



# Concept Environmental and Social Review Summary

## Concept Stage

### **(ESRS Concept Stage)**

Date Prepared/Updated: 06/30/2020 | Report No: ESRSC01475



## BASIC INFORMATION

### A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Brazil	LATIN AMERICA AND CARIBBEAN	P174197	
Project Name	Income Support for Vulnerable Groups affected by COVID-19 in Brazil		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Protection & Jobs	Investment Project Financing	8/3/2020	9/29/2020
Borrower(s)	Implementing Agency(ies)		
Federative Republic of Brazil	Secretariat of Citizenship Income, Ministry of Citizenship, Subsecretariat of Labor, Ministry of Economy		

### Proposed Development Objective(s)

The objective of the Project is to reduce the impact of job and livelihood losses associated with COVID-19 on (i) welfare and (ii) the risk of damaging human capital.

Financing (in USD Million)	Amount
Total Project Cost	1000.00

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

No

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

The project seeks to support to Government of Brazil in its response to the COVID-19 crisis. It will finance the scaling-up of two existing social protection programs – Bolsa Familia (BF) and Seguro Desemprego (SD) – to allow meeting the increased demand resulting from the crisis.



In March 2020 the GoB included 1.2 million families in the conditional cash transfer program BF, which will continue to be an important pillar to support income and human capital accumulation in poor and extreme poor beneficiary households during the COVID-19 crisis. The project will co-finance the program expansion for nine months.

In addition, the project will support the expansion of Seguro Desemprego, the unemployment insurance program for formal wage employees, by co-financing benefits for the growing number of low-wage workers who lost their job since the inception of the crisis.

#### **D. Environmental and Social Overview**

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The Project will be implemented at the national level – covering the 26 states and the Federal District – as the COVID-19 pandemic has spread all over the country.

Potential social risks and impacts related to this proposed project are analyzed under the ESS1 and other relevant ESSs, including ESS7 and ESS10, and are consistent with the information of the Sectoral and Institutional Context of the Project of the PAD. This analysis defines program's eligibility criteria, current number of beneficiaries, average benefit, targeting by different population groups, and poverty levels.

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

The Project counterpart is the Ministry of Economy (MoE), with the Secretaria Executiva (SE) as coordinating agency and the Sub-Secretaria de Trabalho (SST) as implementing agency of the Seguro Desemprego Program. The Secretaria Nacional de Renda de Cidadania (SENARC) of the Ministry of Citizenship (MoC) will implement Bolsa Familia and provide the financial execution information to the MoE. The National Treasury Secretariat, of the ME, will manage the financial resources and control the flow of funds.

SENARC will carry out the execution of Bolsa Familia, while the Special Secretariat for Social Security and Labor (SSSL) will be responsible for the execution of the Seguro Desemprego and for the coordination of the implementation, monitoring and valuation of actions under the responsibility of its bodies, as well as being responsible for coordination with the Secretaria Nacional de Renda de Cidadania (SENARC) of the Ministry of Citizenship, regarding expenses to be carried out by this agency.

The National Treasury Secretariat, of the ME, will manage the financial resources and control the flow of funds.

This will be the first Environmental and Social Framework (ESF) Project to be implemented by the coordinating and implementing agencies, but given the risk classification of low, no further E&S action is needed, and the existing Program authorities can manage the improvements to stakeholder engagement as laid out under ESS10, with capacity building from World Bank teams.

Monitoring and capacity building activities of the ESF will be defined before Project's appraisal.



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

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

Low

#### Environmental Risk Rating

Low

Environmental risk is considered Low. The Project aims to provide financial support for two existing cash transfer Programs implemented by the Brazilian Government, the Bolsa Familia Program and the Seguro Desemprego, (unemployment insurance) Program. The Project does not include any type of construction work or services that could cause direct or indirect adverse environmental impacts. The activities funded by the Project do not have environmental implications going forward.

