Project Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 17-Jun-2020 | Report No: PIDA29384
## BASIC INFORMATION

### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
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<tbody>
<tr>
<td>Brazil</td>
<td>P172605</td>
<td>Salvador Social Multi-Sector Service Delivery Project II</td>
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<tr>
<th>Region</th>
<th>Estimated Appraisal Date</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
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**Financing Instrument**
- Investment Project Financing

**Borrower(s)**
- Municipality of Salvador

**Implementing Agency**
- Casa Civil

**Proposed Development Objective(s)**

To improve the efficiency of social service delivery in the Municipality of Salvador in the health, education, and social assistance sectors.

**Components**
- Support for strategic actions to improve service delivery
- Technical Assistance

## PROJECT FINANCING DATA (US$, Millions)

### SUMMARY

<table>
<thead>
<tr>
<th>Description</th>
<th>Value</th>
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<tbody>
<tr>
<td>Total Project Cost</td>
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<tr>
<td>Total Financing</td>
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<tr>
<td>of which IBRD/IDA</td>
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<td>Financing Gap</td>
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### DETAILS

**World Bank Group Financing**

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**Non-World Bank Group Financing**

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<td>Counterpart Funding</td>
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B. Introduction and Context

Country Context

1. After a decade of solid growth, Brazil's economy entered a deep recession in 2015 and 2016 from which it is slowly recovering. The deterioration of both the external environment and domestic policies led to a slowdown, followed by two years of recession in 2015 and 2016. While external factors contributed to the recession, growing fiscal imbalances, structural bottlenecks and domestic political uncertainty affected investor and consumer confidence. The economic recovery remains weak with 1.3% real Gross Domestic Product (GDP) growth recorded in 2017 and 2018, and 1.1% growth in 2019. Before 2020, job creation had been slowly improving with unemployment declining from a peak of 13.6% in March 2017 to 11.0% in 2019, but still above pre-crisis levels (6.8% in 2014). Most of the new jobs were created in the informal sector. As of 2018, 19.9% of the population lived on less than US$5.50 per day (2011 PPP), including 4.4% on less than US$1.90 per day (2011 PPP).

2. The Brazilian government continues to follow a fiscal consolidation path. In light of the weak economy and rising mandatory expenditures, the general government deficit peaked at over 10.6% of GDP in 2015 and public debt rose quickly, reaching 79% of GDP in the same year. Since December 2016 fiscal consolidation at federal level has been anchored by a constitutional rule limiting the increase in primary expenditures. An ambitious pension reform and several other fiscal measures helped to meet the expenditure target. This also helped to reduce the fiscal deficit in 2019 to 6.2% of GDP. Further supported by one-off revenues, repayments and foreign exchange operations, gross public debt declined to 75.6% of GDP in 2019 from 76.5% in 2018. The recession and subsequent slow recovery have also affected subnational governments, which have seen their revenue base decline while they struggle to adjust fiscally given high expenditure rigidities. As a result, a growing number of state governments have faced liquidity and solvency crises since 2015, undermining critical service delivery. The stock of outstanding subnational debt represents about 12% of GDP, which poses a significant contingent liability for the Federal Government.
3. **Global economic downturn and domestic measures to contain the COVID-19 pandemic, could bring Brazil into an economic recession and increase poverty levels in 2020.** Conditions will be exacerbated by external factors including declining global demand and disruptions to transnational supply chains. The global oil price shock is estimated to be slightly net-positive for Brazil while the depreciating exchange rate is projected to boost agricultural exports and depress imports. Domestically, economic disruption from virus containment measures is projected to reduce private consumption and investment and reduce labor productivity, while unemployment is expected to rise. The government has adopted a fiscal response that anticipates some expenditures and introduces new measures, such as expanding *Bolsa Família* coverage, providing new emergency cash assistance to informal workers (*Auxílio Emergencial*), and loans to small and medium scale enterprises (SMEs). Federal support is also forthcoming for states. Monetary loosening has been announced and liquidity injection by the Central Bank has been adopted. Assuming that the external and domestic shocks remain transitory, the economy is expected to rebound by end of 2020 and in 2021, but low growth will, limit poverty reduction. Downside risks are significant, and will depend on the severity, duration, and effectiveness of containment measures, both globally and in Brazil. A deeper health crisis could worsen and prolong the economic crisis, raising poverty and inequality, as almost a third of Brazil's population depend on income from unprotected labor sources that are highly exposed to income shocks.

4. **Climate change impacts are adding additional constraints on Brazil’s efforts to reduce poverty and inequality.** Brazil is already experiencing negative effects of climate change with long droughts, excessive rains, and uncontrolled fires. Considering the projected increase in temperature and changes in precipitation patterns, climate-induced natural disasters are expected to be more frequent and severe. These climate impacts affect human health through direct exposure (e.g. heat waves, floods and droughts) as well as indirect pathways (climate impacts on water, food and air quality). Rising temperatures and recurrent heat waves, for instance, can create severe health impacts including the proliferation of diverse pathogens, vector-borne diseases such as dengue and zika, increased dehydration and respiratory diseases. Climate-induced natural disasters also threaten health infrastructure, thereby limiting the response to public health emergencies. In addition to exacerbating observed vulnerabilities of Brazil’s population and key economic sectors, the emergence of COVID-19 and the exposure to climate change impacts is intensifying currently observed risks and vulnerabilities, negatively affecting the Government’s ability to ensure continuity of social services in the event of natural disasters.

5. **The Brazilian Northeast Region lags the most on the 2017 World Bank Human Capital Index (HCI).**¹ Most Northeastern municipalities have an HCI under 0.58 (meaning that children can only achieve 58% of productivity when they reach 18 years old), the median for all Brazilians municipalities. Among states, Bahia (where Salvador is located) ranks among the lowest in the country with an HCI of 0.52, equivalent to countries like Kenya or Algeria. Salvador’s HCI is 0.54, ranking 1027th out of the 1794 municipalities in the Northeast (Figure 1). The education dimension mainly explains the difference between Salvador and the average Brazilian score of 0.58.

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¹ HCI is a composite index that has three dimensions: Survival, Health, and Education. The Survival dimension contains data on under 5 mortality rate.
6. **The Municipality of Salvador (MoS) is the third most populous municipality in Brazil, with an estimated 2.9 million people (2019).** The Salvador Metropolitan Area (including MoS and neighboring municipalities) is home to a quarter of the population of the State of Bahia. Salvador municipal GDP\(^2\) is primarily driven by the service sector (70 percent of GDP) through tourism, transport, and construction, in addition to the city and state public administration. Indicators show that, although in terms of GDP Salvador ranks relative high among Brazilian state capitals, this does not necessarily translate into wellbeing for its population. Even before the pandemic, more than half of Salvador’s population (56%) was economically vulnerable, 20% being poor (living on less than US$5.50 per day in 2011 PPP) and another 36% at risk of falling into poverty (per capita income between US$5.50 to US$13 per day). This population is mostly young (including more than 7 out of 10 children and youth); urban; and employed in precarious and unprotected jobs.

7. **With the onset of the COVID-19 pandemic, Salvador’s population faces additional risks and vulnerabilities.** The key economic transmission channel through which the COVID-19 crisis will affect households is through market demand and supply shocks which are expected to translate into labor income losses. A large proportion of households in Salvador face a high risk of losing their income: 46 percent of workers rely mostly on unprotected income sources, defined as informal jobs, own-account work and formal employment with less than six months of salary protection in case of job loss (Figure 2). Around 78% work in the retail or service sectors - sectors considered vulnerable to pandemic related closings or interruptions. For the population living on less than one half the minimum wage, the share of people relying on unprotected income increases to more than

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\(^2\) Municipalities GDP are calculated by IBGE and last year available data is for 2017. More on Salvador GDP here: https://www.ibge.gov.br/estatisticas/economicas/contas-nacionais/9088-produto-interno-bruto-dos-municipios.html?t=pib-por-municipio&c=2927408
half. In addition, reduced income can threaten people’s livelihood assets, and hence their ability to cope with shocks, including climate and disaster related risks and impacts.

