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Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 22-Nov-2024 | Report No: PIDIA00878

**BASIC INFORMATION****A. Basic Project Data**

Project Beneficiary(ies)	Region	Operation ID	Operation Name
Brazil	LATIN AMERICA AND CARIBBEAN	P504899	Strengthening Social Assistance Delivery System in the Municipality of São Paulo
Financing Instrument	Estimated Appraisal Date	Estimated Approval Date	Practice Area (Lead)
Investment Project Financing (IPF)	25-Nov-2024	25-Mar-2025	Social Protection & Jobs
Borrower(s)	Implementing Agency		
Municipality of São Paulo	Municipal Secretariat for Assistance and Social Development		

Proposed Development Objective(s)

To increase access to improved social assistance benefits and services for at-risk populations in the Municipality of São Paulo

Components

Strengthening the provision of services and benefits for at-risk populations
Strengthening the social assistance delivery system
Project Management

PROJECT FINANCING DATA (US\$, Millions)**Maximizing Finance for Development**

Is this an MFD-Enabling Project (MFD-EP)?	No
Is this project Private Capital Enabling (PCE)?	No

SUMMARY

Total Operation Cost	250.00
Total Financing	250.00
of which IBRD/IDA	150.00



Financing Gap	0.00
DETAILS	
World Bank Group Financing	
International Bank for Reconstruction and Development (IBRD)	150.00
Non-World Bank Group Financing	
Counterpart Funding	100.00
Local Govts. (Prov., District, City) of Borrowing Country	100.00
Environmental And Social Risk Classification	
Moderate	
Decision	

B. Introduction and Context

Country Context

1. Brazil's economic activity continued to recover after negative gross domestic product (GDP) growth in 2014-2019 and the drastic impact of COVID-19. GDP grew by 2.9 percent in 2023, after achieving rates of 4.8 percent in 2021 and 3.0 percent in 2022, thanks to robust private consumption, a strong labor market, fiscal stimulus to social transfers, declining inflation, and monetary policy easing. GDP growth is expected to moderate to 2.0 percent in 2024.
2. **The Municipality of São Paulo, Brazil's largest and wealthiest, faces significant social and economic inequalities and climate-related vulnerabilities.** Home to 11.5 million residents, São Paulo is a municipality of significant wealth yet striking inequality. Despite an annual per capita GDP of US\$11,983.30, much above the national average, 1.2 million people live in poverty, reflecting deep socio-economic divides underscored by a high Gini index of 0.582 and a Human Capital Index of 0.634, which are above the national average.¹ Moreover, the post-COVID economic slowdown has increased demands on the Municipal Secretary of Social Assistance and Development (*Secretaria Municipal de Assistência e Desenvolvimento Social* – SMADS) to provide more and better services to those in need, including people in poverty, socially vulnerable groups at-risk such as the unhoused, elderly (with special attention to those with limited family care), persons with disabilities, youth (with special attention to Afro-Brazilian youth), Sexual Orientation and

¹ For comparison, the national-level indicators Gini is estimated at 0.520, Human Capital Index at 0.766, and GDP at US\$7,570,56.



Gender Identity (SOGI) individuals, indigenous people, migrants, women affected by gender-based violence, and residents of high-risk areas that includes areas vulnerable to climate related shocks, and areas with higher indices of violence.²

Sectoral and Institutional Context

3. SMADS is the municipal agency responsible for supporting at-risk populations, providing benefits and services aimed at alleviating poverty, addressing vulnerabilities (including those related to climate-shocks) and promoting social inclusion. SMADS, through a comprehensive set of activities, facilitates and provides access to social benefits and services aimed at alleviating poverty, addressing vulnerabilities, and promoting social inclusion in the municipality of São Paulo.
4. The recent increase in demand for SMADS services calls for reforms to improve their coverage, quality and efficiency. Key development challenges to be addressed include (a) growing demand for services by specific vulnerable groups; (b) outdated and low capacity of SMADS's systems, recurrent climate-shocks, and unsatisfactory human resources capacity; and (c) unequal access to quality opportunities for valued career paths among youth.
5. This project aims to enhance SMADS's capacity to deliver effective social assistance and services to vulnerable populations. It will address key challenges through an Investment Project Financing (IPF) operation with Performance-Based Conditions (PBC).

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

6. To increase access to improved social assistance benefits and services for at-risk populations in the Municipality of São Paulo.
7. At-risk populations are those with a higher likelihood of experiencing social vulnerabilities, including individuals facing monetary poverty, homelessness, and those in specific demographic groups – such as the unhoused, elderly (with special attention to those with limited family care), persons with disabilities, youth (with special attention to Afro-Brazilian youth), SOGI individuals, indigenous people, migrants, women affected by gender-based violence, and residents of high-risk areas that includes areas vulnerable to climate related shocks, and areas with higher indices of violence.