Both Programs have national coverage and the payments are done by the state-owned bank, Caixa Econômica Federal - Caixa, using different means that reduce exposure to COVID-19. Caixa's nationwide structure and payment procedures reduce, significantly, the problems of crowding at bank branches and potential risks to community health and safety. Additionally, Caixa adopted specific procedures to reduce health risks to the community due to the COVID-19, as disclosed at <https://caixanoticias.caixa.gov.br/noticia/20570/nota-da-caixa-acoes-de-prevencao-ao-coronavirus-e-informacoes-sobre-o-atendimento-ao-publico>.

The Bolsa Familia beneficiaries receive the payments through a debit card (cartão bolsa familia) that are loaded automatically and can be used for cash withdraws and shopping, as a common debit card. The Bolsa Familia payments are done at 10 different dates along the month, aiming to avoid crowding in the Caixa branches, as detailed in the payment calendars disclosed by Caixa, <http://www.caixa.gov.br/Programas-sociais/bolsa-familia/paginas/default.aspx>. Beneficiaries can also register and receive the payments of Bolsa Familia in any of the more than 6,000 post offices (Correios) or in any of the more than 14,000 lottery agencies. The beneficiaries of Seguro Desemprego also receive payments through Caixa that can be deposited in the beneficiary's savings account at Caixa or withdrawn. The Project will give special attention to occupational and community health and safety aspects related to both Programs, considering good industry international practices and COVID-19 applicable guidances.

#### Social Risk Rating

Low

Social risk is rated low. The potentially adverse risks and impacts on human populations of Project's activities of cash transfer to mitigate the economic losses in poor and vulnerable households caused by the COVID-19 crisis through two long-dated and well-established social protection Programs of Brazil (Bolsa Familia and Seguro Desemprego) are likely to be minimal or negligible. The Project will not entail any land acquisition, resettlement, or associated livelihood impacts. Furthermore, the Project will not affect the management of natural resources or land areas upon which individuals or communities rely.

Two social issues that may be strengthened through the Project are related to: (i) access to information to ensure an effective Project's benefits delivery system to most vulnerable peoples consistent with the World Bank Directive on



Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals, and (ii) safe access of Project beneficiaries to register and receive their payment benefits. Project's objectives also tackle social risks because of its support to long standing and systematic provisions on reaching the most disadvantaged and vulnerable peoples as follows:

(i) Project's targeted beneficiaries are (i) eligible low-wage formal workers who are dismissed (for SD), and extremely poor and poor cohorts of the population (for BF) that include the most disadvantaged and vulnerable social groups. Both Programs have tools, procedures and processes for reaching out vulnerable groups with gender-sensitive and inclusion lenses that are consistent with the principle of non-discrimination toward project-affected individuals or communities enshrined in the World Bank Environmental and Social Framework and the Directive on Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups.

Relevant social inclusion features including patterns of social exclusion based on racial, gender, ethnic, linguistic, religious or discrimination basis have been discussed for years among the Borrower and affected people and social movements to achieve the strong legal framework on which both programs are founded and implemented.

Targeted vulnerable peoples beneficiaries are actively searched through differentiated process of enrollment (in the BF), resources in case of suspected discrimination (for SD), and clearly identified through the programs databases by gender, race, and, in the case of BF, specific vulnerable populations as it is further explained under ESS1. Any remaining gaps and measures that would be addressed during Project's implementation will be identified as possible by Project's appraisal. They will include issues such as targeting and registration processes considering potential discrimination based on SOGI; and mechanisms in place to ensure non-discrimination; and

(ii) Both Programs have suitable communication strategies and robust Grievance Redress Mechanisms (GRM). Eligibility criteria, enrollment and appeal procedures are widely disseminated through massive media campaigns conveyed through the internet, mobile applications, television and radio networks, and the social workers of the social protection network at the municipal CRAS offices. The Programs' GRMs are based on the Federal Constitution (FC) and several other related laws. Art. 37 of the FC states direct and indirect public administration of any of the Branches at Federal, State, Federal District and Municipal levels will obey the principles of legality, impersonality, publicity and efficiency. The Ouvidoria is widely known all over the country and intensively used as a GRM channel at federal, state and municipal levels as further explained under ESS10. Information on any gaps with regards to the principles of ESS 10 and the measures that will be taken to overcome them during Project implementation will be provided by appraisal and included in the Project's Environmental and Social Commitment Plan (ESCP).

