



Program Information Document (PID)

Concept Stage | Date Prepared/Updated: 24-Jan-2022 | Report No: PIDC260338



BASIC INFORMATION

A. Basic Program Data

Country Brazil	Project ID P178563	Parent Project ID (if any)	Program Name RECOVERING LEARNING LOSSES FROM COVID-19 PANDEMIC IN BRAZIL
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 01-Mar-2022	Estimated Board Date 16-May-2022	Does this operation have an IPF component? Yes
Financing Instrument Program-for-Results Financing	Borrower(s) THE FEDERATIVE REPUBLIC OF BRAZIL	Implementing Agency MINISTRY OF EDUCATION	Practice Area (Lead) Education

Proposed Program Development Objective(s)

The Program Development Objective (PDO) is to support local governments in the North and Northeast regions of Brazil to: (i) recover from learning losses and school dropouts related to the COVID-19 pandemic, and (ii) strengthen education management in preschool, primary and lower secondary schools.

COST & FINANCING

SUMMARY (USD Millions)

Government program Cost	1,214.00
Total Operation Cost	250.00
Total Program Cost	200.00
IPF Component	50.00
Total Financing	250.00
Financing Gap	0.00

FINANCING (USD Millions)

Total World Bank Group Financing	250.00
World Bank Lending	250.00



Concept Review Decision



B. Introduction and Context

Country Context

- 1. The COVID-19 pandemic produced profound impacts on the Brazilian Economy.** More than 22 million cases and 615,000 deaths by January 2022¹ illustrate the size of the COVID-19 shocks in Brazil, which have recently been further aggravated by the surge of the Omicron variant. Two-digit inflation, increases in unemployment, high interest rates, and uncertainty about the country's fiscal policy are all illustrative of the immense macroeconomic instability associated with the pandemic. In 2020, for example, the real growth of domestic product was -4.1 percent,² the largest reduction observed since 1996. This negative result is a consequence of the performance in the industry (-3.5 percent) and services (-4.5 percent) sectors,^{3,4} combined with a weak performance in the livestock sector (2 percent). In 2020, real Gross Domestic Product (GDP) per capita reached R\$35.172 (around US\$ 6,300), a contraction of 4.8 percent, reflecting a decrease of 5.5 percent in family consumption in the same year. With the advent of the new variant, the macroeconomic prospects are not expected to improve.
- 2. Inflation reached double digits in 2021, its highest rate since 2015.** According to the Brazilian Institute of Geography and Statistics (*Instituto Brasileiro de Geografia e Estatística*, IBGE), the 12-month inflation rate reached 10.74 percent in November 2021,⁵ twice as high as the annual rate measured in 2020 (4.75 percent). Moreover, food price inflation was even higher, averaging 15 percent for 2021. Cooking oil prices had a strong influence, showing a 34.6 percent increase in the period, followed by an increase in meat prices of 24.8 percent. While inflation escalated, household income stalled or fell in absolute terms. According to IBGE, in the second trimester of 2021, an average household in Brazil had an income of R\$2,515, considerably lower than the R\$2,693 recorded in the second trimester of 2020. As is often the case, the poorest households in the north and northeast were the most affected, even after considering transfers from the Emergency Transfers Program (*Auxílio Emergencial*) in April 2021. From the last quarter of 2019 to the second quarter of 2021, the Northeast was the region with the heaviest wage loss reaching -11.4 percent, compared to -8.9 percent in the South. During the same period, women were the most affected, losing 10.3 percent of their income, while men lost only 8.4 percent.⁶
- 3. Unemployment rates also increased disproportionately among the poor during the pandemic.** Overall, the unemployment rate reached 14.1 percent in Brazil in the second trimester of 2021. Vulnerable families in the Northeast and North regions were the most affected. The highest rate by the second trimester of 2021 was observed in Pernambuco (Northeast), with an unemployment rate of 21.6 percent. The lowest rate, on the other hand, was observed in Santa Catarina (South), where it was 5.8 percent. Similarly, the impact of the COVID-19 pandemic on the labor market disproportionately affected women.

¹ (Ministério da Saúde, n.d.). Paineis Coronavírus. Access: <https://covid.saude.gov.br/>.

² (Ministry of Economy, 2021). *Notas informativas*. Access: <https://www.gov.br/economia/pt-br/centrais-de-conteudo/publicacoes/notas-informativas/2021/ni-atividade-economica-pib-2020-e-perspectivas.pdf>

³ (IBGE, 2021). Access: <https://censos.ibge.gov.br/2013-agencia-de-noticias/releases/30165-pib-cai-4-1-em-2020-e-fecha-o-ano-em-r-7-4-trilhoes.html#:~:text=IBGE%20%7C%20Censo%20Agro%202017%20%7C%20PIB,s%C3%A9rie%20hist%C3%B3rica%2C%20iniciada%20em%201996>

⁴ FGV highlights that there is heterogeneity in the industry. The production of capital goods, for example, is 15.0% above the pre-pandemic levels, while the production of durable goods is 21.8% below the level observed in February 2020.

⁵ (IBGE, n.d.). *Inflação*. Access: <https://www.ibge.gov.br/explica/inflacao.php>

⁶ (FGV Social, 2021). *Desigualdade de Impactos Trabalhistas na Pandemia*. Access: <https://cps.fgv.br/DesigualdadePandemia>.