Figure 2: Share of population by majority income source, Salvador, 2018

Source: World Bank estimates based on PNAD continua

8. **World Bank estimates suggest that a four-month economic shock related to the COVID-19 pandemic could result in over 80,000 residents of the Metropolitan Region of Salvador falling into poverty (measured as half one minimum salary).** As of May 24, 2020, Salvador had a total of 11,431 confirmed cases, and 303 confirmed deaths from the COVID-19 virus. Salvador has only 792 exclusive COVID-ICU beds\(^3\). It is estimated that the pandemic could increase poverty by 7.2 percent, and cause a decline in income of 4-6 percent in quintiles 2 through 4, which would be most affected. With the mitigation strategies being implemented by the Federal Government, in particular the expansion of **Bolsa Familia** to include families that had already qualified and the **Auxílio Emergencial** temporary cash transfer targeting Bolsa Familia and other low-income families with precarious employment, an increase in poverty may be fully avoided. In fact, if well implemented, the programs could reduce poverty relative to the baseline without the pandemic.

9. **The current administration of Salvador is the same as the previous period (2015-2018), and it continues to implement an ambitious plan to reduce poverty and inequality in the city.** The most recent Salvador Strategic Plan (SSP) 2017-2020 “Salvador- A New City for a New Time” prioritizes: (1) “Urban and Economic development” - goals to foster economic development; (2) “Urban Services Development” - targets the enhancement of transportation services; (3) “Institutional Development and Citizens Engagement” - goals linked to communications and open data policies; and (4) “Social Development” - goals related to fighting social vulnerability.

\(^3\)According to DATASUS.
Sectoral and Institutional Context

10. In Brazil’s federal arrangement, municipalities shoulder basic social service delivery such as early childhood education (ECE) and primary and lower secondary education (respectively grades 1-5 and 6-9), primary as well as some higher-complexity health care, and face-to-face social assistance services. In delivering these services, municipalities often follow federal (and sometimes state) policies and guidelines and receive fiscal transfers, both tied and untied to specific service responsibilities and performance. Many social services are guaranteed as citizen rights in the 1988 Federal Constitution. Municipalities therefore form the institutional frontline of Brazil’s rights-based social policy systems, and capable municipal administrations are fundamental for the effective delivery of these social services and hence for poverty reduction. In addition to managing networks of health and education facilities both under their direct administration and through service contracts, municipalities are also called upon to play specific roles in implementing programs and mandates that are constitutionally or legally assigned to the federal government. These include the conditional cash transfers program, **Bolsa Família**, and the social pension program, **Benefícios de Prestação Continuada de Assistência Social** (BPC) for which municipalities are responsible for maintaining an up-to-date social registry (**Cadastro Único**) and for identifying and enrolling new beneficiaries.

11. The primary tool that Salvador adopted to sharpen its institutional capacity for policy prioritization is the strategic plan, implemented since 2014. A unit within the Mayor’s office (**Casa Civil**) led the preparation of the strategic plan and monitors its execution. The Mayor regularly reviews the implementation status of each priority action to ensure timely completion. And while encouraging each sector secretariat to pursue its own measures to increase access, improve quality and ensure sustainability, the MoS has also developed, and is intent on refining, a set of cross-cutting management initiatives. Some of these measures are intended to sharpen the municipal administration’s capacity to prioritize its actions and monitor their implementation. Others are explicitly intended to improve the efficiency of municipal expenditures and/or control spending, especially for personnel.

12. Salvador’s social service delivery is characterized by low coverage and relatively poor quality due to years of under-investments and inefficiency. Not only does Salvador still lack sufficient numbers of basic service facilities, but many, such as ECE facilities, schools, health facilities, and social assistance centers, are in suboptimal physical conditions. For example, some **Centros de Referência de Assistência Social** (CRAS) do not meet federal standards.

13. The municipal administration continues work to reverse this trend and has considerably increased investments in the social sectors as central elements of the city’s strategic plan. New policy priorities are expected to be articulated in the next strategic plan that the municipality is currently developing. While continuing to address gaps in service coverage that remain in specific areas or sub-sectors (e.g., ECE and basic social assistance, high-complexity health care given the shifting epidemiological profile of the city’s population and the inability of existing facilities to fully respond to needs), the new strategy is expected to place greater emphasis on measures to improve service quality and ensure long-term fiscal sustainability of these services.

14. Since 2018 the World Bank has supported these efforts through the first Salvador Social Multi-Sector Service Delivery Project (P162033) (hereafter Salvador Social Project), which aims to improve social service
delivery in the MoS, emphasizing improvements in health care system efficiency, education quality, and social assistance effectiveness. Expected to close in December 2022, it has advanced at fast pace with more than 70 percent of funds disbursed. Efforts to sustain gains achieved in social service delivery and the more ambitious goals of the administration provide a case for a second phase of the Project.

Social Assistance Sector

15. The MoS has made efforts to exercise quality management and to reverse a history of underinvestment in social assistance. The first Salvador Social Multi-sector Service Delivery Project demonstrated government’s commitment to: (i) strengthening the basic social assistance network to further expand effective coverage and improve services; (ii) improving data quality of Cadastro Único; and (iii) enhancing the Municipal Secretariat of Social Promotion and Poverty Reduction’s (SEMPRE) organizational capacity. To date, the number of families supported by the Integrated Family Support Program (PAIF) at CRAS reached 13,500. It reformed and adapted 10 CRAS facilities and developed a new management system for social services. The project supported almost 10,000 household visits to update and improve the quality of information of the extreme poor population in Cadastro Único, with 89 percent of them now with updated records. Two new mobile registration units of Cadastro Único are in operation. To improve the quality of service, new staff was hired and trained, 189 to staff CRAS and management of SEMPRE. The new management information system under SEMPRE is being updated.

16. It is estimated that around 30 percent of the population of the Salvador Metropolitan Area population was living on less than half of the monthly minimum wage in 2018 (Table 1). About 20 percent of the population is registered in Cadastro Único, hence potentially qualifying for government social protection benefits due to low income or other social vulnerability. Despite the fact that this is a high number, it’s still not enough: Salvador has not been able to reach all of its vulnerable population. In fact since 2015 there has been a decrease in the percentage of vulnerable families registered in Cadastro Único, as evidenced by comparisons with surveys (PNAD), which in turns impact in lower coverage of programs like Bolsa Família (Figure 3).

Table 1: Percentage of the estimated population in Salvador with income below relevant administrative lines

<table>
<thead>
<tr>
<th></th>
<th>Brasil Sem Miséria</th>
<th>Bolsa Família</th>
<th>1/4 Salário Mínimo</th>
<th>1/2 Salário Mínimo</th>
<th>Salário Mínimo</th>
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<tbody>
<tr>
<td>2016</td>
<td>3.70%</td>
<td>7.49%</td>
<td>11.03%</td>
<td>31.73%</td>
<td>62.10%</td>
</tr>
<tr>
<td>2017</td>
<td>5.80%</td>
<td>8.53%</td>
<td>12.48%</td>
<td>30.18%</td>
<td>58.15%</td>
</tr>
<tr>
<td>2018</td>
<td>3.58%</td>
<td>7.19%</td>
<td>10.13%</td>
<td>29.74%</td>
<td>59.39%</td>
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Source: World Bank tabulations based on PNAD-C. Figures are based on real value of administrative lines as of July 2018
17. **Performance in meeting national standards still needs to be improved.** In 2018, the performance indicator for CRAS (IDCRAS) was 2.29, below the appropriate standard of equal to or above 5. The Decentralized Management Index of *Bolsa Familia*-IGD-M also shows low performance in monitoring health and education conditions. The low performance of the indices compromises financial transfers from the Federal Government and access to new programs and services. To meet these new targets, SEMPRE would need to continue revisiting and adjusting its organizational structure in line with the enhanced responsibilities and increased workload, recruiting qualified professionals for both policy management and service delivery, instituting an effective program of ongoing staff training, and modernizing its management systems and practices.

18. **This proposed second phase of the Salvador Social Project will support SEMPRE to improve efficiency in four results areas:** a) strengthening integration and multi-sector coordination of case management of extreme poor families (including during COVID-19 emergency), and promoting human development (including enhancing *Bolsa Familia* and early childhood development interventions); b) consolidating *Cadastro Único* to increase coverage of vulnerable groups and use it as a management and planning tool; c) continuing to improve its institutional capacity and organizational structure; and d) enhancing access to medium and high complexity services of the special social protection network.

