

TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	BRAZIL/CSC - Southern Cone
▪ TC Name:	Evaluation of Brazilian Work Sharing Program in the Context of COVID-19
▪ TC Number:	BR-T1631
▪ Team Leader/Members:	GOUVEA GOMES, LIVIA (SCL/LMK) Team Leader; ZIMMERMANN, BEATRICE ALINE (SPD/SMO) Alternate Team Leader; KAPLAN, DAVID SCOTT (SCL/LMK); RACHTER DE SOUSA DIAS, LAISA (SCL/GDI); FERRIN GASTON (SCL/LMK); GONZALEZ HERRERA, BEATRIZ MARIA (SCL/LMK); RIVERA HERRERA SERGIO ANDRES (SCL/LMK); TAVARES SOUSA, MARIA ELISA (CSC/CBR); DIAZ GILL VIRGINIA MARIA (LEG/SGO)
▪ Taxonomy:	Research and Dissemination
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	26 Aug 2024
▪ Beneficiary:	BRAZIL
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$60,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	12 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	SCL/LMK - Labor Markets
▪ Unit of Disbursement Responsibility:	SCL/LMK - Labor Markets
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality ; Gender equality

II. Objective and Justification

- 2.1 The objective of this TC is to produce evidence on the effects of the Emergency Benefit Program (BEm) on labor market outcomes. This work-sharing initiative, implemented in Brazil during the critical years of the coronavirus pandemic, provided subsidies to cover working hours and salary reductions. Such evidence is scarce in Latin America, and even less is known about the implementation of these programs under extreme unpredictable emergency scenarios. The TC aims to address this evidence gap.
- 2.2 In light of the preliminary results of the Emergency Benefit Program (BEm) and the structural vulnerabilities of the Brazilian labor market — characterized by declining participation rates, particularly among women, high levels of informality, and low productivity — it is imperative to develop public policies that generate sustainable, long-term impacts beyond emergency responses. In this context, this Technical Cooperation (TC) aims to: (i) conduct a rigorous evaluation of the BEm program; and (ii) leverage the lessons learned to identify challenges and formulate solutions that strengthen public policies focused on job protection and creation.

III. Description of Activities and Outputs

- 3.1 **Component I: 1. Evaluation support for the BEm program.** This component's objective is to support: (i) the evaluation of the BEm program; (ii) through lessons learned, support the identification of public policy challenges and solutions aimed at the topic of job protection or creation.
- 3.2 **Component II: 2. Knowledge dissemination.** The aim of this component is to promote the dissemination of the learning acquired through component 1, consisting of technical notes and reports on BEm. This component will finance the dissemination and communication of these products and results. These actions are essential to highlight the IDB's technical work and disseminate relevant knowledge for the creation of other public policies in Brazil and the region.

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
1. Evaluation support for the BEm program	US\$50,000.00	US\$0.00	US\$50,000.00
2. Knowledge dissemination	US\$10,000.00	US\$0.00	US\$10,000.00
Total	US\$60,000.00	US\$0.00	US\$60,000.00

V. Executing Agency and Execution Structure

- 5.1 The executing agency for this TC will be the Inter-American Development Bank (IDB), through the Labor Markets Division (SCL/LMK), in accordance with the guidelines and requirements established in the Technical Cooperation Policy (GN-2470-2) and the TC Operational Guides (GN-2629-1). Disbursements will be allocated to the country Brazil.
- 5.2 The Bank's institutional capacity and technical and operational experience in the field of social protection and employment policies will be key to effectively monitoring the implementation of the activities provided for in this TC. The IDB has a wealth of experience in projects similar to this TC and offers independent and transparent execution of studies and evaluations. Furthermore, the fact that the IDB is the Executing Agency of the TCA will facilitate coordination between the Ministry of Labor and Employment (MTE) and the Institute for Applied Economic Research (IPEA).

VI. Project Risks and Issues

- 6.1 (i) Risk of delay in project implementation due to the coordination and dialogue required with IPEA to conduct the joint impact assessment. To mitigate this risk, the project management and implementation team will be trained to facilitate and support the institution. The project team will also be in close communication with the co-executors and beneficiaries. (ii) the possible risk of management changes, as coordination positions and secretariats depend on political and institutional arrangements. To mitigate this risk, it will be essential to document the main processes and establish clear communication channels between the project team and the technical stakeholders. This will support continuity of activities regardless of changes in the Ministry of Labor and IPEA.

VII. Environmental and Social Aspects

- 7.1 This TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF).