematization of the Coletivo model, the establishment of a structure and a system for quality control, and the model implemented in three countries.

Component V: Monitoring, evaluation, knowledge and communication. (MIF: US\$225,000; Counterpart US\$4,200).

- 2.23. The objective of this component is to measure, document, organize and communicate the Program's results and the model generated, in order to replicate and scale the experience in other countries.

¹⁹ This platform might be linked to the one created for project "Free Education to Promote Job Market Inclusion of Brazilian Youth" (BR-M1114).

²⁰ The Program will not include activities related to financing participating entrepreneurs, although training will be provided to help them access existing credit lines when needed.

- 2.24. The Program will seek to address the knowledge gap: *How can employment and business creation opportunities be enhanced for poor and low income populations and for organized communities by taking advantage of the opportunities of large companies' value chains, their capabilities and business networks?*
- 2.25. The activities of this component are the following: (i) develop a key performance indicators dashboard to evaluate the success of the model, track beneficiaries, assess services' performance and effectiveness for strategic decision making and service management, with smart indicators, guidelines, and user-friendly interface; (ii) develop an online guide (using audiovisuals) explaining the model and the methodology implemented. This guide will be based in the materials produced in component IV and will be used by those stakeholders interested in replication or scale; (iii) produce a case study; and (iv) organize a regional event and participate in related events.
- 2.26. The main knowledge product will be the systematization of a sustainable business model that leverages big companies' value chains to improve employment and business creation opportunities of poor and low income populations and organized communities ("the Coletivo model").
- 2.27. The following audiences have been identified for the purposes of dissemination and communication of knowledge and experiences generated by the Program: (i) private sector companies (large corporations and SMEs) that want to take advantage of the opportunities and benefits offered by target communities, have to develop recycling practices to comply with environmental policies and company targets, and/or want to address youth unemployment because stability, safety and a skilled workforce are good for business; (ii) multilateral organizations working on the recycling industry; (iii) government officials at municipal, state and national levels, with an interest in improving life quality of the target groups, and find solutions to address waste management, youth unemployment and the economic and social cost of not targeting disadvantaged youth; and (iv) civil society organization, cooperatives, multilateral organizations and network of experts, with experience or interest in developing similar projects.
- 2.28. On an annual basis, the Executing Agency will update the Project Fact Sheet (template provided by the MIF), which contains basic information on the Program, its challenges, the intervention strategy and results.

D. Project Governance and Execution Mechanism

- 2.29. The Program will be executed by the Instituto Coca-Cola Brasil (The Coca Cola Brazil Foundation – CCBF), with the support of the operational units of TCCC – such as the marketing, budgeting and financial departments. The CCBF will establish an Operating Unit to implement the Program. This unit will have a Management Committee, with representatives of the MIF, Coletivo's primary sponsors (CCBF, TCCC Representatives) and an Implementation Team. The Management Committee will be responsible for establishing the Program's strategic guidelines and for monitoring its results; it will

provide direction, support and networks to the Implementation Team. The Management Committee will meet periodically, and the Coletivo Program Coordinator will organize the meetings with inputs from its members. The Implementation Team, composed of a Program Coordinator, a Program Specialist, and an Administrative Assistant, will be responsible for the day-to-day implementation of the Program, including preparing and executing annual work plans, designing operating procedures, ensuring counterpart financial support for all Program activities, hiring and supervising Program consultants, and preparing financial, administrative, and technical reports for submission to the MIF.

- 2.30. The Project Specialist will be a CCBF employee whereas the Program Coordinator and the Administrative Assistant will be new hires, fully dedicated to the implementation of the Program. The Program Coordinator put in place by CCBF to manage Coletivo will take on the implementation of the Program.²¹ The Program will have for its implementation the support of all of Coletivo's structure. The Management Committee will meet periodically and the Technical Coordinator will serve as its Secretary. An Advisory Committee will also be created. The Advisory Committee will meet at least once per year and will include other partners companies, beneficiaries of Coletivo, research institutions and individuals invited by CCBF/MIF.

E. Sustainability

- 2.31. The overall sustainability of the Program is based on the market logic used by the Coletivo model to address social issues. As mentioned, Coletivo creates economic and social value by increasing access to employment and business opportunities for disadvantaged populations while strengthening TCCC's provision of recyclable materials to use in its bottles, retail distribution channels and brand. Current partners (such as Mc Donald's and Microsoft), also see Coletivo as a model that allows them to take advantage of the opportunities and benefits offered by target communities. However, the scope of the model has to be broad enough to develop a value proposition that attracts new partners willing to contribute for part of the costs and, as a result of its investment: have access to a better prepared workforce, improve their brand, strengthen its retail distribution, and develop recycling practices to comply with environmental policies and company targets. Sustainability should also depend on the public sector, given that Coletivo complements a public function. For Recycling, alliances with the municipalities are key. First Job could be a tool from which public programs, such as the Lei da Aprendizagem, could take advantage from. The enhancement of NGOs' managerial capacities to implement the Coletivos is expected to have a positive impact on other programs run by these NGOs, most of them public.