**Education Sector**

19. **The education reforms implemented by MoS in the context of the Multi-sector Service Delivery Project I set the basis for a successful learning trajectory by assuring student readiness through early-childhood education (ECE) provision, promoting literacy at the right age, and structuring systems to closely monitor student learning and making a pedagogical use of learning evaluations.** The first phase of the project identified, in 2017, four challenges of municipal education: (1) low coverage of early childhood-education, (2) low education quality
measured by the National Index of Education (IDEB), (3) poor management and implementation capacity of the Secretary of Education, and (4) the absence of a systematic monitoring of student learning. Since then, the municipality presented considerable advances in education, as detailed in the following paragraphs.

20. **Salvador continues to seek to improve the education quality at a fast pace.** About 60 percent of students enrolled in public schools in ECE, primary and lower secondary education in Salvador are in the municipal network (100 percent of students in ECE, 99 percent in primary and 19 percent in lower secondary education, totaling approximately 140,000 pupils). Salvador has consistently improved its learning outcomes, as measured by the National Quality Index for Education (IDEB), on 0-10 scale. Between 2013-2017, Salvador raised its IDEB from 4.0 to 5.7 in primary education and from 3.0 to 3.9 in lower secondary, being among the five state capitals with the highest percentage increase (out of 26). The municipality also substantially improved its levels of literacy at the right age, which went from 26 percent in 2014 to 47 percent in 2019.

21. **ECE coverage has expanded dramatically in the last few years.** The municipality has substantially expanded ECE coverage, with 98 percent of 4-5 years old in pre-school and 45 percent of 0-3 years old in kindergarten (the third and fifth highest percentages among state capitals in Brazil, respectively). Approximately 26,000 children are enrolled in municipal ECE centers, with about 13,000 additional places in ECE centers run by nonprofit institutions (creches conveniadas), and through the recent creation of school-voucher program for ECE (“Pé na Escola”) about 3,500 children enrolled in private institutions. This expansion is partially due a new enrollment system that collected information about 15,000 children demanding ECE and allowed the municipality to predict need more precisely.

22. **Salvador significantly improved in literacy and pedagogical management in primary education.** The first phase of the Salvador Social Project set the goal of increasing literacy levels and, in this regard, MoS established an external learning evaluation (Prova Salvador Avalia – PROSA) to monitor literacy and support teacher training and pedagogical interventions. The municipality increased student participation in external learning assessments to nearly 80% and literacy rates of grade 2 students increased from 28.3 percent in 2014 to 45.1 percent in 2018, surpassing the target for the end of the project. Improvements in pedagogical management also contributed to better learning outcomes, including the Management for Results Program implemented in 2017 and the Learning Monitoring System (SMA) currently in the acquisition process, that work as pillars, sustaining a structured pedagogical intervention in schools.

23. **However, a very high proportion of students are overage (i.e., at least 2 years older than expected for the grade), with direct impact on learning and school completion.** Even after a significant reduction in age-grade distortion rates between 2015-2019 of 12 percentage points in age-grade distortion in primary education and 10 percentage points in lower secondary. Salvador municipal schools have the highest age-grade distortion rate of all state capitals. Almost half of students in the lower secondary education municipal network are overage, whereas in primary the figure is approximately 30 percent (for Brazil, figures are 27 and 12 percent respectively) (Figure 4). The problem starts as early as first grade, despite the fact that there is no formal repetition and school dropout is very low. Almost 10 percent of Salvador students at grade 1 are overage (the second-highest among the state capitals), revealing that social vulnerabilities contribute to the high levels of age-grade distortion.
24. **Age-grade distortion derives from late entry in the school system, high levels of repetition rates, and school dropout (Figure 5).** These, in turn, are results of lack of school readiness, low performance of the education system (pedagogical weaknesses), and low attendance rates, which are ultimately related to social vulnerabilities. Conversely, age-grade distortion is a major cause of high dropout rates mainly in lower secondary education, as older children are increasingly drawn to work opportunities. In Salvador, when breaking the analysis by school grade, age-grade distortion starts as early as at grade 1 (7.5%) and increases along the grades, especially due to high repetition rates at grades 3, 6 and 7 (Figure 6). Therefore, tackling age-grade distortion involves assistance to children between 0-5 years old so they have proper stimulation prior to entering school, reducing school dropouts and repetition, as well as providing extra support to students with low performance and attendance rates. General interventions to improve attendance rates, education quality, and school readiness are required to reduce the flow of students that become overage, as well as more targeted interventions to deal with the existing stock of overage students. Addressing age-grade distortion improves students’ learning opportunities and raises efficiency of the municipal network.
The COVID-19 pandemic will deeply affect education in Salvador by school closures and the damage will become even more severe as the health emergency translates into a deep recession. Without a major effort to mitigate their effects, school closings will lead to learning losses, increased dropouts, and higher inequality; these effects will continue through the recovery stage when schools re-open. Additionally, the economic shock, and its negative repercussions on households and the education sector in the medium run, will further exacerbate the damage, by depressing education demand and supply. Without aggressive policy action, the shocks to schooling and the economy will have a deep impact on the education outcomes of Salvador, which has one of the highest poverty rates in Brazil, especially for the most socioeconomically vulnerable families, exacerbating educational...
inequalities. Salvador has one of the highest poverty rates in Brazil, with a large proportion of children living in vulnerable households, who are disproportionately more affected by the crisis. Children and youth who are forced out of school may not return; those who do return will have lost valuable time for learning and will find their schools weakened by budget cuts and economic damage to communities.

26. **This second phase of the proposed Project will provide additional support to the Municipal Secretariat of Education (SMED) in implementing strategies to tackle age-grade distortion, while also considering specific measures to mitigate the impacts of COVID-19 on education.** These strategies can be grouped into two main results areas: a) reduction of the stock of overage students by expanding accelerated learning programs in both primary and lower secondary education that allow students to progress more quickly between grades with a strong focus on learning; and b) reduction of the flow of students that become overage by implementing activities and strategies to reduce grade repetition, school dropout and the proportion of overage students that enter primary education, including measures to improve education quality and attendance and multisector activities to improve school readiness at ECE level and increase school enrollment at the right age. Both groups of activities are well aligned with the strategies that the World Bank has recommended globally to mitigate the impacts of COVID-19 on education, while the Project will also consider specific measures to address the shocks caused by the pandemic.

**Health Sector**

27. **Over the last 10 years, most indicators on health status improved in the Municipality of Salvador (MoS).** Over the last 10 years, most health indicators improved. The Maternal Mortality Ratio (MMR) decreased from around 80 per 100,000 live births (LB) in 2010 to 64.87 per 100,000 in 2015. Although the MMR is slightly above the national average, it is lower than the Bahia State average of 70 per 100,000 LB. The Infant Mortality Rate (IMR) decreased substantially between 2005 and 2017, from 21.94 per 1,000 LB to 14.56 LB.⁴

28. **The MoS has heavily invested in the expansion of primary health care (PHC) to organize and guarantee all individuals access to comprehensive care, with adequate clinical and collective health services.** In 2012, the PHC network comprised 61 Family Health Units (*Unidades de Saúde da Família* – USF), with 104 family health teams and 50 traditional Health Basic Units (*Unidades Básicas de Saúde* – UBS), corresponding to a PHC coverage of 18.6 percent. Since then, the municipality created an additional 207 family health teams, reaching a PHC coverage of 50.22 percent in 2019.

29. **Notable results in the use of technologies to improve efficiency and quality of health care management have also been achieved, with the support of the first phase of the Salvador Social Project.** As of December 2019, the number of municipal health facilities with an operational electronic record management system had increased from a baseline of zero to 70 units (out of 143); the percentage of health units with health services provision available within the municipal regulation system had increased from 22 to 100 percent; and the number of municipal primary care units with a management system installed had increased from 30 to 138. As mentioned

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⁴ [https://cidades.ibge.gov.br/brasil/ba/salvador/panorama](https://cidades.ibge.gov.br/brasil/ba/salvador/panorama)
above, the percentage of PHC coverage has substantially increased overtime, although continued expansion and consolidation are envisaged. While the 2019 target for patients cared for in the Emergency Care Units (Unidades de Pronto Atendimento – UPAs) with low or no risk has not been achieved, good progress was observed, decreasing from 85 percent to 82.8 percent (compared to a target of 81 percent).