While 11.2 percent of men were unemployed in the second trimester of 2021, the rate for women was 17.1 percent.⁷ In 2019, all the 16 states in the North and Northeast had lower GDP per capita than any other state in South, Southeast, and Center-West. Maranhão and Piauí have the lowest GDP per capita with R\$6,800 and R\$8,200, respectively. Distrito Federal and São Paulo are at top two in per capita income with R\$45,800 and R\$24,500, respectively (expressed in Brazilian reais from 2010).⁸ The North and Northeast also have the lowest mean wages compared to other regions: while in 2020 the mean monthly wage in the North and Northeast were R\$1,814 and R\$,751, respectively, it reached R\$2,793 in the Southeast.⁹ Inflation, unemployment, and shrinking household income present a risk of reversing Brazil's previous progress in poverty reduction.

4. **Low labor productivity impairs a faster economic recovery in Brazil.** The forthcoming Brazilian Human Capital Review estimates that an average Brazilian born in 2019 would likely achieve only 60 percent of his/her full potential. The Human Capital Index (HCI)¹⁰ estimates the productivity of a child born today by the age of 18 if the prevailing education and health conditions remain. This indicator ranges from 0 to 1 where the closest to 1, the better the conditions for human capital accumulation. Preliminary estimates for COVID-19 impacts suggest a big fall: future labor productivity will be reduced by 9 HCI points relative to 2019. In a pessimistic scenario, this means reverting to pre-2007 productivity levels. Importantly, these simulations indicate that the education component was the most affected by the pandemic, falling more than 10 percent from 2019 to 2021, while the child health component had less than a 1 percent decline. Therefore, it is crucial to prioritize a national strategy to accelerate the recovery of human capital losses, as the COVID-19 pandemic is jeopardizing years of progress in human capital accumulation.

5. **Climate change will also affect the education sector.** Climate and environmental change are expected to worsen the frequency, intensity, and impacts of some types of extreme weather events such as floods, droughts, and tropical storms and are likely to lead to increase the incidence of climate-sensitive vector-borne diseases and the emergence of new diseases previously not present in the country, especially in the North and Northeastern regions. Addressing the challenges imposed by this context is essential to increase the education system's resilience and ability to face future shocks. For the country to move toward an environmentally and climate change-ready education system, significant changes are required, in terms of infrastructure as well as to integrate teaching of environmental and climate issues in school curricula, building awareness among the youth and teachers in Brazil about these critical topics and helping with changing behavior and mindsets.

6. **The Brazilian government has been implementing a systematic approach to recover from COVID-19 impacts on human development.** The Government of Brazil put forward a large, timely, targeted, and time-bound fiscal package focused on social protection, health, and education to counterbalance COVID-19 impacts on the social sectors. Its main elements include: (a) on social protection, a generous emergency transfers program (*Auxílio Emergencial*) to 66 million individuals, along with an expansion of the *Bolsa Família* Conditional Cash Transfer (CCT) program to provide economic

⁷ (IBGE, 2021). Access: <https://agenciadenoticias.ibge.gov.br/agencia-sala-de-imprensa/2013-agencia-de-noticias/releases/31486-pnad-continua-trimestral-desocupacao-recua-em-quatro-das-27-ufs-no-2-trimestre-de-2021>.

⁸ (IBGE, 2019). PIB per capita Estadual. Retrieved from: <http://www.ipeadata.gov.br/>.

⁹ Refers to real average income per month from all jobs usually received (PNAD, 2020).

¹⁰ The HCI has three main components: (i) quality and quantity of schooling (Education); (ii) child survival rates (Survival), (iii) adult mortality rates and stunting (Health).



protection to the most vulnerable;¹¹ (b) on health spending (tests, vaccines, transfers to municipalities to strengthen health response and attend acute emergencies), the government managed to strengthen the system and, as of January 2021, 67 percent of citizens have completed the vaccination cycle of two doses; (c) on education, the Ministry of Education acted to address the COVID-19 crisis by passing a law transferring more than R\$1 billion directly to schools to deliver free school meals for vulnerable students and families (*Programa Nacional de Alimentação Escolar, PNAE*), invested more than R\$720 million to improve the sanitary conditions of 105,000 schools, and implemented a centralized platform to monitor the number of COVID-19 cases in schools.¹² The proposed operation aims to further strengthen the strategy for education.

Sectoral (or multi-sectoral) and Institutional Context of the Program

7. **The Brazilian constitution establishes a clear responsibility for different levels of education for each layer of the government.** The provision of early childhood education (ECE) is the sole responsibility of the municipalities, just as upper secondary education (grades 10 to 12) is the responsibility of the states. However, the provision of primary and lower secondary education is a shared responsibility between municipalities and states. Although primary education in Brazil is mostly provided by municipal governments, almost half of lower secondary education is still provided by the state governments, despite a long and continuing process of transferring schools from state to municipal governments. In delivering these services, municipalities often follow federal and state policies and receive fiscal transfers, both tied and untied to specific service responsibilities and performance.

8. **Few countries in the region kept their schools closed for longer than Brazil during the COVID-19 pandemic, which had significant consequences on education outcomes.** In total, Brazilian students did not receive face-to-face classes for over 200 school days. This translates to about 50 million students in over 180,000 basic education schools (both public and private) losing the benefit of in-person instruction during the pandemic. Responses to school closures in Brazil were different by region and vulnerable groups; for example, while 92 percent of students participated in remote activities in the South, only 52 percent participated in the Northeast. The percentage of black and brown students enrolled in schools without access to school activities during the pandemic was 12.5 percent, almost double the number of other students (6.4 percent). Such a long period of school closures has led to significant negative impacts on education, among them: (i) increases in school dropout rates; (ii) large learning losses and inequality; (iii) negative effects on socioemotional skills; and (iv) the challenge of managing the impacts on fragile school networks with limited tax revenues. Overall, without strong mitigation actions, the COVID-19 pandemic will increase these disparities between the 85,000 schools in the north-northeast and the 97,000 schools in the rest of Brazil.

