



# Appraisal Environmental and Social Review Summary

## Appraisal Stage

### **(ESRS Appraisal Stage)**

Date Prepared/Updated: 04/29/2020 | Report No: ESRSA00772



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Bolivia	LATIN AMERICA AND CARIBBEAN	P173984	
Project Name	Bolivia Covid-19 Crisis Emergency Social Safety Nets		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Protection & Jobs	Investment Project Financing	4/28/2020	5/14/2020
Borrower(s)	Implementing Agency(ies)		
Ministerio de Planificacion, VIPFE	Ministerio de Economia e Finanzas Publicas		

Proposed Development Objective(s)

To provide temporary economic support to poor and vulnerable households impacted by the COVID-19 pandemic

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>254.30</b>

**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

Yes

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

The project will finance cash transfers to mitigate the loss of household labor income due to closure of firms and enterprises, informal sector businesses, as well as depressed product market demand. The borrower would like the IPF to cover retroactively part of the costs of the two safety net programs Bono Familia and Canasta Basica, including the service contract to the e-payment platform, and a forthcoming benefit to close remaining gaps in coverage of the poor and vulnerable (Bono Universal). The entity coordinating the project is the Ministry of Economy and Finance. The executing agencies include the four entities that are currently in charge of distributing social safety nets in Bolivia (Discapacidad, Juancito Pinto, Renta Dignidad, Juana Azurduy).



#### D. Environmental and Social Overview

D.1. Project location(s) and salient characteristics relevant to the ES assessment [geographic, environmental, social] Geographically the coverage of the program is national. The project will implement emergency cash transfers to two groups: (i) the existing beneficiaries of the five long-standing social safety nets in Bolivia: Renta Dignidad (RD), Bono Juancito Pinto (BJP), Bono Juana Azurduy de Padilla (BJAP), Bono de Discapacidad (BD) and Bono de Ciegos (BC), and (ii) households that were not part of the existing social safety net system but who are likely to have been impacted by the Covid-19 shock because their adult members were working informally or were self-employed or became unemployed. The project will support the response of the Government of Bolivia (GoB) to mitigate the economic consequences of the coronavirus disease (COVID-19) on the population, particularly the poor and vulnerable through three components and two subcomponents

- Component 1: Emergency cash transfer to vulnerable households. This Component has two subcomponents: Emergency cash transfer to vulnerable households with children enrolled in schools (Subcomponent 1.1), and Emergency cash transfer to vulnerable households with pregnant women, children below 2 years old, disabled and elderly (Subcomponent 1.2). This Component aims to address significant negative externalities due the COVID-19 crisis and would partially reimburse the total cost of the BF and BCF programs.
- Component 2: Support the transitory expansion of the safety net to informal workers. This Component would partially reimburse the total cost of the BU program
- Component 3: Support the payment system of cash transfers during the COVID-19 emergency. This Component would finance the transfer fee for the payments of BF, BCF and BU. To extent the payment points, the GoB has decided to use a private payment platform called SINTESIS to BF, BCF and BU through bank tellers in more than 65 financial and commercial institutions and more than 1700 payment sites throughout the country.

The three programs (BF, BCF and BU) are expected to reach 3.3 million households and 11.1 million people living in them (comprising both direct recipients and indirect beneficiaries, who are other household members), or 97.9 percent of the population. First, Bono Familia (BF), is expected to cover 65.3 percent of the population with higher coverage among the poor and lower income quintiles (around 76 percent). Second, Bono Canasta Familiar (BCF) is expected to cover 23.9 percent of the population, mostly reaching the elderly by design (86.2 percent of the population 65 years or older), but also the pregnant women, mothers of children below 2 years old and disables that access to subsidies. Finally, Bono Universal (BU) will cover 46.5 percent of the population. Although it is expected to cover an important share of the bottom 40 (35.2 percent), closing the coverage gap of the other two programs, it is also expected that covers 54.3 and 57.3 percent of the 4th and 5th quintiles of the income distribution, respectively. In summary, the three programs are expected to cover all the poor population, 98.3 percent self-identifies as indigenous population and almost all the workers that may be affected by the economic downturn (99.1 percent of the informal self-employed and small-firm workers in industry and services. In Bolivia 78% of the economy is informal).