## **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:***

The Project will not require further environmental impact assessment since it was rated of low risk.

A Standalone social analysis, an indigenous people's policy framework, a stakeholder's engagement plan (including a GRM) will not be necessary for the Project because a due diligence review on potential social risks and impacts of the proposed activities carried out by the task team concluded that: (a) these risks are low in nature, scale and level and that (b) the Borrower's long-standing and well established social safety nets mechanisms – with a small number of



strengthening measures easy to embed in the systems in place – would be consistent with the principles and objectives of the World Bank Environmental and Social Framework and the World Bank Directive Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups, and would allow the achievement of development outcomes that are materially consistent with the objectives of the ESF.

The results of the due diligence will be embedded in the economic analysis that will include references to relevant disadvantaged and vulnerable groups to ensure they are duly identified as peoples that will be provided with an opportunity to get their share of Project benefits, and will be summarized in the Appraisal ESRS. The specific strengthening measures, monitoring, engagement including consultations in early implementation and GRM requirements of the program will be included in the Environmental and Social Commitment Plan (ESCP).

Component 1 of the Project will contribute to expand the coverage of the Bolsa Familia Program (BFP) Conditional Cash Transfers for poor and extreme poor families as part of the response to the socioeconomic impacts of COVID-19. The GoB released the budget needed to cover more than 1.2 million families who currently are on the BFP's waiting list, prior to the epidemic. Thus all of their registration and income verification processes required to receive BF had already been performed prior to the pandemic. The BF is a focused conditional cash transfer Program that currently benefits 14.3 million families. The Program's beneficiaries are families with children and adolescents from 0 to 17 years of age, with per capita income up to R \$ 190.00 per month, and who comply with school attendance and health care conditionalities, and families without children with per capita income below the extreme poverty line, R\$ 89.00 per capita per month. No other eligibility and selection criteria apply.

The BF is an international best practice of conditional cash transfer Program that lifted millions of people out of poverty in Brazil. There are about 855 papers written on the BF, including social analysis. Additionally, the BFP has been supported by the World Bank through advisory services and under two Adaptable Program Loans (P087713, closed in Dec2009 and P101504 that closed Dec2018). The World Bank contributed to consolidate the institutional framework of social assistance and institutionalized the Cadastro Único as a single registry of beneficiaries for social programs at the federal and subnational levels, full operationalization of the CU electronic online system in all municipalities; and differentiated strategy for traditional populations.

Structure of the BFP. The federal government is responsible for the regulation and transfer of resources, under the coordination of the Secretaria Nacional de Renda Cidadania (SENARC) of the Ministry of Citizenship. Municipalities are responsible for registering and updating family data, as well as verifying compliance with conditionalities based on information provided by municipal education and health secretariats, through the Social Assistance Referral Centers (CRAS) that are the front door to the system, the Specialized Reference Centres of Social Assistance (CREAS) that provides services to families who have had their rights violated, and the Centro Pop – Reference Centers Specialized for Population in Street Situation.

Access of beneficiaries of BF is differentiated by vulnerable peoples as per institutionalized by several regulations. CU strategies has actively evolved over time, based on dialogue with the National Commission of Peoples and Traditional Communities, social movements and federal agencies that work with vulnerable peoples in order to adapt guidelines and training for enrolling indigenous peoples, quilombolas, extractivists, people living on the streets, recyclable material collectors, and people with disabilities.

Design of BFP is gender-based. As per the legal provisions, information for the CU should preferably be provided by women. One of mains findings of studies on this arrangement is that BF changed the trajectories of women in both urban and rural settings.

Registration process of BFP. Municipalities identify low-income families, interview them, complete the registration form and upload the data in the CU. Self declaration is used in the CU as a baseline procedure. Interview is done by



home visits; permanent service points in the municipality; and itinerant service points, including registration 'task forces' for more distant or difficult-to-access places.