²¹ The Term of Reference of the Program Coordinator will be approved by MIF as well as its final selection and periodic evaluation. This will be considered a critical hire to guarantee the project implementation according to MIF's standards.

Other public programs not reaching poor communities could be announced and delivered using the Coletivo platform.

- 2.32. In the context of this Program, financial sustainability means that the new partners will share part of the costs of the model, and that the model is adopted by TCCC subsidiaries within the region. The target is to move to a financial scheme in which TCCC provides funding equivalent to 40-50% of the total costs on a permanent basis (it now provides 80%) and that other private and public partners cover the remaining costs. Participating NGOs will be expected to cover approximately 10% of the costs through the sale of Coletivo's services (such as, training courses for call centers' employees) to the small and medium enterprises that, due to their limited size and geographic coverage cannot be global partners of Coletivo (it would not be cost-effective for TCCC to work with them). These enterprises would benefit from accessing better prepared employees (Coletivo graduates) and the opportunity to further their CSR activities. For Recycling, sustainable means that the cooperatives are financially sustainable to generate income for its members and pay for the activities offered to the community.
- 2.33. It is important to note that First Job and Entrepreneurship have higher running costs during the first year, when the largest investment in infrastructure has to be done, as a room in each NGO needs to be set up to begin the training (computers, equipment, furniture, etc.) After this initial phase, the maintenance cost of each Coletivo is significantly reduced. TCCC is willing to continue taking care of this initial set up cost.
- 2.34. Finally, during the implementation of the Program, the following activities will be undertaken further contributing to its sustainability: (i) develop and structure a standardized and sustainable Coletivo model (using a similar concept to 'social franchise') that will link community beneficiaries to TCCC's and partners' value chain; (ii) develop a methodology for NGO strengthening, with a business perspective and standardized interventions, trainings and materials; (iii) refine the value proposition offered by the Coletivo model to also include other companies, in addition to TCCC; (iv) develop a plan to connect the Coletivo model with the public sector, at the local and national levels. Regarding the sustainability of Recycling, it is key to subscribe alliances with the municipalities and also with companies that generate recyclable materials (for donation or sale) as well as those who buy the materials (PET, plastic, paper and cardboard, glass and metal scrap) once these are sorted.

F. Experience and Lessons Learned from MIF or other Institutions

- 2.35. MIF has funded over 120 youth employment and entrepreneurship projects since 1994, training approximately 235,000 poor and low-income youth in 24 countries, with a total investment of over US\$77 million, and an additional US\$125 million leveraged from partners. This Program also draws upon WEmpower's lessons learned from 4 women-targeted entrepreneurship projects that have provided services to help women start and grow their businesses in Peru, Chile, Colombia and Jamaica. The MIF, in conjunction with TCCC, AVINA and the IDB/WSA, implements the mentioned Regional

Initiative for Inclusive Recycling (RG-M1179), which aims to improve the wastepickers' organizations access to the recyclable materials' market in LAC.