9. **As schools gradually reopen, vulnerable students are less likely to return to and remain in school.** Even before the COVID-19 pandemic, school dropout was a central challenge for Brazil's education system. In 2019, nearly 1.1 million school-age students were out of school.¹³ Among those, 525,000 students were from the North and Northeast, the most vulnerable regions. The average school dropout rate in lower secondary schools in North and Northeast Brazil in 2019 was 5.9 percent, well

¹¹ The government is also reformulating the *Bolsa Família* program into *Auxílio Brasil*.

¹² The platform can be accessed at <https://painelcovid-seb.mec.gov.br/>

¹³ UNICEF (2021). *Cenário da Exclusão Escolar no Brasil*. Access: <https://www.unicef.org/brazil/media/14026/file/cenario-da-exclusao-escolar-no-brasil.pdf>.



above the rate of 3.5 percent in the Southeast region. The COVID-19 pandemic is further worsening these numbers; recent findings for the state of São Paulo showed that the risk of school dropout has increased by 365 percent in the wake of the pandemic.¹⁴ Considering that an average student from São Paulo is much more socioeconomically privileged than an average student from the North and Northeast, it is reasonable to expect an even higher risk of school dropout in those areas. Recent data on the pandemic confirms a notable increase in the dropout rates for younger students: the dropout rate from 5-9 years old increased from 1.41 to 5.51 percent from the last quarter of 2019 to the last quarter of 2020.¹⁵ The costs of leaving school prematurely will have direct implications for the individual's and society's ability to recover from COVID-19 impacts given that dropping out of school is associated with a lower probability of future employment, lower wages,¹⁶ and a higher involvement in crime.¹⁷ In monetary terms, studies using local data estimate that dropping out of school costs Brazilian society approximately R\$395,000 per person per year.¹⁸ In this context, bringing students back to school is the first big education challenge triggered by the COVID-19 pandemic.

10. **Once students return to school, a second challenge is the implementation of adequate strategies to recover from the learning losses inflicted by the pandemic.** The COVID-19 pandemic significantly affected learning levels and inequality. According to World Bank simulations,¹⁹ there could be an increase of up to 70 percent in the proportion of 10-year-old Brazilian students unable to read a simple paragraph. The national learning assessment (*Sistema de Avaliação da Educação Básica*, SAEB) for 2019 found that only 19 percent of students in a typical 9th grade public school had adequate learning levels for their grade. This figure is likely to become even lower because of the pandemic, especially among boys and increasing gender gaps in learning scores.²⁰ According to a recent study on remote learning in secondary education for the state of São Paulo, students had only learned 27.5 percent of the in-person equivalent under remote education. In addition, there is considerable evidence to suggest that, along with reducing students' learning levels, the COVID-19 pandemic may be increasing learning inequality, even among students attending the same school. According to the 2019 SAEB, the score differential between the 20 percent highest and lowest performing students in the same school (located in the North and Northeast) reached, on average, 110 SAEB points for Mathematics and Portuguese.²¹ Considering that students gain around 20 SAEB points per year on average, this difference is equivalent to about 5 years of learning. Assuming that vulnerable students from the most economically fragile regions in Brazil are the most susceptible to dropping out of school after the pandemic, there would be a strong impact on learning inequality, requiring urgent attention. A state assessment from São Paulo

¹⁴ Lichand, G., Dória, C. A., Neto, O. L., & Cossi, J. (2021). The Impacts of Remote Learning in Secondary Education: Evidence from Brazil during the Pandemic.

¹⁵ (FGV Social, 2022). *Retorno para escola, jornada e pandemia*. Access: <http://www.fgv.br/cps/RetornoParaEscola>.

¹⁶ Adelman and Szekely, 2016.

¹⁷ Cook and Kang, 2016.

¹⁸ de Barros, R. P. (2021). *Consequências da violação do direito à educação*. Editora Autografia.

¹⁹ "World Bank. 2021. Acting Now to Protect the Human Capital of Our Children: The Costs of and Response to COVID-19 Pandemic's Impact on the Education Sector in Latin America and the Caribbean. World Bank, Washington, DC. © World Bank.

²⁰ There are measurable gender disparities in terms of learning scores. In public schools from the North and Northeast Brazil, girls scored 6.9 percent higher than boys in Portuguese in 9th grade. In mathematics, boys scored 4.8 percent higher than girls in public schools. For instance, in 5th grade, this difference reverses: girls outperform boys by 0.2 percent. It is important to note that the gender gap in school in the North and Northeast Brazil is higher than the gap observed for other regions (SAEB, 2017).