Key Results

8. The project will track achievement of the PDO through the following indicators:
 - a. Previously unhoused individuals who accessed qualified reintegration services (number)
 - b. Direct beneficiaries of 'moving in' vouchers (number)

² SOGI is an inclusive term that applies to everyone, including people who identify as that represent the LGBTQIA+ population, which is the abbreviation for Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual.



- c. Youth receiving certificates in digital skills upon successful completion of the Digital Public Works program (number)
- d. Social Assistance Services using electronic records (percentage)
- e. Satisfaction with the services provided by SMADS (percentage)

D. Project Description

- 9. The project direct beneficiaries are those at-risk, experiencing social vulnerabilities, including poverty, socially excluded groups, and populations vulnerable to climate-related shocks within the Municipality. Direct beneficiaries include approximately 490,000 individuals that are currently enrolled in SMADS services, of whom 360,000 are women, 18,000 are elderly, 8,000 are youth, 35,000 are unhoused individuals, 3,000 are persons with disabilities, 1,200 are indigenous, and 1,200 are SOGI individuals.
- 10. The project has three components as follows:
- 11. Component 1. Strengthening the provision of services and benefits for at-risk populations (USD 120.4 million: IBRD USD 31.4 million and counterpart funds USD 89 million). The objective of this component is to support the at-risk population by facilitating qualified reintegration of unhoused groups into society and increasing access to improved benefits and services for other vulnerable groups. In response to recurrent climate-related shocks, the component will also support developing and implementing a shock response strategy.
 - a. Subcomponent 1.1. Support the qualified reintegration of unhoused groups into society (USD 75.6 million: IBRD USD 13.5 million, counterpart funds USD 62.1 million). This subcomponent focuses on the unhoused population, financing activities to enhance case management and providing complementary services and benefits to selected beneficiaries of the Reencontro Program.
 - b. Subcomponent 1.2. Support youth at social risk (USD 23.2 million: IBRD USD 11.2 million, counterpart funds USD 12 million). This subcomponent focuses on the youth participating in Youth Center activities. Selected Youth Centers will establish Youth Observatories that aim to support and enhance services for youth and promote both community development and youth engagement through adoption and promotion of new technologies as tools for enhancing youth skills. The two activities are:
 - i. Digital Public Works program. The goal of this intervention is to develop skills to improve employability of at-risk youth. This will be achieved through practical digital device training and on-the-job training to build critical digital competencies.
 - ii. Behavioral Change Therapy. The goal of this intervention is to reduce the incidence of crime and violence and improving academic and life outcomes among a targeted segment of at-risk youth population. This activity will be achieved by implementing a center-based intervention designed to support young men in developing social-emotional skills, self-regulation, and decision-making abilities, offering, to the youth, access to information and knowledge to help them navigate high-stakes situations.
 - c. Subcomponent 1.3. Support other vulnerable groups with increased demand for social services (USD 21.6 million: IBRD USD 6.7 million, counterpart funds USD 14.9 million). This subcomponent focuses on specific demographic populations, including those affected by recurrent climate-related shocks, to promote increased



access to improved services. It will finance a comprehensive assessment of existing services and the needs of the specific demographic population, including assessing their climate-vulnerability, and support the design new tailored strategies and programs that respond to their specific needs. This subcomponent will also finance three of these new programs, and support CPAS in the design and implementation of an Adaptive Social Protection (ASP) strategy focusing on climate-related shock prevention and response, and finance cash transfers to families affected by climate-related disasters if an emergency occurs.

12. Component 2. Strengthening the social assistance delivery system (USD 126.8 million; IBRD USD 115.9 million, counterpart funds USD 11 million). The objective of this component is to enhance the physical capacity of SMADS, boost the skills of its staff, and promote the technological modernization of IT systems to provide better quality services to its target population.

- a. Subcomponent 2.1 Enhancing SMADS physical infrastructure (USD 83.8 million: IBRD USD 83.8 million, no counterpart funds). The subcomponent finances renovation of physical infrastructure within the direct SUAS network, including public facilities in municipal buildings and improvements to leased properties to ensure they meet adequate standards for service provision. The main renovations will adhere to SMADS's standards, focusing on accessibility, low-carbon, climate-resilient and environmental sustainability.
- b. Subcomponent 2.2 Modernization of SMADS (USD 43 million: IBRD USD 32 million, counterpart funds USD 11 million).³ This subcomponent will finance activities in five key groups: (i) modernization of IT systems, (ii) renovation of IT equipment, (iii) development of a communication strategy to better inform population about existent services to increase demand of services, focusing on socially vulnerable population as at-risk youth (special attention to adolescent girls), indigenous and SOGI population, and both elderly and persons with disabilities, and to inform general public about the impacts, relevance and importance of SMADS for protecting vulnerable population, (iv) staff training in multiple areas, and (v) enhancing SMADS's Virtual Learning Environment

13. Component 3. Project Management (USD 2.8 million: IBRD USD 2.8 million, no counterpart funds). This component will finance the consultants recruited for the Project Management Unit (PMU), operating costs for implementation of the project include equipment and operating costs directly linked to the daily management of the project, regular audits, and other specialized processes evaluation, assessments and evaluations of activities, as well as audits and capacity building activities for the PMU. Within the framework of the monitoring cycle, a mid-term review will involve project's stakeholders and civil society in the review of project performance, intermediary results, and outcomes.