- 2.36. **Lessons learned.** *Match program to youth needs.* It is important to match a Program's pace and content to the needs, capacities, and interests of different youth, including the specific issues faced by young women, and actively engage beneficiaries in project design, implementation and evaluation. A structure to ensure youth participation will be established.
- 2.37. *Employers value life skills.* Life skills are key for building youth employability, and highly valued by employers. Interactive and creative teaching methods are especially relevant in learning and practicing life skills. As part of the Program, a "Life Skills module" will be developed and piloted.
- 2.38. *Women's Entrepreneurship.* Experience and lessons learned from: (i) PE-M1066 "Strengthening Women Entrepreneurship in Peru" (2009), (ii) JA-M1016 "Strengthening and Promoting Women Entrepreneurs in Jamaica" (2010), (iii) CH-M1016 "Promoting Women in Business" (2007), and (iv) CO-M1050 "Creation of Sustainable Women-Owned Businesses in Colombia" (2008), suggest that tailoring the training curriculum for women entrepreneurs and pairing classroom learning with mentorship and peer networks leads to more effective training and enhanced learning outcomes. Because most women will have low educational levels, training content will be simple and practical, and moderator/teachers will be from the communities where the intervention takes place and the Coletivos are formed. Because most women will stay in their homes, either because they are unable to work in the formal market or for childcare, attention will be paid to women's domestic responsibilities; courses' format will be adapted to their time availability.
- 2.39. *Shared vision for scale.* When NGOs partner with public and private entities to address youth un/underemployment, trust and a shared vision of the core principles of the solutions and models proposed are key for a successful partnership. Scale requires the right public and private partners. Quality control mechanisms (e.g., standards, compliance guidelines, M&E procedures, certification systems) need to be put in place to ensure that models maintain quality as they are scaled.
- 2.40. *Recycling.* Experience and lessons learned from the Regional Initiative for Inclusive Recycling (RG-M1179), which is based on six projects of which the lessons learned will be applied, especially of the "Socioeconomic Integration of Recycling Collectors" (BR-M1057), will be valuable. Lessons and best practices include the importance of implementing separation at the source; horizontal integration and the development of a sound business plan based on the market demand; establishing agreements with the municipalities and large generators as well as buyers and logistics (optimizing routes, zoning, etc.). Knowledge products such as software (e.g., Catafacil) can be adapted (if needed) and used for the cooperative for production flow and business management.

G. MIF Additionality

- 2.41. Non-Financial Additionality. The MIF's experience working with poor and low-income populations in areas of skills training and job placement, youth employment and

entrepreneurship, small business value chain integration, women's business development and growth, and recycling, will be an asset to refine Coletivo and support participating NGOs institutional strengthening. TCCC's capacity to scale a successful model, due to its value chain linkages, brand recognition and business opportunities, is unique and very well-established. The MIF's connection with the public sector, its strong experience working with NGOs and credibility will also be key.

- 2.42. Financial Additionality. MIF's financial additionality is important for the implementation of this Program, especially when developing the content of the methodology for Business and Recycling, Communities Trainings for Sustainability (NGO's and Cooperatives Leaders) and the refinement of the methodology for First Job (considering the important amount of money already invested by TCCC on this).

H. Project Results

- 2.43. As a result of the Program, poor and low income residents of the communities served by the Coletivos will see an enhancement of their opportunities to find an employment or create a business. The overall results will be: (i) 28,000 poor and low-income youth ages 16 to 29 graduated from First Job (at least 50% women); (ii) 1,680 women graduated from Entrepreneurship; (iii) 5,000 wastepickers participated in Recycling. An estimated of 27,000 family members will benefit indirectly through a better well-being of their families.
- 2.44. The following indicators to track and measure the Program's results will be used: for First job: (i) 22,400 of youth who complete training pass technical skills assessment; (ii) 22,400 of youth who complete training increase their life skills; and (iii) 8,400 of youth placed in jobs at time of program graduation. All indicators will be sex disaggregated and any difference between women and men analyzed; for Entrepreneurship: (i) 30% of women who complete training start a business; and (ii) 50% of female business owners who complete training who develop formal business records; for the Recycling: (i) 5,000 of individual recyclers in the cooperatives formally linked and providing services to a recycling value chain; (ii) 15-30% total increase in volume of recyclables managed by the cooperatives participating in the Program; and (iii) 3 of stakeholders (companies, municipalities, generators and buyers) linked to Recycling.
- 2.45. A 4-metric score will be created to measure women's economic empowerment as follows: (i) increase in self-esteem (Rosenberg scale), (ii) increase in leadership capacity, (iii) increase in sales or income, and (iv) increase in assets.
- 2.46. Sustainability will be tracked and measured through the following indicators: (i) 3-5 partnerships established with the public and private sectors to work collaboratively in Coletivo; and (ii) 80% of the NGOs strengthen their capacity (income diversification, management system implemented).

I. Project Impact

- 2.47. The Program's impact will be the improvement of the economic conditions of poor and low income residents of the communities served by the Coletivos. Progress at this level

will be tracked through the following indicators: For First Job: (i) 50% of youth earning minimum wage or higher at least 6 months after training completion (by sex); and (ii) 11,200 youth employed in formal jobs (i.e. with job benefits) at least 6 months after training completion (by sex); for Entrepreneurship: (i) 5-10% of sales increase by women entrepreneurs after training completion (disaggregated by new entrepreneurs/already established); (ii) 10% increase in profit margins of women business after training completion; and (iii) 30-50% of new women enterprises sustained 6 months or longer); for Recycling: (i) 30-50% increase on average income of the recycling cooperative members (by sex); (ii) 25-50% increase of women in positions of leadership inside the cooperatives. As relevant, indicators will be sex disaggregated.