²¹ While the 20 percent lowest performing students have, on average, a proficiency of 192.20 in Mathematics and 190.26 in Portuguese, the top 20 percent perform around 60 percent better, reaching 305.9 in Mathematics and 306.9 in Portuguese.



found that to recover to pre-pandemic levels in Mathematics over the next year, students would need to learn 11 times faster than has been the norm to date.²²

11. **The COVID-19 pandemic highlighted connectivity barriers both in schools and in students' homes that impaired learning, especially in the North and Northeast regions in Brazil.** According to the 2019 School Census, only 27 percent of public schools in Brazil had broadband internet. The situation is even more serious in schools in the North and the Northeast, where internet connectivity is only available in 10-15 percent of schools. Furthermore, studying in a school with internet connectivity does not necessarily mean that it is suitable for online teaching. Data from school computers under the federal program Connected Education Innovation Program (*Programa Inovação Educação Conectada*, PIEC)²³ show that, out of 32,610 schools where internet speed was measured, the average download speed is less than 20mbps – much lower than what is necessary for effective learning. This may explain why only a small fraction of schools use internet for pedagogical purposes. In the North and Northeast, only 15 percent and 22 percent of public schools use internet for learning while in the South, Southeast, and Center-West these percentages exceed 50 percent. If internet connectivity in schools is slow and rarely used for pedagogical activities, the situation is likely to be worse in students' homes. Once again, data on student access to internet exposes large regional inequalities in Brazil. While in the South and Southeast more than 64 percent of lower secondary students have a computer at home, only 42.6 percent have one in the North and only 36.8 percent in the Northeast. This lack of internet connectivity may translate into limited learning. For example, Acre, Roraima, Rio Grande do Norte, Amapá, Alagoas, and Tocantins, located in the North and Northeast, are states where 6–15-year-olds dedicated the fewest hours to school during the pandemic. More specifically, while in 2020 a student from Distrito Federal (Center-West) spent, on average, almost three hours per day on remote learning, an average student from Acre and Roraima (North) committed around 1 hour and 30 minutes.²⁴ The regional inequalities in internet connectivity and remote learning among schools and students also point to larger learning losses in the North and Northeast Brazil.

12. **In addition to the impacts of lack of internet connectivity and unequal access to remote learning, the pandemic directly affected students' socioemotional skills.** During school closures and social distancing measures, children were deprived of social and cognitive stimuli, in addition to stress originating from situations such as losing a relative during the pandemic, food insecurity, and economic hardship. Research is largely attesting that socioemotional skills are of fundamental importance for youth, especially while their brain is still developing.²⁵ This is particularly relevant as the evidence suggests that parents from vulnerable families prioritize the education of older children at home.²⁶ Unmotivated students rarely return to school or learn properly.

13. **Very young children are at the highest risk of strong impact and being forgotten in the mitigation measures to address COVID-19.** In addition to the efforts of the federal government to prevent child poverty and food insecurity, the COVID-19 crisis overloaded subnational governments with a need to (i) support mental health and wellbeing, and (ii) keep children safe whether they are in school

²² Secretaria da Educação do Estado de São Paulo (2021). Estudantes dos anos iniciais tiveram regressão na aprendizagem durante a pandemia, mostra avaliação. <https://www.educacao.sp.gov.br/estudantes-dos-anos-iniciais-tiveram-regressao-na-aprendizagem-durante-pandemia-mostra-avaliacao/>

²³ This federal program is going to be part of the COVID-19 repose policy supported under Component 1 of this Operation.

²⁴ (FGV Social, 2022). *Retorno para escola, jornada e pandemia*. Access: <http://www.fgv.br/cps/RetornoParaEscola>.

²⁵ Yoshikawa et al., 2020.

²⁶ World Bank, 2020.



or at home, mainly for children at risk of abuse or neglect. COVID-19 has also exceedingly impacted ECE and its educators. A study in Rio de Janeiro preschools (4–5-year-olds) found that a higher fraction of children is unable to sit and stand without help in 2020. This result may be explained by changes in their everyday lives: more TV screen time, lower physical activity, and weight gain. Moreover, the unequal impacts in Languages and Portuguese are already evident in those young children. While 5-year-olds in schools from a high socioeconomic level learned 78 percent of what they would have learned without the pandemic in mathematics, this rate for students in low socioeconomic levels is 48 percent.²⁷ In practice, the impacts of the pandemic on the youngest children include longer shutdown of ECE centers, declines in enrollment rates (mainly in private schools), insufficient local government funds, increased health risks, higher costs (due to the need of more staff), and new health and safety measures. Finally, evidence confirms that investments in high-quality programs that support children’s health, nutrition, and early learning can help recover from learning losses, reduce inequalities, and mitigate reductions in income and productivity.

14. **The multiple and simultaneous COVID-19 impacts on education outcomes described above, combined with the ongoing economic crisis, place an enormous demand for resilience on school networks.** The capacity to recover quickly from COVID-19 impacts depends on how effectively municipal and state governments, responsible for delivering basic education in Brazil, manage their school networks during this crisis. In this context, resilience is critical: school networks must recover from learning losses but also be prepared for new challenges; rather than just building back, building back stronger than before. Local governments must, for example, monitor student enrollment closely to avoid new upsurges in dropout rates, manage the quantity and the quality of school meals to better integrate schools as part of the social protection system, and offer efficient school transportation to reach all students, regardless of their distance from school. Moreover, a sustainable recovery of learning losses requires the capacity to implement learning assessments and use this information to optimize decision-making on teacher allocation and define criteria for class composition, as resilience starts with better informed decisions.

15. **In the current context of decreased resources for school networks,²⁸ it is also critical to better implement federal programs at the local level.** A fundamental example is the Direct Cash to School Program (*Programa Dinheiro Direto na Escola*, PDDE), the largest federal program transferring resources directly from the Ministry of Education (MEC) to public schools. In 2019 alone, for every R\$10 transferred to public schools in the North and Northeast, only R\$6 were spent. Data from PDDE Quality (*PDDE Qualidade*) 2019, which covers numerous programs from the MEC, shows that more than R\$1.5 billion were left unspent by school principals. Federal resources are available, but little is effectively spent locally. Another example is *ProInfância*, which aims to increase the coverage of public creches in Brazil. Out of R\$12.44 billion assigned by the federal government from 2007 until 2021, municipalities were only able to spend R\$7.32 billion (or 58 percent).²⁹ However, comparing the difference in execution by region shows why the North and Northeast might face bigger challenges to recover from the crisis. From 5,098 creche constructions allowed by *ProInfância* in the South, Southeast and Center-West (R\$6.66 billion),

²⁷ (Fundação Maria Cecília Souto Vidigal, 2022) *O impacto da pandemia da Covid 19 no aprendizado e bem-estar das crianças*.

²⁸ States have tax revenues almost R\$35 billion lower in 2020 than in 2019. Federal tax revenues declined almost 7% in 2020. The city of São Paulo informed that the secretary of Education has R\$1 billion less resources after the pandemic.

²⁹ From 2007 until 2021, the *ProInfância* made available federal resources for the construction of 9,222 creches. Among those, 4,695 were concluded (50.9 percent), 1,985 were canceled (21.5 percent), 1,271 are still unfinished (13.7 percent) and 156 did not start (1.69 percent). Data from *ProInfância* can be found here: <https://app.powerbi.com/view?r=eyJrIjoiMzhkZTIiMzQtOTIhOS00ZDZiLWI2MmEtM2VkOGIwYjU0ZmNiliwidCI6ImNmODQ1NGQzLWUwMTItNGE5ZC05NWlZLTcwYmRiNmY0NTIknSJ9&pageName=ReportSection>.



3,080 were completed (60 percent) and 984 were canceled (19.3 percent). In the North and Northeast, of 4,124 creche constructions (R\$5.78 billion), only 1,615 were completed (39.1 percent) and 1,001 were canceled (24.2 percent). With lower execution rates, the North and Northeast also have the lowest coverage of creches. While the Southeast has a 36.5 percent coverage in creches for children between 0 and 3 years old, this figure is only 10.8 percent in the North and 20.5 percent.

16. **The Government of Brazil has prepared a national policy called Recovering Learning Losses from COVID-19 Pandemic in Brazil (*Educa Mais Norte e Nordeste*, EMNN) to mitigate the increasing inequality caused by the COVID-19 pandemic on the education sector, with a particular focus on the challenges in the North and Northeast regions.** The proposed Operation will institutionalize the federal government's financial and technical efforts to systematically help subnational Secretariats of Education recover from COVID-19 impacts. Its activities concentrate on the students most affected by the pandemic by targeting: (i) underprivileged students, by including schools with at least 70 percent of students receiving CCT; and (ii) the most vulnerable regions, as only municipalities located in the North and Northeast Brazil are part of the initiative. Additionally, in alignment with the national policy, the Operation will focus on two main pillars: (i) Recovery, which includes activities to mitigate school dropouts and learning losses related to the pandemic; and (ii) Resilience and Capacity Building, which aims to strengthen the capacity of local school networks to adapt responses to new challenges and implement federal programs.

Relationship to CAS/CPF

17. **The proposed project has important synergies with the Country Partnership Framework (CPF) for the Federative Republic of Brazil (Report No. 113259-BR, FY18-FY23),** which identifies promising areas for World Bank engagement weighing country priorities, government priorities, and World Bank capacity. Education is highlighted a key strategic sector in the CPF's focus area 1: "Fiscal consolidation and government effectiveness," that seeks to "promote fiscal adjustment without hurting the poor." As the activities of this Operation focus on vulnerable students in the least privileged regions in Brazil, they align with the CPF's goal of protecting the poor and vulnerable at a time of macroeconomic and fiscal instability. Similarly, by reinforcing education management systems within underprivileged municipalities in Brazil (likely the most inefficient), the project also supports the emphasis on "increasing efficiency with equity," in line with the aims of the CPF.

18. **In particular, this Operation is anchored in the CPF objective 1.3 "Increase effectiveness of service delivery in education."** Objective 1.3 stresses the importance of (i) addressing "poor quality and access gaps on education." This new operation addresses "poor quality" by introducing Student Active Search, Early Warning Systems, Personalized Tutoring, and Adaptive Learning Platforms into Brazil's most vulnerable schools. On "access gaps," it aims to increase access to creches in the North and Northeast by strengthening local teams and providing technical expertise. The operation is aligned with objective 1.3 given that it outlines that "fiscal adjustment will require refocusing on improved efficiency." As this Operation aims to help recover from COVID-19 impacts on education, its focus on "creating the human capital needed to drive productivity increase" is fully aligned with the World Bank's twin goals of eliminating extreme poverty and boosting shared prosperity.