30. **In Salvador, 72 percent of the population is SUS-dependent, and despite recent investments in all levels of health care and the accomplishments described above, some challenges persist and new challenges arise.** The MoS regularly invests more in health than the minimum 15 percent established by the Constitution: in 2019, investments were almost 19 percent of net revenues. However, the municipality has the lowest per capita health expenditure among the Northeast capitals; while Salvador spent around US$100, Teresina spent about US$230. A recent change in the Ministry of Health’s model to co-finance PHC at the municipal level, which will be based on capitation and performance, will require more attention and effectiveness in order to not lose part of that co-financing and keep investing, not only in coverage, but in better quality. The COVID-19 pandemic and its effects on families is likely to increase SUS dependency.

31. **The demographic and epidemiologic transition, resulting from aging and an increase in life expectancy, poses the growing burden of chronic diseases challenge.** Following the national pattern, the population Aging Index in the MoS rose from 14.1 in 2005 to 23.3 in 2015. About 70 percent of all deaths in Salvador are attributable to NCD - cardiovascular diseases, cancer, other NCD and chronic respiratory diseases.

32. **The recent COVID-19 outbreak has clearly evidenced the limitations of the Salvador health system to provide an emergency response, both in terms of care as well as prevention and control.** As of June 1, 2020, 8,621 cases and 474 deaths had been confirmed. The municipality is facing a new epidemiological scenario, which requires quick adjustments and strengthening of the health system to respond to the COVID-19 health emergency. The municipality has prepared a Contingency Plan defining emergency interventions and interinstitutional activities and an Emergency Committee has been established at the Municipal Secretariat of Health (Secretaria Municipal de Saúde – SMS) to monitor developments in the epidemic.

33. **Regarding the provision of specialized health services, particularly medical specialties, the municipality has its own network and a complementary one, comprised of public and contracted private providers, to provide outpatient and inpatient care.** Health services are regulated by the Central Regulation Center. As Salvador is the largest healthcare center in Bahia and responsible for providing most outpatient and inpatient services in the state, it experiences high demand, which has been aggravated by the pandemic. Fragmentation and disruption of health surveillance services and actions in recent years has hampered municipal capacity to use health information systems as an important decision-making tool in this context. Given the current situation, there is a need to strengthen the municipal health system, including: (i) expansion of hospital beds availability to meet the growing demand caused by the coronavirus; (ii) strengthening the urgent and emergency care network; (iii) expansion of the capacity to respond to epidemics, through improved infrastructure of laboratories and supplies to support diagnostic and therapeutic functions; and (iv) strengthening of the municipal health surveillance system to properly carry out a continuous and systematic process of collecting, consolidating,

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5 Sistema de Informações sobre Orçamentos Públicos em Saúde – SIOPS.
6 The Aging Index refers to the number of elders per 100 persons younger than 15 years old in a specific population. This index increases as population ages.
analyzing and disseminating data and information on health-related events, as well as to inform policy making and health interventions.

34. **Some of the expected results included in the first phase of the Salvador Social Project still reflect challenges faced by the municipality.** These include the implementation of patients’ biometric data in municipal health facilities, for which progress is lagging what was expected. The same is observed in some output and outcome indicators that probably need more time to reflect the investments made and managerial changes pursued by the municipality. This is the case of the indicator for the number of diagnostic and therapeutic health services provided by municipal health units (multi-centers), which achieved 46.6 percent compared to an expected target of 70 percent for the period, and the proportion of hospital admissions for Ambulatory Care Sensitive Conditions (ACSC), for which the share increased instead of decreasing.

35. **The second phase of the Salvador Social Project will continue supporting the strengthening of health service delivery capacity and improvement of clinical management for continuity of healthcare across all levels of care – primary, secondary and tertiary.** Given the COVID-19 pandemic, support will also be provided to strengthen the municipal health surveillance system to cope with current and future epidemics.

**Gender Aspects**

36. **In 2017, the MoS ranked first among the Northeast region capitals in terms of incidence of gender-based violence (GBV) (Figure 7).** Although Brazil has one of the most progressive laws for the prevention and response to GBV, the country ranks 5th internationally on domestic violence. In 2019 94 percent of female victims of violence in the municipality were afro-descendant, 80.4 percent had upper secondary education or less and 44.6 percent were self-employed. 30 percent declared receiving some kind of governmental financial support, alimony and/or donation, and, among those, 80.4 percent were beneficiaries of the Bolsa Família Program. This profile demonstrates the high vulnerability these victims are exposed to. Regarding victims’ access to public services, 70 percent of the survivors reported having needed healthcare services due to injuries, while 57 percent had to spend at least one night in a health care facility. Regarding the impact on survivors’ professional life, 14.8 percent reported the violence had jeopardized their labor performance at some point. This information suggests that there are high economic, social and public health-related costs to the municipality.

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7 Universidade Federal do Ceara (2017), “Pesquisa de Condições Socioeconômicas e Violência Doméstica e. Familiar contra a Mulher”.
Figure 7: Domestic Violence in Northeast capitals. Brazil, 2016-2017

Source: Pesquisa de Condições Socioeconômicas e Violência Doméstica e Familiar contra a Mulher

37. **Strengthening the technical and institutional capacity of the municipal social assistance network is essential to prevent and respond to GBV adequately.** In 2018, a study carried out by the World Bank on the facilities available and the quality of the services provided to victims of GBV in Salvador indicated that the municipal network encompasses most of the services established in the National Pact for Combatting Violence Against Women, launched in 2007. Nonetheless, there are still some challenges to overcome, especially related to the integration of the network and the technical capacity of the social assistance professionals to deal with GBV survivors. These deficiencies lead to a lack of clarity in the flow for addressing the demands and responsibilities in managing cases among the various services, which can result in the re-victimization of women, who are forced to narrate the history of violence countless times in each service they are referred to. The permanent training of public agents is also essential to ensure qualified and humanized care for women in situations of violence and to prevent their departure from institutions. The National Pact emphasizes the importance of developing a consistent communication strategy to raise awareness on the legal and administrative mechanisms available to women at risk of violence. Raising awareness on the nature and the scope of the services provided by the social assistance network is also important to work around the victim’s fear of reporting the perpetrator. The unavailability of standardized, consistent and reliable statistical data on violence against women is another gap that makes it more difficult to design evidence-based policies to address GBV.

38. **Finally, in the context of the COVID-19 outbreak, national and international evidence suggest an increase in GBV associated with social isolation measures adopted by most governments.** Victims can often have difficulties in using phone hotlines in the presence of the perpetrator or to seek police offices or any other in-person support services. In this scenario, short, medium and long-term actions and policies can also be supported within the framework of the second phase of the Salvador Social Project.

39. **The proposed second phase of the Salvador Social Project intends to extend the institutional strengthening and capacity-building efforts for GBV prevention and fighting, occasionally including education**

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and health services and professionals. Actions will include: a) the preparation of an intersectoral protocol to identify and appropriately refer GBV victims; b) the development of continuous training workshops targeted at public agents involved in the provision of services to survivors; c) the design and implementation of a communication strategy to carry out campaigns to raise awareness on GBV targeted at victims and bystanders taking advantage of technological solutions and digital channels; d) the development of a municipal statistics system on GBV, containing systematized data provided by different state- and municipal-level institutions; and e) carrying out studies on the social and economic impacts of GBV in the municipality. It is expected that the actions proposed will increase women’s access to more qualified services aimed at preventing and responding to GBV in Salvador.10

C. Proposed Development Objective(s)

Development Objective(s) (From PAD)

40. To improve the efficiency of social service delivery in the Municipality of Salvador in the health, education, and social assistance sectors.

Key Results

41. Improved efficiency in service delivery is expected to be achieved by: a) strengthening integrated multisectoral monitoring of families to promote human development; b) reducing age-grade distortion in education; and c) increasing the early detection of ill-health and epidemics including COVID-19 related.

42. The following indicators are proposed to track progress toward the PDO.

- Decentralized Management Index for Municipalities (IGD-M);11
- Age-grade distortion at lower secondary education for Salvador municipal schools; and
- Rate of hospital admissions for Ambulatory Care Sensitive Conditions (ACSC).