J. Systemic Impact

- 2.48. By testing the enhanced version of the Coletivo model, the Program will yield results on the effectiveness which will be leveraged to scale in other countries of the region. The systemic change will be achieved when: (i) this model is adopted by TCCC subsidiaries around the region and by other large companies connected with TCCC's value chain, and (ii) the model becomes more sustainable (i.e., TCCC provides funding equivalent to 40% of total costs). There will be a significant increase in the scale of activity when there is a sustainable system in place that helps large companies to: (i) recruit better qualified youth; (ii) strengthen the companies' retail distribution channels and/or brand; (iii) reinforce the companies' brand and ability to comply with the Waste Management legislation related to recyclables; and (iv) stakeholders work together to build a more socially inclusive recycling model that also increases the volume of recyclable materials available to the packaged good industry. A large number of local NGOs, that will form a network of partners able to scale the model, will be strengthened.

3. MONITORING AND EVALUATION STRATEGY

- 3.1. Baseline: A baseline and an M&E system will be established to ensure tracking of the Program's indicators and assess the effectiveness of the services provided to the beneficiaries. TCCC will collect baseline data of the Coletivos through a survey tool (already in place, to be enhanced) and through a measurement process developed at the initial phase of the Program implementation.
- 3.2. Monitoring: The Program will define the appropriate monitoring methodologies by using: (i) business reporting; (ii) social impact reporting; and (iii) skills-testing methods, among others. These methods will be implemented semi-annually and/or annually to assess and measure financial, operational, social results and impacts.
- 3.3. During execution, actionable data will be generated that will be used to refine the model. The data will also be the base for the communication with Coletivo's partners.

- 3.4. Evaluation: The Program will undergo mid-term and final evaluations to assess targeted beneficiaries' economic gains and glean lessons learned; a cost-benefit analysis will be included to determine the potential for replication and scale.
- 3.5. Once components 1-3 have reached a sufficient level of execution (estimated time frame: 24 months), an external (mid-term) evaluation will be conducted on the performance of the pilot. Based on the results, the MIF and TCCC will decide how to continue, whether giving more support and/or redesigning specific parts of the intervention to address gaps or weaknesses.
- 3.6. An impact evaluation is not being considered because the model will be changed and adapted during the implementation of the Program.
- 3.7. TCCC wants to continue with the expansion of the Coletivo model inside Brazil and also bring it to other countries. The Program includes the launch of the first stage of the scale strategy in other LAC countries, Central American countries will be prioritized. As part of the expansion of the model a quality control system will be established to guarantee that the model does not lose its key elements as part of the adaptation and scale process. The key performance indicators dashboard that will be developed as part of Component 4 to evaluate the success of the model, will also track its expansion inside Brazil and to other countries, information on new Coletivos established, new partners involved, cost share structure, among others, will be collected and analyzed.

4. COST AND FINANCING

- 4.1. The Program has a total cost of US\$16,000,000, of which US\$3,000,000 (19%) will be provided by the MIF, and \$13,000,000 by the counterpart (\$5,000,000 cash and \$8,000,000 in-kind). The execution period will be of 42 months and the disbursement period will be of 48 months.
- 4.2. **Recognition of Counterpart Expenses.** At its own risk, to be able to reach the expected results of the Project, CCBF has been investing in the adaptation of the Coletivo Methodology since early 2013, as a result of the discussion with the MIF team members when designing this project. These initial investments focused the development of the structured and standardized sustainable Coletivo Model (using a similar concept to "social franchise") and the development of a methodology for NGO strengthening. These activities are key to ensure the Project's success. The IDB will recognize as counterpart expenditures all expenses related to the Project as of January 2013 up to US\$400,000, provided that they correspond to the expenses listed in the Project's detailed Budget (Annex IV) and follow the IDB's procurement policies.

Components	MIF	Counterpart	Co-financing (if applicable)	Total
Component 1: Develop knowledge on community-based models and TCCC value chain potential to work in poor communities.	113,000	142,500		255,500
Component 2: Strengthen participating organizations' capacity	1,047,375	1,449,175		2,496,550
Component 3: Develop and refine the training modules and pilot the integrated model.	719,800	10,917,800		11,637,600
Component 4: Systematize and scale the Coletivo model.	124,000	271,500		395,500
Component 5: Monitoring, evaluation, knowledge and communication.	225,000	4,200		229,200
Executing Agency/ Administrative	384,000	168,000		552,000
Baseline, Monitoring and Evaluation	40,000	0		40,000
Ex post reviews	80,000	0		80,000
Contingencies	46,825	46,825		93,650
Sub-total	2,780,000	13,000,000		15,780,000
% of Financing	18%	82%		100%
Institutional Strengthening (Financial Management and/or Procurement Training, if applicable)	20,000	0		20,000
Impact Evaluation Account (5%)	150,000	0		150,000
Agenda Account	50,000	0		50,000
Grand Total	3,000,000	13,000,000		16,000,000