Definition of the order in which families will be absorbed into the BFP. Priority is given to municipalities with the lowest BFP coverage and the largest estimated number of poor families. Priority is given to families: (i) with children in a child labor situation; (ii) with members who have been freed from situations analogous to slave labor; (iii) quilombola; (iv) families; (v) containing recyclable waste collectors.

The online platform of Cadastro Unico ([https://aplicacoes.mds.gov.br/sagi/cecad20/tab\\_cad.php](https://aplicacoes.mds.gov.br/sagi/cecad20/tab_cad.php)) gives detailed information on vulnerable peoples who are receiving BF by (i) gender, (ii) specific populations, (iii) race, (iv) income bracket, and (v) various additional socio demographic indicators. The platform allows to extract information on the living conditions of the beneficiaries, such as access to water supply and sanitation services or the constructive standard of the houses. In May 2020, in total 75,690,264 people have been registered in CU (around 35% of the population) of which 621,234 are indigenous (69.3% of the indigenous population, % of poverty to be included in the economic analysis.). The benefit BF was received by 523,839 indigenous (58.4% of the indigenous population and 84.3% of those registered in CU). Data on new added families in April 2020, will be provided in the appraisal ESRS. Payment of BFP benefits. Caixa Econômica Federal is the operator and paying agent. Payments are also made through Post Offices and lottery agencies spread over all the 5.570 municipalities of the country.

The Project will also support through Component 2 Unemployment Insurance for Low-income Formal Workers. The project will reimburse benefits for the more vulnerable share of the unemployed, those who, before dismissal, earned between 1 and 1.5 MWs. This population includes domestic workers, who are under a special SD regime. Financing from the project is expected to cover the unemployment benefits for 483,000 individuals, with an average benefit of R\$1.045. Data and tabulations related to the beneficiaries of the SD Program are available at the "Painel de informacoes do Seguro-Desemprego". More details on the profile to SD beneficiaries will be provided by appraisal.

Unemployment insurance has also differentiated strategies for vulnerable peoples (Cartilha De Atendimento ao Trabalhador em Condições Vulneráveis no Sistema Nacional de Emprego) with provisions on (i) means to cope distance constraints to the SINE agencies, free call telephone; mobile units; kiosks; (ii) assistance to people who feel that they are facing discrimination); and referring people to the CRAS, CREAS and Centro Pop.

Registering and processing the unemployment insurance benefit can be face-to-face or through online application via internet or mobile.

#### **Areas where "Use of Borrower Framework" is being considered:**

None

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

ESS10 is relevant. Stakeholders for the Project include BF and SD beneficiaries and directly involved federal, state and municipal agencies as affected parties. Other interested parties are the press, non governmental organizations and the private sector.

Stakeholder engagement will rely on the existing mechanisms of both Programs to be supported by the Project. Communications campaigns - aiming to ensure access to benefits, criteria of eligibility, processing of enrollment, waiting list criteria, payment of benefits, grievance redress, are publicly available for affected parties and other interested parties, and are widely conveyed through television, media, and several mobile and web-based applications, besides face-to-face tailored activities. There are a lot of printed and friendly guidelines differentiated





by social groups, videos, that have been resulted from long date dialogue, consultation, forums of the Borrower with stakeholders among them social movements and organizations of vulnerable peoples, that reflect strong engagement of the Borrower with relevant stakeholder of both BF and SD. Thus, since the Project will support beneficiaries that had already benefited from such engagement, does not justify requesting the Borrower to prepare a standalone SEP for the Project.

As stated in the social risks, communications systems will be reassessed during Project preparation. Adequate documentation of the systems will aim to ensure that appropriate Project information on environmental and social risks and impacts is disclosed to key stakeholders, both project-affected parties and other interested parties, throughout the project life cycle in a timely, understandable, accessible and appropriate manner and format. Needs that individuals or groups that because of their particular circumstances, may be disadvantaged or vulnerable, will also be assessed as possible by appraisal.