Rationale for Bank Engagement and Choice of Financing Instrument

19. **The rationale for the World Bank's engagement in a COVID-19 response operation in Brazil is centered on four main points. First, the proposed Operation supports a solid national strategy to**



mitigate COVID-19 impacts on education with a strong equity focus. This is important because Brazil is historically known for its sharp economic and social gaps. The Operation responds to the equity challenge by considering two key criteria. First, to address the marked regional inequalities in Brazilian education – a legacy of the pre-pandemic period that has been exacerbated by the COVID-19 crisis – most of the supported activities will concentrate on schools located in the disadvantaged North and Northeast regions. This geographic concentration aims to counterbalance the expected higher COVID-19 impacts in these regions, as discussed previously. Second, several activities in the Operation concentrate on the poorest students within these disadvantaged regions. Recognizing that COVID-19 disproportionately impacts the most vulnerable students, the Operation will concentrate most activities on schools where at least 70 percent of students receive CCTs (*Bolsa Familia* Program).

20. **Second, the proposed Operation complements the ongoing Upper Secondary Reform in Brazil Program for Results (P163868), which brings positive synergies to World Bank's support.** With these two operations running simultaneously, the World Bank would be positioned as a key partner of the Brazilian government by supporting national programs in all education cycles. Because the upper secondary reform introduces flexible curriculums and aims to link upper secondary schools to the labor markets, many activities included in the Upper Secondary Program for Results (PforR) also help to reduce COVID-19 impacts on education. An additional comparative advantage of the World Bank's engagement in this Operation is the familiarity of the Ministry of Education with the PforR instrument and the necessary requirements and procedures associated with a World Bank Operation of this type. Since the proposed Operation has the same hybrid structure as the Upper Secondary Reform operation (Program for Results with an Investment Project Financing technical assistance component), government counterparts and the Project Implementation Unit (PIU) are knowledgeable about World Bank's procedures, thereby reducing the risk of a steep learning curve and concomitant delays.

21. **Third, the World Bank's engagement helps bring sustainability to the program by providing technical, knowledge, and financial support to the Brazilian Government.** The World Bank has been supporting the Ministry of Education to design the activities of the proposed Operation since their inception. Its technical support through analytical studies, sharing good policies/practices, and identifying implementation capacity requirements has been critical to its design and will help support its sustainability. Additionally, the Government's program (and hence, the proposed Operation) involves a set of interconnected policies designed to address the multiple education outcomes affected by COVID-19. In a scenario of political instability and fiscal uncertainties due to COVID-19 pandemic, the World Bank's engagement is key to help the continuity of the proposed activities.

22. **Fourth, there are clear advantages to using a PforR combined with an Investment Project Financing (IPF) based on the supported interconnected policies, the focus on education outcomes, and fiduciary considerations.** Combining a PforR with an IPF is the most suitable option for this Operation because it combines support to a focused governmental program (*Educa Mais Norte e Nordeste*, EMNN) to recover education outcomes with a strong technical assistance package to build resilience of local management. Moreover, this hybrid instrument is best suited for the inherent focus of EMNN on outcomes; for example, every year, the program rewards 10,000 schools that presented the highest reduction in learning poverty and school dropout rates with R\$5,000. Another advantage of using the PforR instrument in this context is its fiduciary flexibility in cases where the institutional arrangements include several implementing institutions (see Annex 2), while the IPF component can reinforce quality of implementation.



C. Program Development Objective (PDO) and PDO Level Results Indicators

Program Development Objective(s)

23. The Program Development Objective is to support local governments in the North and Northeast regions of Brazil to: (i) recover from learning losses and school dropouts related to the COVID-19 pandemic, and (ii) strengthen education management in preschool, primary and lower secondary schools.

PDO Level Results Indicators

24. The expected PDO Indicators for the operation are:
- i. **Recovery from School Dropouts.** Percentage of students enrolled in primary and lower secondary schools in North and Northeast Brazil (disaggregated by gender).
 - ii. **Recovery from Learning Losses, Offline.** Percentage of students above the proficiency level two in Portuguese in eligible³⁰ lower secondary schools in North and Northeast Brazil (disaggregated by gender).
 - iii. **Recovery from Learning Losses, Offline.** Percentage of students above the proficiency level two in mathematics in eligible lower secondary schools in North and Northeast Brazil (disaggregated by gender).
 - iv. **Recovery from Learning Losses, Offline.** Percentage of ECE students in the north and northeast Brazil enrolled in preschools implementing the COVID-19 response program.
 - v. **Recovery from Learning Losses, Online.** Percentage of eligible lower secondary schools in the north and northeast Brazil with internet connectivity.
 - vi. **Strengthening Education Management.** Number of municipalities in North and Northeast Brazil implementing at least two education management information systems

D. Program Description

PforR Program Boundary

25. **The highest priority for the Ministry of Education of Brazil during the coming years is to recover sustainably from the learning losses generated by the COVID-19 pandemic.** For this reason, the EMNN program was formulated to establish a benchmark for recovering from learning losses and strengthening local resilience to overcome the ongoing and upcoming barriers to improve education. Its objectives are to: (i) promote equity by supporting the most vulnerable regions and schools in Brazil; (ii) increase the proportion of students with adequate learning; (iii) increase the proportion of students enrolled in primary and lower secondary education; (iv) strengthen the capacity of school networks to be resilient in terms of overcoming similar crises in the future; and (v) increase the efficiency of education spending.