D. Project Description

43. The first component (US$120 million) of the proposed Project will provide support for the implementation of the Municipality’s key strategic actions in the three social sectors. The second component (US$5 million) will provide technical assistance to facilitate the Municipality’s efforts to achieve the targeted results supported under the first component as well as selected additional measures of institutional

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10 In 2019 the World Bank was granted a trust fund (Salvador: Preventing Gender-based Violence Through the Social Assistance System, P171599) with the objective of contributing to prevent GBV by raising awareness and strengthening the technical and institutional capacity of the municipal social assistance network to better respond to GBV situations. The TF is developing a series of training sessions and workshops with a group of social workers and beneficiary families on gender equity and GBV-related topics. As a result, more accurate referrals in the social assistance network are expected, and the development of actions to prevent domestic violence that consider the multidimensionality of the phenomenon. The teaching and learning materials produced will remain available to allow building an institutional and continuous training program for social assistance professionals regarding GBV and gender-related topics.

11 It is a compound index that measures the Cadastro Único Registration Update and Monitoring Rates for Education and Health Conditionalities of Bolsa Familia Program on a monthly basis. Based on this index, which ranges from 0 (zero) to 1 (one), the financial transfers made by the Ministry of Citizenship to the municipalities to help manage the Cadastro Único and Bolsa Familia are calculated.
strengthening to ensure quality and sustainability of the social services. Financing for the first component will be disbursed against achievements of pre-specified performance/result targets as performance-based conditions (PBCs).

44. **Component 1 – Support for strategic actions to improve service delivery (US$120 million).** This component will provide support for the implementation of key reform actions to ensure, access, quality, and sustainability of services in education, health and social assistance following a results-based disbursement approach. The key performance targets and reform actions will be captured as PBCs, while other intermediate indicators will also monitor the progression of the activities supported by the Project in all sectors and both components. Three secretariats: SEMPRE, SMED, and Secretary of Health, will be responsible for delivering the agreed performance targets to be captured as PBCs.

45. **Sub-component 1.1: Social Assistance (US$18 million).** This sub-component will provide support to SEMPRE to continue improving the efficiency of social services in four main result areas: 1.1.1) strengthening integration and multi-sector coordination of case management of extreme poor families promoting human development; 1.1.2) expansion of *Cadastro Único* to increase coverage of vulnerable groups and use as a management and planning tool; 1.1.3) continue improvement of institutional capacity and organizational structure of SEMPRE; and 1.1.4) enhanced access to medium and high complexity services in the special social protection network.

46. **1.1.1 Strengthening integration and multi-sector coordination of case management of extreme poor families promoting human development.** This activity will aim at improving the mechanisms for coordination between the health, education and social sectors for case management of extreme poor families, particularly families lagging behind in compliance with conditionalities of the Bolsa Familia program. The first phase of the Salvador Social Project has supported the strengthening of social assistance services part of the federal government Unified Social Assistance System (SUAS) by structuring the basic services network and building the capacity of social workers. This second phase will provide support to extreme poor families (especially Bolsa Familia Program beneficiaries) in overcoming vulnerabilities and guaranteeing access to sector programs (e.g., in early childhood development). Moreover, due to disruption of social norms and social distancing as a result of the COVID-19 pandemic, an expected increase in school dropouts and postponement of health care requires even greater effort and coordination to follow-up with families and prevent disengagement. The case management approach will focus on integrated case management with health and education for families with children in early childhood (strengthening bonds and parenting skills). Also on promoting the autonomy of women heads of families in extreme poverty through guidance offering a map of opportunities and local offers for technical training and referrals to job placement agencies. To assess the expected results, the Project will adopt as an indicator the IGD-M Decentralized Management Index monitored by the Federal Government, which measures the CU registration update and the monitoring of Education and Health conditionalities of Bolsa Familia. It also requires the adhesion to SUAS and the financial execution of the resources linked to the Program.

12 Based on this index, which varies from 0 (zero) to 1 (one), the financial transfers that the Ministry of Citizenship makes to the municipality for the management of the *Cadastro Único* and Bolsa Familia are calculated.
47. **1.1.2 Expansion of Cadastro Unico to include the most vulnerable groups and its use as a planning tool for social programs.** This activity will include active search strategies and promote the inclusion of priority vulnerable groups, such as the homeless and victims of calamities and emergencies including families recently affected by the economic crises due to the COVID-19 pandemic. Cadastro Único is the entry door for social programs and requires continual investments to identify and promote inclusion, particularly in times of calamities and crises. This area also will continue to support the current strategy to improve the data quality of Cadastro Único and develop an IT system for integration of Cadastro Único and other programs, in order for it to be used as a planning and management tool at SEMPRE combining systems from education and health sectors such as, for example, for monitoring student attendance and early childhood development programs. It will also pilot a new methodology using big data and satellite images with artificial intelligence to increase geographic coverage. It will be measured by the inclusion rate of the homeless population in Cadastro Único. Finally, the Project will carry out studies and analysis of data from the Cadastro Único disaggregated by gender, race and other variables of interest, allowing the MoS to better identify and design policies and programs targeted at the most vulnerable.

48. **1.1.3 Continue improvement of institutional capacity and organizational structure of SEMPRE.** This area will consolidate the achievements from the first phase of the Salvador Social Project by strengthening the capacity to quickly adapt social protection services in the context of natural and climate-driven disasters, emergencies and pandemics (like COVID-19), and develop integration strategies between areas of SUAS and coordination with other sectors. This activity will aim to: (i) implement standardized instruments and integration tools to strengthen the referrals and counter-referrals of the services provided by the Family Protection and Comprehensive Care Service (PAIF) at CRAS; (ii) develop and implement social protection interventions to address social consequences of natural disasters and pandemics by promoting food security and preventing starvation, protecting loss of income, and providing for safety and social distancing; (iii) improve the information system to monitor the provision of services linked to the Social Registry, with data on case management and referrals; and (iv) coordinate the case management of extreme poor families in CRAS services and systems with health and education sectors. These activities will also increase resilience against climate impacts by strengthening the ability to cope with future shocks. Success will be measured by the ID CRAS, which includes three structural dimensions and five development levels of basic services developed at CRAS.

49. **1.1.4 Strengthening the medium and high complexity services of the special social protection network.** This area will focus on the network of services complementary to basic social protection for the population at personal and social risk, including violation of rights. The Project will support the municipality with i) the development of care and referral protocols for female victims of violence or at risk of death, aiming at establishing a unified service network in the municipality; ii) development of protocols and lines of care integrated with the Rights Guarantee System for groups at risk (elderly, children, adolescents, LGBT, people with disabilities and families and individuals on the streets); iii) support to SEMPRE's plan to structure the network of CREAS, CentroPOP (specifically for the homeless population) and highly complex services so that they can meet the minimum standard of adequate operational functionality, set by the Federal Government.

50. **The subcomponent will have a strong focus on gender equality through qualification of services for women by expanding preventive services for gender-based violence.** Activities will support the integration of services and interventions between the areas of social assistance, health, education and policies for women, establishing the convergence of supply, and provide training for social workers, with a view to consolidating a
unified and coordinated network that can empower women and confront violence against them. Female victims of domestic violence will monitor this area assisted by the Family and Individual Protection Service and Specialized Care (PAEFI).

51. **PBCs included:**

- Percentage of families in suspension of cash transfer benefits due to lack of compliance of conditionalities in health and education in case management by social assistance sector.
- Performance indicator of Reference Centers of Social Assistance (average ID CRAS).
- Performance indicator for Reference Centers of Social services (average ID CREAS).
- Number of units of social assistance special services achieving minimum standard of operation by federal government.

52. **Sub-component 1.2: Education (US$30 million).** This sub-component will provide support for efforts by the Municipal Secretariat of Education (SMED) to implement strategies to tackle age-grade distortion in the Salvador municipal school network that can be grouped into three main results areas: 1.2.1) Reduction of the stock of overage students by expanding accelerated learning programs in both primary and lower secondary education that allow students to progress more quickly between grades with a strong focus on learning; 1.2.2) Reduction of the flow of students that become overage by implementing activities and strategies to reduce grade repetition, school dropout and the proportion of overage children that enter primary education, including measures to improve education quality and attendance and multi-sector effort to improve school readiness at the ECE level and promote enrollment at the right age; and 1.2.3) Specific mitigation measures to respond to the impacts of COVID-19 on education.

53. **1.2.1 Reducing the stock of overage students in Salvador in primary and lower secondary education.** The Project will support the expansion of accelerated learning programs in primary education (grades 1-5) as well as the implementation of an accelerating learning program for lower secondary education (grades 6-9). The programs are targeted to children who are at least two years above the target age for their grade, including functionally illiterate students.