The Borrower will disclose the Project' Environmental and Social Commitment Plan (ESCP) before Project's appraisal, which in terms of stakeholder engagement and grievance redress mechanism will contain provisions on measures as determined by appraisal on: (i) stakeholder engagement and functioning of the GRMs, including strengthening of the current strategy of indigenous participation in the BF program as needed, and participation by other disadvantaged or vulnerable groups. Consultations, will be carried out during Project's implementation within the monitoring framework of vulnerable people's participation in the Project. They will be carried out as relevant according to the World Bank Technical Note "Public Consultations and Stakeholder Engagement in WB-supported operations when there are constraints on conducting public meetings, March 20, 2020"; (ii) complementary actions on communications for both Programs to include as relevant information on benefits added to both Programs in response to the COVID 19 outbreak; (iii) provisions for accessibility of the Project's GRM for people such as those with hearing and speech impairments, processing of anonymous claims, including assessment if further measures are needed related to any digital divide that can be faced by vulnerable peoples in accessing and using mobile phones or computers to register and benefit from Project's activities, in cases where alternative means of access are not available.

Likewise, building on paragraph 27 of the ESF that states "The grievance mechanism will be proportionate to the potential risks and impacts of the Project and will be accessible and inclusive, and considering that it is feasible and suitable for the Project, the grievance mechanism will utilize existing formal or informal grievance mechanisms, supplemented as needed with Project-specific arrangements, all of which will be set out in the Environment and Social Commitment Plan".

Related to GRM. Brazil's Ouvidorias provisions include different ways in which citizens can submit their grievances. A log where grievances are registered in writing and maintained as a database, publicly advertised procedures, setting out the length of time users can expect to wait for acknowledgement, response and resolution of their grievances, transparency about grievance procedure, governing structure and decision makers, and it does not precludes or prevents access to judicial or administrative remedies in case the user is not satisfied. Existing mechanisms per Program are as follows:

Engagement and grievance redressing under the Bolsa Familia Program. Main interested parties are the Ministry of Citizenship, through the Secretaria Nacional de Renda de Cidadana (SENARC), the Special Secretariat for Social





Development; the municipal governments and municipal secretariats of health, education and social assistance; CRAS, CREAS, POP Center, DIA Center and Shelter Units; and Caixa Econômica Federal. BFP's GRMs include the ones available at the Ministry of Citizenship, the Caixa Econômica Federal, the Municipal Management of the Cadastro Único, the social assistance services and facilities such as the CRAS, the CREAS, POP Center, among others, the Public Ministry, and the Municipality. Feedback can be done through "Consulta Cidadão", which is under the Ministry of Citizenship's responsibility. It is a web portal to allow citizens to verify personal data held in Cadastro Único and issue income certifications, which in turn enabled targeting other means-tested services outside MDS

<https://eccc.com.br/consulta-cadastro-unico-inscricao-cadunico/>. The Consulta Cidadão was accessed 2.5 million times in 2018. Second, SENARC developed an app where registered households could verify enrollment in Cadastro Único, track payment of BF benefits, and receive other communications.

Complaints about irregular beneficiaries and the municipal management of the Program can be done through the Ministry of Citizenship. Contact can be done through [mds.gov.br](http://mds.gov.br), by calling 121 and selecting option 5, by face to face or sending a letter to the Ministry of Citizenship: Esplanada dos Ministérios - Block A - 4th floor - Room 425, CEP 70054-906 - Brasília / DF. Furthermore, Caixa Econômica Federal (Caixa) – the financial agent that pays BF benefits – also offers channels for redressing complaints via the internet: [fale-conosco.caixa.gov.br](http://fale-conosco.caixa.gov.br), free call toll 0800 725 7474, including irregularities in the receipt of benefits; irregularities in Caixa's service; poor service in lottery shops and branches.