26. **The proposed Operation aims to support the EMNN program, a systematic approach to COVID-19 recovery addressing multiple education outcomes with a set of inter-connected policies.** The program has two main pillars: Recovery, which focuses on learning losses and school dropout rates caused by the COVID-19 pandemic in primary and lower secondary education; and (ii) Resilience, which strengthens the management capacity of subnational governments to cope with the crisis. Under the

³⁰ According to Brasil na Escola program, a school is eligible when at least 70 percent of its students are receiving *Bolsa Família*.



second pillar, the Ministry of Education is undertaking a series of actions in collaboration with states and municipalities to address the low institutional and technical capacity of local Secretariats of Education to implement a systematic COVID-19 response in the sector. For most of the activities, the Ministry of Education transfers funds of the national programs, via its subsidiary institution called the National Fund for Education Development (*Fundo Nacional de Desenvolvimento da Educação*, FNDE),³¹ directly to public schools to implement the learning recovery policies, with each transfer conditional on monitoring rules and agreed targets. The Operation has been designed as a sequence of interlinked policies, where each component is self-contained while at the same time being part of a coherent strategy.

27. **Component 1 (PforR): Recovery.** Component 1 aims to recover from the increased school dropouts and learning losses caused by the COVID-19 pandemic. The core focus is on implementing recovery strategies in primary and lower secondary schools located in the most vulnerable regions in Brazil. The component will tackle the implementation challenges, typical of federal countries like Brazil, by transitioning from an uncoordinated myriad of programs, where states and municipalities have distinct implementation capacities, to a national, systematic, and flexible approach.

- i. **Results Area 1: Recovery from School Dropouts.** The first step after schools reopen is to ensure that students return to school and remain enrolled. Component 1 aims to achieve this objective by supporting three interlinked policies to address school dropouts: (i) the Student Active Search Program, which uses a centralized platform and a cellphone app to guide community agents in their active search for students that did not enroll in schools; (ii) the School Dropout Call Center (*Disque 100 Brasil Na Escola*), if students who dropped out are not found by Student Active Search agents, the *Disque 100 Brasil na Escola* hotline will be available for community members to inform local authorities of the location of a student that is supposed to be in school; and (iii) an Early Warning System (*Sistema de Alerta Preventivo*, SAP), given that vulnerable students are still at risk of dropping out once they are back in school, the Operation supports an Early Warning System to proactively identify students at high risk of dropping out and prevent their dropout by offering personalized interventions while they are still in school. These activities will also be flexible to address the likely increase in the gender gap in school dropout rates by designing specific tools for girls at high risk of dropping out.
- ii. **Results Area 2: Recovering from Learning Losses – Offline.** Once students return to schools, recovering the learning losses caused by the pandemic is of utmost importance. In this context, the EMNN program implements two “offline” and complementary strategies: (i) Personalized Tutoring (*Acompanhamento Personalizado da Aprendizagem*, APA), an approach that aligns the instruction of teachers with student learning needs by grouping students with similar learning difficulties and providing teaching at the right level; and (ii) Socioemotional Discussion Groups (*Semeando Inteligências Socioemocionais*, SIS), which promotes structured discussion groups in school and undertakes group activities to foster socioemotional skills based on Cognitive Behavioral Therapy (CBT). In addition, the Operation will support the elaboration of a COVID-19 response on ECE given the specific vulnerabilities of this age group. The proposed activities would be to: (i) develop and implement a national monitoring and evaluation (M&E) system of the quality of ECE service delivery based on the Measuring Early Learning and Quality Outcomes (MELQO) assessment; (ii) support teacher training strategies for the implementation of the

³¹ FNDE is responsible for executing most actions and programs in Basic Education in Brazil. From school meals to school transportation, FNDE manages the financial aspects of Ministry of Education programs.



National Core Curriculum for ECE; and (iii) strengthen the management of ECE centers to cope with COVID-19 impacts. These strategies are called “offline” because they require students to be physically in school.

- iii. **Results Area 3: Recovering from Learning Losses – Online.** Learning losses can also be recovered through “online” or hybrid activities (combining online and face-to-face learning). The proposed Operation aims to support the EMNN program in three inter-linked policies related to connectivity and hybrid learning. The first step is to ensure that schools in the North and Northeast have proper connectivity. The Connected Education Innovation Program (*Programa Inovação Educação Conectada*, PIEC) is a national strategy focusing on expanding internet coverage in schools. This program offers resources and technical assistance to primary and lower secondary schools across Brazil that are planning to implement, or expand, internet connectivity. The Operation will support PIEC’s interventions in the North and Northeast. Second, after schools get connectivity, students need to access the internet and use it for learning. The national congress passed a legislation in 2020 that allocates R\$3.5 billion to the Ministry of Education for transfers to municipalities and states for the acquisition of SIM cards and tablets for students, teachers, and schools. The Operation will support the definition of standards for devices and the development of a Device Management System and a Disposal Management strategy to help implement this legislation. Third, after schools are connected and students have access to internet, the Operation will support PIEC to provide Adaptive Learning Platforms, and other solutions, to recover from learning losses during the academic year.

28. **There are eight proposed Disbursement-Linked Indicators (DLIs) for this Operation.** Their content, timetable, scalability, and amounts would be drawn from the Results Chain (see Table 1). The preliminary proposed DLIs would be:

- i. DLI 1: Number of municipalities adhering to Student Active Search or *Disque 100*.
- ii. DLI 2: Percentage of eligible schools in the North and Northeast with Early Warning Systems.
- iii. DLI 3: Percentage of eligible schools in the North and Northeast with Personalized Tutoring.
- iv. DLI 4: Number of ECE centers in the North and Northeast adhering to the COVID-19 response program.
- v. DLI 5: Percentage of schools in the North and Northeast Brazil with internet connectivity.
- vi. DLI 6: Number of schools in the North and Northeast Brazil with Adaptive Learning Platforms.
- vii. DLI 7: Number of municipalities in the North and Northeast Brazil using at least two EMIS.
- viii. DLI 8: Number of States in the North and Northeast Brazil with Decentralized teams.