#### D. 2. Borrower's Institutional Capacity

The Ministry of Finance (MoF), through a Project Coordination Unit (PCU) and in coordination with other areas of the MoF, will have the responsibility for all the administrative and financial management tasks of the project, including monitoring and the execution of the Stakeholder Engagement Plan (SEP). The MoF's Communication Unit (CU), will be in charge of implementing the Stakeholder Engagement Plan (SEP) and monitoring and reporting of the Grievance Redress Mechanism (GRM), both included in SEP. The CU/ Social Specialist will ensure that social inclusion and intercultural approaches are embedded in all project activities in order to ensure that most vulnerable groups



(including indigenous minorities located in distant communities) will be benefited from the project. The CU will report regularly PCU about the implementation of the communication strategy and GRM.

Given MoF’s PCU and CU have no previous experience in implementing World Bank-financed projects neither ESF, close supervision will be implemented to ensure adequate implementation. Training on stakeholder’s engagement and GRM will be given by the WB as soon as the project is effective.

The BJP, under the responsibility of the Ministry of Education (MoE), covers students of primary and secondary public schools. The annual transfer is conditional to enrollment and school assistance. BJP had an important impact specially on indigenous students reducing school dropout and child labor, especially in the rural and peri urban areas. The BJP enrollment process and the delivery of education is culturally appropriate in the country.

The BJA, implemented by the Ministry of Health (MoH), covers pregnant women and mothers of children under two years old without health insurance. BJA has national coverage, including rural and distant communities. Health services in charge of pregnant women and child health checkups include multilingual health workers and indigenous birth procedures, following the directives of the Vice Ministry of Intercultural and Traditional Medicine.

RD, implemented by Gestora de Pensiones (GESTORA), is a social pension fund for population aged 60 years and above. The program covers almost all the elderly population in the country.

The BC covers with a monthly transfer the visually impaired people, and BD provides the same benefit to people with disabilities. Both programs are implemented by the MoH.

The five programs benefit indigenous people and highly vulnerable sectors of Bolivian society. Each one of these Bonos has been implemented for more than one decade. Each one has a digital platform of information and provides information by mass medias. GRM channels are available through different channels, including schools, health centers, education centers, points of payment and registration offices. Telephone lines and dedicated website are also available.

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## II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

### A. Environmental and Social Risk Classification (ESRC)

Moderate

#### Environmental Risk Rating

Low

Environmental risk is considered Low. The activities supported by the Program are not expected to have any negative environmental impacts. No rehabilitation or construction of infrastructure or other actions having an impact on the environment will be financed through the project. The Project will be implemented at the national level over a heterogeneous geographical area. However, large crowds during the cash collection at financial entities pose a risk of getting infected with COVID 19 if not properly managed. Considering this risk, the project will mainstream attention to occupational and community health and safety by building on good industry international practice (especially WHO), and ensure that points of payments are located countrywide through any bank, and in addition by phasing payment days over weeks according to the recipient’s ID number to reduce the risk of large gatherings in any one



point of payment at the same time. Communications about payments and signage around payment points will also be used to reinforce social distancing and other behavior that supports prevention.

**Social Risk Rating**

Moderate

The social risks is considered Moderate. Main social risk of the project relates to potential tensions originating from a lack of clarity or misunderstanding regarding the eligibility criteria to receive the benefit. A draft Stakeholder Engagement Plan (SEP) that incorporates a stakeholder mapping and a communication strategy are in place to guide the interactions with the wide range of beneficiaries (including the most vulnerable among them) and ensure that a Grievance Redress Mechanism (GRM) is in place for addressing concerns and grievances during the project execution. The GRM of the project will function under the existing GRM structures belonging to the BJAP, BJP, RD, BD and BC. An interculturality approach (culturally pertinent to the diversity of cultures in the Plurinational State of Bolivia) will be applied both to the communication strategy and the GRM to ensure that the information and the social accountability will include indigenous beneficiaries. Training on GRM and Stakeholder Engagement will be provided to the MoF's Communication Team .The Project will not involve resettlement or land acquisition.