Grievance redressing under the unemployment insurance Program. Worker who felt they were unfairly dismissed or whose unemployment insurance claims were wrongfully rejected can file their claims. At federal level, grievances can be brought at the Ministry of Economy through the Ombudsman Service channels

<http://ouvidoria.mte.gov.br/sisouvidor/autoatendimento/cadastro/formularioMensagem.jspp>),

In addition to letter, telephone (Alô Trabalho Call Center -158), face to face, Integrated Ombudsman and Access to Information Platform "Fala BR", and

<https://falabr.cgu.gov.br/publico/Manifestacao/SelecionarTipoManifestacao.aspx?ReturnUrl=%2ff>). This Platform also has the tab "simplify", through which the citizen can suggest changes to improve quality of services or facilitate access to public services provision. Citizen services are also available at states level, through the Regional Superintendencies. There are also social networks and media, which are not channels for complaints, but that facilitates access information. Furthermore, Caixa Econômica Federal offers the channels <http://fale-conosco.caixa.gov.br/wps/portal/faleconosco>), free phone toll 0800 726 0101 (SAC), 0800 725 7474 (Ombudsman). Finally, new communication channels were made available to the population in the states and the Federal District, due to the COVID - 19 pandemic. All these channels allow the lodging of anonymous complaints.

## **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**

ESS2 is relevant for the Project. The Project will mainly involve civil servants from the Ministry of Economy, (Secretariat of Labor) and from the Ministry of Citizenship, responsible for the Seguro Desemprego and Bolsa Família Programs, respectively. The Program will also include Caixa workers in charge of benefit payments.



Government civil servants working in the Project will remain subject to the terms and conditions of their existing public sector employment agreement and ESS2 will not apply to them, with the exception for the provisions related to the Protection of the Work Force and Occupational Health and Safety aspects.

Caixa workers are not public servants and have the same labor rights of employees in the private banks, known as CLT labor regime. However, bank workers have specific labor provisions available to them, such as a working week of thirty hours. Caixa is submitted to the occupational health and safety OHS requirements defined in the national legislation, including the national OHS standards (NRs): NR 1 - General Provisions, NR 6 - Personal Protective Equipment – PPE, NR 7 - Occupational Health Medical Control Program (PCMSO), NR 9 - Environmental Risk Prevention Programs, NR 17 – Ergonomics and NR 24 - Sanitary and Comfort Conditions in the Workplace. Caixa has advanced corporate governance practices, including a Code of Ethics and an Ethics Committee. It also has two GRM that can be used by its staff, the Ombudsman Office (Ouvidoria) and the Denounce Channel (Canal de Denuncia). The latter is managed by an independent entity, aiming to receive information on illegal actions, including harassment, discrimination and ethical faults, <http://www.caixa.gov.br/atendimento/canal-denuncia/Paginas/default.aspx>. These conditions are materially consistent with ESS2.

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

ESS3 is not relevant, as the project will not support any type of activity, including construction work or services, that could demand the use of resources, or generate pollution of the air, water and land.

### **ESS4 Community Health and Safety**

ESS4 is relevant due to two aspects, safety of services and use of security personnel in the banks in charge of the cash payments. The payments to beneficiaries of both Programs funded by the Project are done by Caixa, a state-owned bank. Caixa has a nationwide infrastructure and long-term know-how in implementing cash transfer Programs, using different means that reduce exposure to COVID-19.

Caixa capabilities and payment procedures actively work to reduce the problems of crowding at bank branches. Caixa has 4,200 branches and 15,000 associated financial institutions, located all over the country, plus mobile branches, including boats to serve the Amazon Region. The Bolsa Familia beneficiaries receive the payments through a debit card (cartão bolsa familia) that can be used for cash withdrawals and cash transfers. , Additionally, the payments are done at 10 different dates along the month, according to the card final digit, aiming to avoid crowding in the branches, as detailed in the payment calendars disclosed by Caixa, <http://www.caixa.gov.br/Programas-sociais/bolsa-familia/paginas/default.aspx>. The beneficiaries of Seguro Desemprego also receive the payments through Caixa, that can be deposited in the beneficiary saving accounts at Caixa or withdrawn.

Caixa has improved its procedures to mitigate the health risks during the Covid Pandemic, limiting the number of clients inside the branches, and getting the support from public authorities to enforce social distancing along external lines. Caixa is also outsourcing part of the payments of other Programs, (e.g. Corona voucher), to the private banks, aiming to avoid crowding at its branches.