- **Primary education.** The project will support the expansion of a program (*Se Liga e Acelera*) focused on the literacy of overage students and to accelerate the progression of students across grades. The initiative aims to consolidate basic skills and prepare students to progress two grades in one school year, reducing their school delay. The accelerated learning program will continue to be implemented by SMED using the methodology developed by the Ayrton Senna Institute, which has partnered with SMED since 2015. A key factor for success is maintaining the correct number of tutors (1 tutor to 8 classes) to support teachers in improving their practice through classroom observation and pedagogical feedback, as well as providing extra support to the students most in need. The Project will support the municipality with the implementation of the programs, hiring and training tutors, monitoring process and outcome indicators and supporting graduated students to ensure their permanence in school and academic performance.
• **Lower secondary education.** In Salvador, as in other places in Brazil, students in lower secondary education with age-grade distortion are at a higher risk of dropping out for economic reasons. The attractiveness of getting a job, even informal, sometimes is higher than the perceived benefits of continuing studying. In 2018, SMED innovated in offering to students in lower secondary a young and adult education program during the day *(Educação de Jovens e Adultos Diurno)* that is connected with technical education (in partnership with SENAC) and allows the students to complete lower secondary education in a one or two years. Preliminary results indicate the program increased attendance and permanence in school, which is attributed to the curricular structure that suits students better. The Project will support SMED in applying the methodology and the structure of the program to overage students. The Project will conduct an assessment of the pilot and support the expansion of the initiative, including increasing partnerships with vocational education and training institutions, such as the *Serviço Nacional de Aprendizagem Comercial* (SENAC).

54. **1.2.2 Reducing the flow of overage students.** Six groups of activities and strategies will be supported under this area:

- **Support remedial education and early-warning systems to decrease repetition rates.** Repetition rates reflect student learning gaps accumulated through their educational trajectory. Currently in Salvador, repetition is particularly high in grades three (20%), six (26%) seven (23%) and eight (16%). The Project would support SMED to expand and strengthen student attendance and performance monitoring systems, which will increase its capacity to predict students at risk of repetition, including those with age-grade distortion and those most impacted by school closures during the pandemic. After the identification of those students, it is critical to provide them learning support. The Project would support the consolidation of afterschool programs in primary education and the implementation of an afterschool program at lower secondary. These programs would be framed as short-term interventions which group students in small groups according to knowledge level, and support them through a tutor and a clear pedagogical structure. They would also be highly relevant to tackle learning losses in the post-pandemic.

- **Support access to ECE to improve school readiness and increase enrollment at the right age to prevent overage when entering primary school.** The Project will support SMED in expanding a voucher program for ECE *(Pé na Escola)* to increase access to high quality ECE (especially for children aged 0-3), foster children’ psychomotor and socio-development and give mothers the opportunity to find a job. Early-childhood education is an important step to prepare children to start primary education, especially in families with low socioeconomic background. Based on ECE demand in the city, the secretary of education pays a fixed amount to private institutions to enroll students, covering tuition costs, textbooks, uniforms and school meals. Low income families would have priority and the benefit is conditional on attendance. In 2019, the program benefitted more than 3,500 students and practically eliminated the unmet demand for pre-school.

- **Strengthen early-warning systems to increase school attendance and readiness to reduce school...**

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13 Evidence indicates a positive impact of remedial education programs *(Ander et al., 2012; Banerjee et al., 2005, 2016; Fryer & Noveck, 2017).*
dropout and prevent overage. The Project will support the improvement of the implementation and expansion of the Agent of Education (Agente da Educação) program that monitors attendance to prevent school dropout and promotes school readiness, expanding its coverage to all 335 primary and lower secondary schools, and including the 100 ECE facilities. The program conducts home visits to students at risk of dropout (those that are absent three times in a month or 15% of school days). The program currently has a team of 300 agents (university students in initial teacher training) that visit families to understand the reasons for student absenteeism and develop actions to strengthen the link between families and the school community and regularize attendance. The goal of Salvador is to expand the program to have at least one agent per school. The Project also envisages expanding the program scope to ECE and to providing socio and psychomotor stimulation for children not enrolled in crèches. The Project will support SMED to strengthen the Agentes da Educação program by: (i) adding psychological and social assistance support to schools during the post-pandemic reopening (SMED estimates 1 social worker per 5 schools and 1 psychologist per 10 schools), and (ii) providing visits of educational agents to children not in crèches to conduct sessions of socio and psychomotor stimulation and therefore mitigate the effect of disadvantaged socioeconomic conditions on children’s development. By monitoring student attendance, conducting active search, and providing psychological support this activity will also contribute to mitigate the adverse effects of school closures during the COVID-19 pandemic.

- **Restructure and expand full-time primary and lower secondary schools to reduce school dropout and foster school retention.** The Project will support SMED to expand full-time schools, which currently account for 5,820 enrollments in 12 primary and 2 lower secondary schools. Small civil works will allow that schools currently operating in two shifts are transformed into schools delivering reorganized curriculum of 35-hour a week. Full-time schools, with a curricular structure that focuses not only on traditional subjects, but also the development of socioemotional skills that have a positive impact on student retention and learning. Students support and mentoring are important to engage students and promote long-term socio-educational development.

- **Strengthen management for learning with a focus on literacy to decrease school repetition and dropout.** The Project will support the implementation of the Management of Literacy Policy program, in partnership with the Ayrton Senna Institute. The program provides management tools to the Secretary of Education and pedagogical support and training to teachers to strengthen the acquisition of cognitive and socioemotional skills for the literacy process. Learning gaps in the literacy process impact subsequent performance, widening gaps that might lead to repetition, dropout and age-grade distortion.

- **Strengthening multisector actions to promote student attendance and school readiness to reduce age-grade distortion.** The Project would also support the municipality of Salvador to strengthen the multisector approach of at least two interventions to increase the effectiveness to achieve their objectives and ultimately reduce age-grade distortion. First, the efforts by SMED to increase school attendance would benefit from a join work with SEMPRE through the Bolsa Família program that has student attendance among its conditionalities. Second, it is important to strengthen the First Step Program (Primeiro Passo), that provides financial support to families with children not enrolled in ECE centers conditional on the participation of health and activities, placing greater emphasis on early cognitive and socioemotional stimulation of young children.
55. **1.2.3. Specific mitigation measures to respond to the impacts of COVID-19 on education.** In addition to the support given in the previous described activities that can already contribute to mitigate the impacts of COVID-19 on education, the Project would also support specific activities in both the short and medium terms. In the short-term, the Project would support actions aimed at ensuring the continuity of the learning process during the period of social distancing and schools’ closures, and protecting children from nutritional shocks. They include (i) strengthening SMED capacity in providing distance learning and communicating with principals, teachers and students, including fostering connectivity of teachers and students, and providing teacher training on the usage of technology in distance learning; (ii) fostering family engagement in the education of their children through text-messages and TV-campaigns; and (iii) delivering food baskets to families of students enrolled in municipal schools. In the medium-term, the actions would seek to further mitigate the impacts of school closures especially on student learning and school dropout. The support would, notably, include (iv) a revision of the pedagogical planning and the organization of after school programs to ensure that the most important curricular components are covered within the school year, and (v) the provision of emotional support to teachers, students and families after the social distancing period.

56. **PBCs included:**

- Percentage of children enrolled in acceleration programs at lower secondary education that progress at least 2 grades.
- Number of students enrolled in full-time schools.
- Percentage of school principals participating/adopting the pedagogical routine established by SMED.
- Percentage of households from Cadastro Unico with children from 0 to 3 years old that participate in cognitive and socioemotional stimulation provided by SMED early childhood interventions.

57. **Sub-component 1.3: Health (US$72 million).** This sub-component will support improvement of health care services, health surveillance and clinical management aiming at providing patients with equitable, quality and efficient access to the three levels of care. Activities are organized in two results areas: 1.3.1) Strengthening health service delivery capacity and surveillance to respond to health demands and epidemics; and 1.3.2) Improvement of clinical management for continuity of healthcare across primary, secondary and tertiary levels.