29. **Component 2 (IPF): Resilience and Capacity Building.** This component aims to strengthen the resilience and capacity of local school networks to design policy responses, implement federal policies, and counterbalance the impacts of the ongoing and upcoming crises. This Component includes:

- i. **Subcomponent 2.1: Education Management Information System (EMIS) and Platforms.** Because vulnerable municipalities have limited technical capacity and scale to develop their own systems, the Operation will support the development of education management systems and platforms to enhance their local capacity to respond to crises, including:



- a. **Student Enrollment System (SES).** This system will simplify school (re)enrollment processes with online and offline tools and optimize the criteria for classes composition.
 - b. **Teacher Assignment System (TAS).** This system will automate and digitize teacher assignment in the school network.
 - c. **School Attendance System (SAS).** The SAS will digitize the registration of student attendance and automatize control of teacher absenteeism.
 - d. **School-Meal Management System (SMMS).** The SMMS will generate reliable data on the daily consumption and automated verification of food expenditures.
 - e. **School-Transport Management System (STMS).** The STMS allows municipalities to manage multiple contracts and optimize the routes for student's transportation.
 - f. **Student Active Search Platform.** Update the existing platform used by the Student Active Search program. The platform is used by local authorities to address school dropouts in their municipality and coordinate community agents.
 - g. **Student Active Search App.** This app guides community agents on their search for students that did not return to school by providing information and sending alerts.
 - h. **Adaptive Learning Platforms in Portuguese and Mathematics.** Adaptive learning platforms to be used by schools inside the classroom to personalize pedagogical activities.
- ii. **Subcomponent 2.2: Capacity Building and State Observatory on School Dropouts.** The Operation will support capacity building activities and the selection of technical teams to support the management and implementation of key Ministry of Education programs for COVID-19 recovery. Specifically, these teams will work with municipalities from North and Northeast Brazil on the management of *ProInfância* and *Plano de Ações Articuladas (PAR4)*³² by undertaking viability studies, supporting the detailed design of application forms, monitoring creche construction and execution, providing information, and training local staff to undertake projects offered by *ProInfância* and PAR. While this Component will support the monitoring of creche construction, the Operation does not include funding for the construction of creches per se.

The preliminary team structure is organized in the following three levels:

- a. **Local Teams:** 16 decentralized teams in each state in the North and Northeast.
- b. **Regional Coordinators:** 3-4 regional coordinators centralized in the Ministry of Education.
- c. **Supervisor:** 1 professional in the PIU to supervise the regional coordinators.

The Operation will also support the implementation of state observatories on school dropouts. Decentralized teams at the state level will be formed by three coordinators: one for the Student Active Search program, another for *Disque 100 Brasil na Escola*, and one for the Early Warning System. The state observatory is a team responsible for coordinating different institutions working on the COVID-19 response to reduce school dropout.

- iii. **Subcomponent 2.3: Knowledge and Communication.** This subcomponent will support consultancies and studies that augment the quality of COVID-19 programs undertaken by the Ministry of Education. On Results Area 1, these activities will include: the development of protocols for, inter alia, the Student Active Search program, a longitudinal study on the reasons for dropping out, a menu of school policies to reduce school dropouts, and training. On Results

³² The *Plano de Ações Articuladas (PAR)* is multi-annual and multidimensional strategic plan that aligns the efforts and actions of the Ministry of Education, State and Municipal Departments into a list of objectives.



Area 2, they will include: structured materials for personalized teaching and training for monitors. On Results Area 3, they will include: a market study on structure and connectivity, mapping the market solutions in education, generating interoperability in the systems of the Ministry of Education, ensuring data privacy, sustainable and inclusive creche models, and promoting communication campaigns to facilitate implementation.

30. **Estimated government expenditures on the COVID-19 response include US\$1.214 billion over five years, of which the Bank Operation will finance approximately 20.5 percent (US\$250 million).** Component 1 is a PforR financing in the amount of US\$200 million to support the government program with a budget of US\$ 1164 billion through fiscal transfers to states, municipalities, and schools. The World Bank will finance in component 1 17 percent. Component 2 is an IPF in the amount of US\$50 million to develop technical assistance to strengthen the Program’s implementation and the World Bank will finance 100 percent.

E. Initial Environmental and Social Screening

31. **The initial screening of the activities in the Results Areas supported by the PforR component according to the ten exclusion criteria and the four risk criteria shows that no activity is likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people and, consequently, no activity is ineligible for financing and shall be excluded from the Operation, regardless of the Borrower’s capacity to manage such effects.** The activities were evaluated with regards to ten exclusionary principles. The risk level of the Program is moderate, as: (i) the likely environmental and social impacts are expected to be small in scale and low in magnitude, site-specific, predictable, temporary and reversible with low probability of serious adverse effects to human health and/or the environment; (ii) the main contextual risks are related with the large territorial area of intervention, the varied institutional capacity of the municipalities in the North and Northeast region and the unequal access to information technologies; (iii) the main risk related with institutional complexity and borrower implementation capacity and track record refers to the large number of municipal and state governments (and their distinct institutional capacity) that would benefit from the activities; and (iv) the reputational and political risks are low as the activities are intrinsically associated with the goals set in the 2014/2024 National Education Plan.

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 of the IPF Component