The use of security personnel in financial institutions in Brazil is well established and regulated by the Brazilian legislation, Law 7.102 /1983, Decrees 89056/83 and 1592/95, besides the Federal Police Department (DPF) ordinances 387/2006 and 3.233/2012. The DPF ordinances specify the requisites for certification of private security companies and security guards. For example, it demands physical and mental health examination, clean criminal records, and over 10 training courses to allow a person to work as private guard. The private security companies, providing services for Caixa, have to sign a Code of Conduct, applicable to all staff. Caixa has two GRM that can receive complaints against security personnel, the Ombudsman Office (Ouvidoria) and the Denounce Chanel (Canal de Denuncia). These conditions are materially consistent with ESS2 and ESS4. The Project will not add incrementally to this practice and neither the PCU nor the Bank will have to hire additional security personnel beyond who they already employ as a result of the Project.

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

ESS 5 is not relevant to the Project. The Project will not finance any infrastructure works that would involve land acquisition, restrictions of use nor involuntary resettlement.

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

ESS6 is not relevant, as the Project will not support any type of activity, including construction work or services, that could biodiversity or habitats.

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

ESS 7 is relevant to the Project. This standard is relevant because there are indigenous peoples in the project's area of impacts, particularly related to Bolsa Familia Program that include indigenous peoples that live in community. Seguro Desemprego beneficiaries are individual persons. Indigenous Peoples count for 0.4 percent of the Brazilian population (896,917 indigenous persons), out of which 61.5% live in rural areas and 38.5% in urban areas. They comprise 305 different ethnic groups and speak 274 languages or dialects. Only 17.5% of the Indigenous Peoples in Brazil do not speak the Portuguese language.

Currently, there would be some 713 legally demarcated indigenous areas, with a total area of 117,387,341 ha. This means that 13.8% of the lands in the country have been reserved for indigenous peoples (International Work Group for Indigenous Affairs data). Most of these territories are concentrated in the Amazon. Brazil is the country in South America with the largest known number of indigenous peoples in isolation in the states of Acre, Amazonas, Goias, Maranhao, Mato Grosso, Pará, Rondônia, Roraima, and Tocantins. There would also be 107 records of the presence of indigenous peoples in isolation in the Amazon region.

The inclusion and registration of indigenous peoples in the Cadastro Unico, among them indigenous beneficiaries of BF, involves FUNAI – the Brazilian government body that establishes and carries out policies relating to indigenous peoples. FUNAI participates in the process aiming to ensure culturally adequate and respectful procedures are adopted. FUNAI assists in several stages, including when filling out the registration forms. Per FUNAI policy, visits by social work teams in the indigenous lands and communities must occur according to what was previously agreed with



indigenous leaders. The social work teams must check in advance the appropriate day and time to complete the forms, respecting the calendar of rituals and festivals of the indigenous people to be registered; home visits to these villages must follow agreed logistical plans (transport, team meals, accommodation); social workers are instructed to respect for the spelling of indigenous names when filling out the enrollment forms; and social workers must show respect for the customs of indigenous peoples.

As indigenous peoples are expected to be a small share of direct Project beneficiaries – at the most only about 0.66 people (based on the total number of IPS in Brazil) of the total estimated of BF beneficiaries supported by this project, the Borrower will implement the Project in a manner that continues providing Indigenous Peoples with equitable access to Project benefits. The Project will ensure that access to these benefits is provided to all individuals, irrespective of origin or ethnicity and considering the cultural requirements of Indigenous Peoples.

Since this is a Project with a nationwide scope and incorporates other population groups, aligned with the provisions of ESS7 (footnote 10), the elements of an Indigenous Peoples Policy Framework, particularly consultations and participation measures to strengthen current provisions of the two Programs that will be supported by the Project, will be included in the Stakeholder Engagement Plan (SEP).

The Project will reinforce wide dissemination of communication channels to appropriately inform indigenous peoples of Project's benefits, and will provide information that is culturally sensitive, respectful and inclusive. Measures to ensure cultural appropriateness of communications will build upon the approaches and forms for registration and grievances of indigenous and Quilombola communities, and other traditional populations built on the Bolsa Familia Program that had been supported by the World Bank Projects. This differentiated attention included appropriate contact with communities with free and informed consultations, specific registry processes, different definitions of 'families', different transfer mechanisms, coordination between the local government and indigenous organization, and complementary strategies to promote income -generation alternatives for indigenous and Quilombola families, with culturally adequate services.