1.3.1 - **Strengthening health service delivery capacity and surveillance to respond to health demands and epidemics.**

58. **Activities under this result area include the expansion and consolidation of Primary Health Care (PHC) units and in-service training of health professionals, as an entry point for organizing access and adequate care.** The SMS plans to continue expanding primary care coverage, both by increasing the number of Family Health units/teams and upgrading the capacities of the facility-based primary care units. Further expansion of primary level capacity to handle lower-complexity cases would alleviate the high demand currently overwhelming secondary-level facilities. The expansion of PCH units will include climate smart technologies, such as energy efficient design and medical equipment, when possible. Training of health professionals will include raising
awareness of climate vulnerabilities, including linkages with climate-induced disease transmission. In addition to continuing the expansion, the SMS will have to adapt to the new PHC financing model recently launched by the Ministry of Health (MoH). The *Previne Brasil* Program introduces a new mechanism to transfer federal resources to municipalities. The MoH used to transfer funds mainly on a per capita basis, with little incentive to improved quality and patient flow. In the new mechanism, part of the resources will be linked to performance indicators on priority areas defined by the MoH and agreed with the municipality. The program also includes weighted capitation, which provides additional resources to municipalities registering vulnerable populations (beneficiaries of social assistance programs such as *Bolsa Família* or *Benefício de Prestação Continuada* - BPC), children under five years old, and the elderly (over 65 years) in PHC teams.

59. **The secondary and tertiary care under municipal governance will also be strengthened to guarantee adequate flow of patients and quality of care.** Activities include (i) increasing the provision of outpatient medical specialties consultations, diagnostic procedures and tests, through multi-centers on a regional basis; and (ii) maintenance of local emergency care system to address NCDs with a focus on cardiovascular diseases, diabetes, and cancer. With increased coverage of PHC, the secondary level of care has emerged as a priority bottleneck in the population’s access to quality healthcare. Unmet demand for high-complexity care is overwhelming the municipality’s existing secondary care facilities such as the health multi-centers and intermediate Emergency Care Units (*Unidades de Pronto Atendimento*, UPAs). SMS will continue strengthening the existing facilities’ capacity to receive patients at this level of care. The Project will also support the expansion and improvement of the municipal home care programme.

60. **The recent COVID-19 pandemic has evidenced the need to improve the municipality’s capacity to respond to emergent health demands.** Project resources will be allocated to strengthen the short- and long-run capacity of the municipal health system to provide needed health care; introduce innovative measures to rapidly address the COVID-19 emergency in order to mitigate disease spread, and morbidity and mortality; and implement effective communication campaigns for mass awareness and education of the population, particularly the most vulnerable, and guidelines and training for health care workers and other professionals to tackle the COVID-19 emergency. Activities include (i) the expansion and implementation of intensive care unit (ICU) beds – field hospitals and regular hospitals; (ii) strengthening the SUS at the municipal level to respond to the emergency needs imposed by the COVID-19 pandemic, including acquisition of medical equipment and supplies (personal protective equipment, tests, lab equipment and supplies, etc.); (iii) the implementation of information and communication technologies to address COVID-19 challenges; and (iv) training of health professionals.

61. **In addition, the municipal health surveillance system will be strengthened to cope with this and future epidemics.** Building upon interventions of the first phase of the Salvador Social Project, such as the “Situation Room”, the municipality will be expected to collect, consolidate, analyze and disseminate data and information on health-related events, as well as to inform policy-making and health interventions, not only in the short-term, but on a continuous and systematic basis. Activities include (i) strengthen disease surveillance systems, public health laboratories, and monitoring capacity for early detection and confirmation of cases; (ii) combine detection of new cases with active contact tracing and screening; (iii) support epidemiological investigation; (iv) strengthen risk assessment, and (v) provide on-time data and information for guiding decision-making and response and mitigation activities, not only related to the COVID-19 pandemic, but for continuous prevention and control of health-related events.
1.3.2 – Improvement of clinical management of continuity of health care across primary, secondary and tertiary levels.

62. This result area includes improvement of clinical management and organization of services to achieve higher quality and more efficient delivery of health care. Activities involve the expansion of risk assessment and classification for delivery of care at the PHC level. It also foresees the expansion of electronic medical records, supported through the first Salvador Social Project, to intermediate emergency care units (Unidades de Pronto Atendimento – UPAs). The expected consolidation and expansion of information technologies and management tools aims at improving efficiency and effectiveness of care in all levels of the health municipal system.

63. The municipal programs and budget lines to implement the activities described above will be selected from the Pluriannual Plan (2018 – 2021). They will be based on the priorities outlined in the Municipal Health Plan (2018 – 2021), on a health strategic plan for the next 10 years that is being prepared by the SMS, and on the most recent budget law. Although a new government will take office starting January 2021, the programs and activities to be supported under this operation are expected to continue, as they represent well-established health policies and follow state and federal directives for the health sector and best practices.

64. PBCs included:

- Percentage of medium and high complexity procedures delivered by health providers contracted by the municipality.
- Number of home-based health services provided by multidisciplinary home care teams.
- Percentage of patients cared in the UPAs with low-risk (green) or no-risk (blue).
- Percentage of patients accessing the municipal healthcare facilities with clinical information recorded in the electronic medical record management system.

65. Component 2 – Technical Assistance (US$5 million). This Component will provide technical assistance to the four Municipal Secretariats that are responsible for delivering the agreed targets under Component 1 (i.e., Social Promotion, Education, and Health) as well as to the Municipal Secretariat of Management (Casa Civil) to play critical roles in coordinating and leading the municipal administration’s cross-cutting policy and management. These include: (i) studies and diagnoses; (ii) mapping of processes and cost analyses; (iii) consultancies for the development of management systems; (iv) acquisition of computer equipment and vehicles; and (v) expenditures related to Project management, including a Project Management Unit. The component will also finance broad communications aspects, needed improvements to the grievance redress mechanism (GRM), the Stakeholder Engagement Plan (SEP), and the Social Assessment as part of the Environmental and Social Management Framework (ESMF).

66. Sector-specific activities to be financed will be selected by the municipal administration following pre-agreed criteria and are expected to include the following:

67. Social Assistance:

- Consultancy to map processes to coordinate with health and education services
Consultancy to develop methodology for integrated case management
Studies and analysis of data from the Cadastro Único disaggregated by gender, race and other variables of interest, to better identify and design policies and programs targeted at the most vulnerable.
Integrated information system with monitoring dashboard and reports for monitoring information
Consultancy to develop content for continuous education for SEMPRE social workers
Consultancy to develop protocols to prepare and organize structure for coordinated emergency response, including climate and disaster related emergencies
Consultancy to prepare social assistance strategic plan and other management tools
Study to prepare a plan for social assistance services
Development of an inter-sectoral unified protocol for the identification, assistance and referral of victims of GBV within the municipal network to combat violence against women
A study on the social and economic impact of GBV in the municipality
Carrying out annual training workshops targeted at professionals that provide prevention and assistance services for GBV survivors
Consultancy to provide diagnostic and census of homeless population, including their vulnerability to climate-related risks
Consultancy on flows and protocols for services for persons at risk and with violated rights (such as LGBT)

Education:

- Efficiency analysis of the accelerated programs for primary education (Se Liga e Acelera).
- Process evaluation of the lower secondary accelerating program to support the implementation of a similar large-scale initiative for lower secondary.
- Mapping and analysis of key issues in ECE provision that contribute to age-grade distortion (monitor the entrance age of children participating in Primeiro Passo, identify repetition in ECE due to absenteeism).
- Diagnosis of (i) reasons for low attendance and (ii) incidence of pregnancy among girls with age-grade distortion, through integration of information from SMA and other internal systems at SMED (Agents of Education database and school information).
- Consultancy to strengthen the process of pedagogical feedback between SMED and school principals based on the diagnosis of learning.
- Consultancy to strengthen pedagogical management within the school to ensure that the results of Formative Assessments guide pedagogical practice and learning goals in each school.
- Consultancy to restructure the Evaluation Protocol (an assessment created by SMED to document the reasons for repetition at the student level) and support to integrate the usage of this protocol in the SMED Management for Results strategy.
- Study about repetition rates per subject to identify possible knowledge gaps among teachers, provide content support for teachers and strengthen their pedagogical actions.
- Consultancy to adapt instruction material to distance learning.
- Consultancy to restructure the curriculum of full-time schools adapting it to 35 hours per week.
- Consultancy to establish the legal framework to ensure that private schools participating in Pé na Escola effectively answer the Education Census allowing the MoS to closely monitor students’ enrollment.
69. **Health:**

- **Training for health professionals** of the municipal health network to tackle the COVID-19 emergency.
- **Assessment of the needs of the municipal lab** to properly conduct surveillance and diagnostic activities.
- **Development of the monitoring and control system for rapid tests to address needs raised by existing and new epidemic situations**, including climate-induced proliferation of diverse pathogens and vector-borne diseases.
- **Conducting serological survey for COVID-19.**
- **Design and implementation of a system for cost management**, aiming at contributing to the investigation into health costs, by analyzing the evolution of the cost of medical care, health administration, health prices, unit maintenance, etc.
- **Strengthening of municipal health information systems**, to add the following functionalities: (i) make patient information from other facilities available to the facility where the patient is currently being treated; (ii) greater accessibility of patient related information to healthcare professionals through improved handling of medical records and getting results of investigations more quickly; (iii) improvement of patient administration procedures, resulting in shorter waiting times and better service; (iv) standardization of patient administration and management procedures across health units; and (v) provision of information to evaluate performance and audit health care.
- **Review and revision of the contracting-out system** of health providers that supply medium and high complexity health services (outpatient and inpatient).