³ All IT equipment such as screen readers technology, computers, laptops, tablets, servers, etc. must follow energy-efficiency standards hence being the best available technology or match or surpass country-appropriate technology benchmarks in performance. Moreover, buildings renovations should use, among others, energy-efficient goods as efficient light bulbs, energy saving air-conditioning and fans following the environment and social technical specification document.



Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

14. The Environmental Risk Rating is Moderate. The project involves small-scale works and renovations to modernize services under Subcomponent 2.1. The buildings are located in consolidated urban areas, far from environmentally sensitive zones. Impacts are expected to be temporary, low magnitude, and site-specific. These impacts may include generation and disposal of construction wastes, hazardous wastes including asbestos, environmental noise and dust emissions, and common workplace hazards, such as roof works and working at heights, power tools hazards, noise and dust exposure, hazardous materials, etc. The buildings themselves may pose life and fire hazards for the users if it is not designed according to Life Safety and Fire Protection (L&F) safety codes. SMADS has agreed to a number of design and construction environmental specifications to ensure that project's risks are managed effectively. These specifications are based on São Paulo Municipality's Sustainability Manual for Public Buildings, the Guidelines for Universal Design and Accessibility in São Paulo City, and São Paulo State Practical Guidelines for decommissioning and Final Disposal of Asbestos Containing Materials from Construction Works.
15. The Social Risk Rating is moderate and the project's social benefits outweigh potential risks. Key components include studies and pilot programs to improve SMADS processes and strengthen the Social Assistance delivery system, including infrastructure upgrades. Experts and consultants will be recruited for low-risk capacity-building activities. Risks from short-term impacts from small-scale civil works, such as noise, dust, waste management, and Occupational Safety and Health accidents, are manageable and localized. These risks may affect the health and safety of communities, employees, and construction workers. However, existing procedures and local legislative requirements are sufficient to manage these risks. SMADS will contract a Requalification Plan and include Environmental and Social Specifications for Contractors in the Terms of References to ensure compliance with necessary procedures.
16. Reforms will not disrupt SMADS's services and there will be no external labor flow. The municipality has legislation and systems consistent with relevant standards. A Participatory Processes Report is required to systematize SMADS's actions related to the project. This document will identify stakeholders, relevant legislation, consultations, contributions received, and measures to address gaps.
17. Potential resistance and conflicts among communities and businesses near SMADS buildings can be managed through enhanced communication and engagement measures. The project includes a strong stakeholder engagement and communication strategy to promote service utilization, provide grievance information, reduce discrimination, and empower vulnerable groups. The risk of excluding vulnerable groups will be mitigated through participatory design and prioritizing these groups among the beneficiaries. There is a low probability of serious adverse effects on human health or the environment. The additional measures are reflected in the Environmental and Social Commitment Plan (ESCP) and will ensure consistency between the Project Terms of Reference and other documents defining the scope and outcomes of Project activities with the applicable Environmental and Social Standards (ESSs).



E. Implementation

Institutional and Implementation Arrangements

18. **SMADS will be the primary implementing agency with a separate Project Management Unit (PMU), and at the central level, SMADS will establish a Steering Committee to oversee project implementation.** The PMU will be established by SMADS at the Technical Advisory department (Departamento de Assessoria Técnica) to manage the day-to-day activities and be responsible for the project implementation. The core members of PMU will consist of public servants, and contracted staff selected and paid by the project. The PMU will be composed of at least one project director, one project manager, one expert in communications, one lawyer, one monitoring and evaluation specialist, one IT specialist, one social and environment coordinator, one procurement coordinator and one financing management coordinator. Under each coordinator, additional experts can be appointed to ensure proper implementation of the project. This steering committee will meet twice a year to oversee the project implementation, review progress, and address any administrative bottlenecks.

CONTACT POINT

World Bank

Phillippe George Pereira Guimaraes Leite
Senior Social Protection Economist

Borrower/Client/Recipient

Municipality of São Paulo

Implementing Agencies

Municipal Secretariat for Assistance and Social Development

Maira Cavalcanti Rocha
Analista de Políticas Públicas e Gestão Governamental, Assessoria Técnica / SMADS
mairacr@prefeitura.sp.gov.br
Marcelina Conceição Santos
Secretary of Social Assistance and Development
cicasantos@prefeitura.sp.gov.br

FOR MORE INFORMATION CONTACT

The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 473-1000
Web: <http://www.worldbank.org/projects>



APPROVAL

Task Team Leader(s):	Phillippe George Pereira Guimaraes Leite	
Approved By		
Practice Manager/Manager:		
Country Director:	Sophie Naudeau	22-Nov-2024