As stated under ESS10, although the available data suggests that there is no obstacle to participation of indigenous peoples in the project, during preparation the task team and the Borrower will assess the need to strengthen the current strategy of indigenous participation in the BF program, including consultations with FUNAI – indigenous peoples government body in Brazil -and indigenous organizations to ensure that all provisions of culturally appropriate engagement processes; sufficient time for IPs decision making processes that are already foreseen in the BF Program are being adequately implemented or would need improvement measures.

### **ESS8 Cultural Heritage**

ESS8 is not relevant to the project, as it will not support any type of activity, including construction work or services, that could interfere with cultural heritage.



### ESS9 Financial Intermediaries

ESS9 is not relevant to the project. The project does not include Financial Intermediaries.

## C. Legal Operational Policies that Apply

**OP 7.50 Projects on International Waterways** No

**OP 7.60 Projects in Disputed Areas** No

## III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

**A. Is a common approach being considered?** No

### Financing Partners

The proposed Project would contribute to a broader strategy that the GoB launched to provide financial support for poor and vulnerable households in response to the economic consequences of the COVID-19 pandemic, through several complementary social protection programs. The GoB is receiving support to this strategy via parallel financing, by four international financial institutions (IFI), namely the Inter-American Development Bank – IADB, Development Bank of Latin America (CAF), the New Development Bank (NDB) and the Agence Française de Développement (AFD). All financial institutions support the strategy with independent loans that co-finance different interventions that mitigate the effects of the the COVID 19 pandemic on different segments of the affected population.

### B. Proposed Measures, Actions and Timing (Borrower's commitments)

#### Actions to be completed prior to Bank Board Approval:

Project's Environmental and Social Commitment Plan (ESCP) to be completed and disclosed before Project's appraisal. As the ESCP is the only E&S instrument for the program, it will be broadly disseminated including to vulnerable groups, with clear provisions on how stakeholders can provide comments.

#### Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

- Monitoring for residual gaps in impacts and benefits of vulnerable so as to adequately inform Stakeholders throughout project's implementation, and take adaptative measures (if necessary) in lign with Bank Directive Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups.
- Provisions for implementation of stakeholder engagement and functioning of the GRM, including strengthening of the current strategy of indigenous participation in the BF program as needed, including measures as needed to facilitate participation by other disadvantaged or vulnerable groups;
- Complementary actions on communications for both Programs under a tailored protocol to include as relevant information dissemination and consultations on the available channels for stakeholders engagement, the



grievance redress mechanisms, and the eligibility criteria and benefits added to both Programs in response to the COVID 19 outbreak.

- Provisions for accessibility of the Project's GRM for people such as those with hearing and speech impairments, the reception and processing of anonymous claims and the anonymity of the claimers, including assessment if further measures are needed related to any digital divide that can be faced by vulnerable peoples in accessing and using mobile phones or computers to register and benefit from Project's activities, in cases where alternative means of access are not available.

### C. Timing

**Tentative target date for preparing the Appraisal Stage ESRS**

15-Jul-2020

## IV. CONTACT POINTS

### World Bank

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### Borrower/Client/Recipient

Borrower: Federative Republic of Brazil

### Implementing Agency(ies)

Implementing Agency: Secretariat of Citizenship Income, Ministry of Citizenship

Implementing Agency: Subsecretariat of Labor, Ministry of Economy

## V. FOR MORE INFORMATION CONTACT

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## VI. APPROVAL

Task Team Leader(s): Liliana Sousa, Matteo Morgandi



Practice Manager (ENR/Social) Valerie Hickey Recommended on 30-Jun-2020 at 12:48:22 EDT

Safeguards Advisor ESSA Maria Do Socorro Alves Da Cunha (SAESSA) Cleared on 30-Jun-2020 at 16:36:19 EDT