**B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered**

**B.1. General Assessment**

**ESS1 Assessment and Management of Environmental and Social Risks and Impacts**

**Overview of the relevance of the Standard for the Project:**

This standard is relevant. The Project has been designed under para. 12 of OP10. The Project is going to be implemented mainly using existing social safety nets programs and procedures that have been in place for over a decade. These social safety nets integrate a number of conditional cash transfers programs in the health and education sectors. Using this existing platforms will ensure a clear and transparent delivery system and safe access to all target groups and beneficiaries. Considering that the Bank is planning to support and expand these programs to mitigate the impacts of the Covid-19 pandemic, the Project's technical design has been informed by a social and economic assessment based on the latest household survey from 2018, extrapolating its result for 2020. This analysis ensures inclusion of vast majority of vulnerable and disadvantages populations such as indigenous populations reaching more than 90% of the total population in the country. The household survey and assessments includes an economic analysis was to define program's eligibility criteria, coverage and targeting by different population groups, including variables such as age, gender, ethnic background, regions and poverty levels which all combined will reach more than 90% of the population in the country. Economic Analysis includes a mapping of coverage of the existing safety nets, and potential coverage of the three additional bonos. The analysis also estimated different scenarios of income losses at the household level due to the COVID-19 crisis based on the employment profile of the earners, and then estimated by how much would the intervention mitigate poverty risk. In this context, two of the main risks of the Project are related to access to information to ensure an effective delivery system and safe access by beneficiaries. To mitigate these risks, the analysis and Project's design were developed with the MoF, the Ministry of Planning (UDAPE), and the line ministries in charge of each Bono taking into consideration lessons learned and experience from the current safety net programs particularly the need to inform properly about eligibility criteria and developed a strategic information and communication campaign to reach beneficiaries. For this reason, the Project will use the current social safety net programs delivery system called SINTESIS that assure payments through bank tellers in 85% of the financial institutions in the country. The team organized five virtual workshops with the authorities to progressively present the situation analysis, different scenarios, and their impacts. The analysis also

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served the purpose of informing the stakeholder engagement strategy to proper communication to specific groups, as shown in the SEP. To ensure a safe access by beneficiaries, the GOP will follow WHO guidelines for social distancing and a proactive community outreach when delivering cash transfers and also expanding the use of bank accounts all over the country. This information serves as the Social Assessment of the Project and will be synthesized and disclosed within 30 days after effectiveness.

### **ESS10 Stakeholder Engagement and Information Disclosure**

This standard is relevant. Given the nature of the Project, the different target groups and the number of beneficiaries to reach all over the country, a robust Stakeholder Engagement Plan has been developed. The Borrower has prepared a preliminary Stakeholder Engagement Plan (SEP) that will accompany the project’s implementation, including different mechanisms inform and reach different target groups and following the World Bank’s guidelines described in the Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings, March 20, 2020. The SEP will be updated within 30 days of Project effectiveness. The SEP was prepared in consultation with relevant government entities involved in the Project using already existing communication channels with different beneficiaries groups from former safety nets programs in the country. The SEP includes a grievance redress mechanism (GRM) based on the existing mechanisms of the BJA, BJP, RD, BD and BC. The SEP includes different mechanism to ensure the information and the GRM is accessible to indigenous people and other vulnerable or marginalized people. Anonymous grievance will be also collected and attended. Guidance to address consultations under the COVID-19 constraints are referred in the SEP to refer issues related to the SEP, GRM and LMP.

### **B.2. Specific Risks and Impacts**

**A brief description of the potential environmental and social risks and impacts relevant to the Project.**

#### **ESS2 Labor and Working Conditions**

This standard is relevant. The GoB through the dispositions of the ‘Autoridad de Supervisión del Sistema Financiero’ (ASFI), CIRCULAR LETTER/ASFI/DNP/CC-2521/20202, will ensure that Commercial Banks' workers have access to protection and sanitation devices such as face masks and alcohol gel. It is important to note that the project does not foresee hiring any direct workers, the PCU consists of accredited civil servants working in MoF and all administrative and delivery functions of the cash transfers will be conducted by civil servants in the designated implementing agencies.

Labor management procedures (LMP) will be developed within 30 days of project effectiveness that will detail the aspects of ESS2 that apply to civil servants (especially OHS, like the use of PPE for workers will be described as well as social distancing norms at distribution centers following WHO’s guidelines ) that will apply in case any direct or contracted workers (hired through a third party) are hired, and will include a GRM specifically for project workers to raise any issues. Neither child labor nor forced labor will be supported under this Project.

#### **ESS3 Resource Efficiency and Pollution Prevention and Management**



None

**ESS4 Community Health and Safety**

The Project will mainly use the payment platform existing for the long-standing social safety net programs called SINTESIS that assure the payments through bank tellers in 85% of the financial institutions in the country. Measures in place to prevent or minimize the spread of COVID-19 will be implemented. These include measures to reduce large lines and crowds by, for example, phasing the payment day across weeks, allowing payment only on a specific day of the week based on the last digit of the recipient’s ID, and by increasing by almost 40% the number of financial institutions involved in the normal payment of safety nets programs to reduce crowding. This will be communicated widely to the public through the SEP and as part of project design. The SEP also considers messaging to reinforce preventive behavior, specific issues for IPs, and messaging on GBV and SEA-SH. Military forces will not be employed in this program.

**ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

None

**ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

None

**ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

This standard is relevant. About 48 percent of Bolivia’s population comprises Indigenous Peoples (5.58 million). The Project will deliver benefits to indigenous peoples living in the Amazonia, Chiquitania, Oriente- Llanos, Tropicó, Valles, Altiplano and Chaco eco regions where indigenous communities are located. It is important to note that the household survey analysis reveals that indigenous people are no less likely than the poor and vulnerable to receive any of the existing social safety net programs. 79% of the self-declared indigenous already live in a social safety net recipient household, including 88% of those who are indigenous and poor. And the simulations produced based on the Household Survey 2018 projected to 2020 indicate that after the implementation of Bono Universal the coverage rate of indigenous should increase to 98%. Since this Project will cover most of IP populations in the country and most substantive issues already covered in the social-technical analysis conducted, the team does not see the need to integrate this information into an IPPF or IPP. IPs are well integrated in the eligibility criteria and the SEP will ensure that language, literacy and cultural adaptation are included in Communication Strategy of the SEP and the GRM processes.

**ESS8 Cultural Heritage**

None

**ESS9 Financial Intermediaries**

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None

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways**

No

**OP 7.60 Projects in Disputed Areas**

No

**III. BORROWER’S ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN (ESCP)**

DELIVERABLES against MEASURES AND ACTIONs IDENTIFIED	TIMELINE
<b>ESS 1 Assessment and Management of Environmental and Social Risks and Impacts</b>	
The team undertook a social analysis (SA) based on the household survey (2018), and extrapolated the results for 2020. The SA includes: gender, age, region, membership to an indigenous group, as well as poor, vulnerable, informal categories. The SA was developed with the MoF and UDAPE. This information that serves as the Social Assessment will be published within 30 days of effectiveness.	05/2020
None	
None	
<b>ESS 10 Stakeholder Engagement and Information Disclosure</b>	
The Borrower has prepared a preliminary Stakeholder Engagement Plan (SEP) that will accompany the project’s implementation. This will be updated within 30 days of Project effectiveness. The SEP includes provisions to address needed adjustments for IP	05/2020
Accessible grievance arrangements shall be made publicly available to receive and facilitate resolution of concerns and grievances in relation to the Project, consistent with ESS10, in a manner acceptable to the Bank.	05/2020
<b>ESS 2 Labor and Working Conditions</b>	
The LMP will detail the aspects of ESS2 that apply to civil servants, -especially (OHS)-, and the working conditions (from OHS issues, while paying the bonos) that will apply in case any direct or contracted workers. LMP will include its own GRM.	05/2020
<b>ESS 3 Resource Efficiency and Pollution Prevention and Management</b>	
N/A. This Standard is not currently relevant for the Project.	
<b>ESS 4 Community Health and Safety</b>	

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Measures implemented by the GoB and financial institutions will be in place since the beginning of the project. These include social distancing strategies, personal protective equipment. This is accompanied by a communication plan included in the SEP	05/2020
The SEP that also considers messaging to reinforce preventive behavior, specific issues for IPs, and messaging on SEA-SH.	05/2020
<b>ESS 5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement</b>	
N/A. This Standard is not currently relevant for the Project.	
<b>ESS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources</b>	
N/A. This Standard is not currently relevant for the Project.	
<b>ESS 7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities</b>	
Relevant information regarding the bonos and the GRM will be accessible to indigenous people and indigenous organizations to ensure access to the benefits of the project through these instances.	05/2020
<b>ESS 8 Cultural Heritage</b>	
N/A. This Standard is not currently relevant for the Project.	
<b>ESS 9 Financial Intermediaries</b>	
N/A. This Standard is not currently relevant for the Project.	

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**B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts**

**Is this project being prepared for use of Borrower Framework?** No

**Areas where “Use of Borrower Framework” is being considered:**

None

**IV. CONTACT POINTS**

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**Borrower/Client/Recipient**

Borrower: Ministerio de Planificacion, VIPFE

**Implementing Agency(ies)**

Implementing Agency: Ministerio de Economia e Finanzas Publicas

**V. FOR MORE INFORMATION CONTACT**

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**VI. APPROVAL**

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Practice Manager (ENR/Social) Valerie Hickey Cleared on 28-Apr-2020 at 09:53:49 EDT