5. EXECUTING AGENCY

A. Executing Agency

- 5.1. The Instituto Coca-Cola Brasil (Coca-Cola Brazil Foundation, CCBF) will be the Executing Agency of this Program and will sign the agreement with the Bank. Also, CCBF will have the financial and fiduciary responsibilities when implementing the Program, which required them to be submitted to the MIF's Institutional Analyses (DNA Report). CCBF was classified as low risk under the technical expertise but medium fiduciary risks. For that matter, resources were allocated in the budget both for Institutional Strengthening and semi-annual Ex-post reviews. The DNA report will be up-dated on every ex-post review to evaluate any change in the implementation capacity of the institution.
- 5.2. CCBF is a non-profit organization established in 1999 in Brazil, to promote social inclusion through education. Since 2004, CCBF incorporated environmental programs

such as recycling and watershed protection into its portfolio. In 2006, CCBI achieved Brazilian government recognition as a non-profit public interest organization (Organização da Sociedade Civil de Interesse Público). CCBF will be the link between the Program and the rest of Coca-Cola, which included the Brazilian subsidiary of TCCC and a group of about 16 Brazilian bottlers and producers.

- 5.3. CCBF will mobilize the TCCC system, their 5by20 partners, other companies that are part of the TCCC value chain (McDonalds), and other retailers that sell TCCC products. The approach in Recycling is “Social Technology through Collaborative Development” in which the CCBF is working with NGOs (Instituto Vonpar, Doe seu Lixo, Cicla Brasil, Plano B), business alliances (CEMPRE), universities (UFRJ), consulting companies (IPSOS), and PET buyers (Brazil PET and CPR).
- 5.4. CCBF will establish an executing unit and the necessary structure to effectively and efficiently execute project activities and manage project resources. CCBF will also be responsible for providing progress reports on project implementation. Details on the structure of the execution unit and reporting requirements are in Annex 7 in the project technical files.

6. PROJECT RISKS

- 6.1. *Willingness of public and private actors to join the initiative.* Low levels of trust between the public and private sectors could interfere in the establishment of the partnership. Mitigation: develop an assessment and selection criteria to determine which partners and locations should join the initiative. Communicate the purpose, vision and principles for collaboration under the Coletivos effectively. Ensure each partnership's vision, goals and strategies are designed using participatory approaches that generate ownership and buy-in from the very beginning among diverse stakeholders.
- 6.2. *Potential complexities of the Program execution.* The oversight function to be exercised by the Program team could be limited considering the multiple Coletivos already established. This can lead to low management efficiency and hinder the Program's ability to achieve results. Mitigation: MIF will provide training workshops on project management, administrative financial rules and procedures and any additional support as consider relevant to CCBF and collaborating NGOs. For this purpose MIF will allocate a total amount of \$ 10,000 to institutional strengthening.
- 6.3. *Sustainability risk.* Inability to form the strategic partnerships needed to maintain the Coletivos. Mitigation: prepare a Communications and Marketing Plan. Ensure that the partnership's visions, targets and strategies are developed using a participatory approach to foster ownership among diverse stakeholders.

7. ENVIRONMENTAL AND SOCIAL EFFECTS

- 7.1. The Program expects to have positive social impacts by enhancing the economic opportunities of poor and low income youth and women participating in the Coletivos, as well as improving the performance of community based NGO's. The Program will not have any negative environmental impacts given the types of activities to be carried out; on the contrary, through the community development activities and specially the recycling activities, a positive impact is expected.
- 7.2. According to the Environmental and Social Review, this project was classified as C.

8. COMPLIANCE WITH MILESTONES AND SPECIAL FIDUCIARY ARRANGEMENTS

- 8.1. Disbursement by Results and Fiduciary Arrangements. The Executing Agency will adhere to the standard MIF disbursement by results, procurement and financial management arrangements specified in Annex VII.

9. INTELLECTUAL PROPERTY

- 9.1. Intellectual Property. The Executing Agency will keep the intellectual property and other rights of the materials and products strongly connected with TCCC value chain, since those products are related to their core business. As part of the Program, the MIF will keep the intellectual property and other rights of the materials and products connected with the NGOs and beneficiaries in order to promote the replication and scale up the model; but will grant TCCC access to them for the same purpose.