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<thead>
<tr>
<th>Legal Operational Policies</th>
<th>Triggered?</th>
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<tbody>
<tr>
<td>Projects on International Waterways OP 7.50</td>
<td>No</td>
</tr>
<tr>
<td>Projects in Disputed Areas OP 7.60</td>
<td>No</td>
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70. **Environmental risks were considered substantial, mainly, due to the challenges in handling and disposing health wastes and guaranteeing proper occupational health and safety conditions for the municipal health workers, during the critical conditions created by the COVID-19 Pandemic.** The Project will not finance the construction of new education and health facilities but may fund the acquisition and installation of new equipment for the health facilities and minor construction works, such as refurbishment of health and education facilities. These activities may cause temporary and limited impacts and risks, which can be properly mitigated. The potential environmental impacts and risks associated to the other activities funded by the Project, (e.g. social assistance, education and technical assistance), are, predominantly, low.

71. **The risks created by the COVID-19 Pandemic, and the inclusion of specific activities to respond to the COVID-19 health emergency are the determinants of the environmental risk rating.** The major environmental
risks are associated to possible improper handling, transportation, storage and disposal of medical waste generated in the health care centers, shortage or improper use of personal protective equipment (PPE) within medical units, and lack of experience and poor training of health workers to respond for the COVID-19 conditions. These aspects can result in deficient implementation of environmental, health and safety measures and protocols. The potential generation of large volumes of infected medical wastes aggravates the situation and poses potential risks, also, to the community.

72. The Borrower is preparing a comprehensive Environmental and Social Framework (ESMF) to identify and assess the environmental and social risks and impacts related to the Project. It will be prepared in accordance to the World Bank ESF requirements, including comprehensive screening and funding eligibility procedures, management, monitoring and mitigation measures, all in accordance with the World Bank ESS. From the environmental perspective, the ESMF will assess, in detail, waste management and disposal conditions and general occupational health and safety aspects. The ESMF will, also, include an Infection Prevention and Control and Waste Management Procedures (IPC&WMP), specific for the medical facilities and activities supported by the project, considering the health risks posed by the COVID-19 Pandemic. The IPC&WMP shall include specific measures to ensure biosecurity and to reduce the risk of contagion to health workers and the community. It will be developed in line with the Good International Industry Practice (GIIP) including relevant WHO Guidelines on COVID-19 response and the World Bank guidelines on health and safety, in a manner acceptable to the Bank. Finally, the Borrower will review and/or update the health facilities waste management plans, (PGRS), of all medical facilities supported by the Project, in a manner acceptable to the Bank.

73. Social impacts and risks. Project’s activities for the improvement of health, education, and social protection services access of the poor and more vulnerable population of Salvador city pose no direct, permanent or irreversible impacts, and entail predictable and manageable and moderate social risks. Activities such as studies, development of strategies, protocols and tools; purchase of equipment; training; implementation of information and communication technologies (ICT); and minor refurbishment works for the improvement of education, social protection and health services including support to the COVID 19 responses such as renting shelters (hotels, ins) for temporary accommodation of families awaiting emergency assistance and need social isolation, cash transfer for income supplementation building upon on already long-dated established programs.

74. Social risks of the project relate to: (i) the possibility that tools, procedures and processes for reaching out to disadvantaged or vulnerable groups with gender lens may not be successful; and (ii) weak communication, including lack of key messages regarding benefits related to the overall project objectives and the specific on the COVID 19 response, including beneficiaries eligibility criteria and rights, and responsibilities across the social protection programs. Particularly related to COVID -19 response, implementation of information and communication technologies to address COVID-19 challenges in the health sector, and support to poor families can benefit of tailored measures to ensure they are socially responsive and have positive pro-poor outcomes.

75. Project’s design tackles most of these social risks since: (i) targeted beneficiaries are poor and more disadvantaged and vulnerable social groups; (ii) specific studies, diagnostics, development and implementation of poverty maps, strategies and protocols that will be financed by the Project, will aim at improving targeting of the most poor and vulnerable peoples. Project includes active search strategies and promote the inclusion of extreme poor, populations living in disaster risk prone areas, homeless, elderly and disabled, female heads of
single-parent with children households, victims of violence and traditional population, including indigenous peoples; (iii) Project intends to extend the capacity-building efforts to the whole municipal network for GBV prevention and fighting, also including the education and health services and professionals, an intersectoral protocol for identification and referral of GBV victims; strengthening the municipal intersectoral gender committee; studies on the social and economic impacts of GBV; impact evaluation of municipal GBV prevention and fighting actions and programs; (iv) families receive municipal services, including cash transfer or food during the COVID 19 response, in an integrated manner among service providers of the social assistance network through the 28 CRAS; and (v) project will contain a suitable communication plan that will finance the Stakeholders Management Plan. This plan has tailored measures for the education, health and social assistance services, including communications to be used for COVID 19 response.

76. **Social assessment of the ESMF will include the following key aspects:** (i) the digital divide and the challenges faced by vulnerable peoples in accessing and using Information and Communication Technology; (ii) relevant social features: demographic representativeness of social minorities, family composition, income levels, social networks and community organization, participation and leadership for decision making and conflict resolution, availability of services and trust in state institutions, accessibility and mobility patterns; and (iii) patterns of social exclusion based on racial, ethnic, linguistic or religious or discrimination basis.

77. **The Environmental and Social Management Framework (ESMF) of the Project will be finalized, consulted, and disclosed by the client within 30 days of Project’s effectiveness.** Consultations will be carried out (preferentially through virtual channels and other than in-person channels (telephone, email, regular mail, SMS, word of mouth as per Bank guidelines for consultations in a COVID context as envisaged under the stakeholders engagement plan (SEP), whose draft also includes a suitable grievance redress mechanism (GRM) to be finalized and disclosed within 30 days of project?s effectiveness and implemented throughout project?s implementation.

E. Implementation

Institutional and Implementation Arrangements

78. **Project implementation will continue to be coordinated by Casa Civil, the institution responsible for the execution of the first project, as well as policy advice, management of inter-sectoral activities monitoring of the implementation of the Strategic Plan, and management of external financing.** Specifically, the MoS set up a Project Management Unit (PMU) exclusively for the implementation of the proposed Project (*Unidade Gestora do Projeto*) in Casa Civil (Decree 28.919, September 26, 2017). The PMU is headed by a General Director and will include specialists to handle financial management, procurement, environmental and social issues, and monitoring and evaluation, including DLI verification. The PMU works with the Directorate for Strategic Projects (DSP) and the Directorate for Strategic Planning (DPE) to exploit the capacity for policy coordination and monitoring of implementation of the Strategic Plan. DPE has a strong experience in coordination of sector policies, verification and monitoring of sector policy targets, and revision of policies and targets. As the proposed Project objective and indicators are aligned with the SSP, the implementation leverages the existing capacity in Casa Civil.
79. Component 1 will be implemented by the Municipal Secretariats of Health, Education, and Social Promotion, which are the entities responsible for the execution of sector activities. Casa Civil will oversee the technical monitoring of Component 1 indicators and ensure verification of PBCs.

80. Component 2 will be implemented by the PMU while SMS, SMED, and SEMPRE will provide inputs for technical assistance activities (e.g. technical specifications). The MoS has a Special Multi-sector Procurement Commission (Comissão Especial Mista de Licitação, CEML) in Casa Civil to carry out procurement activities of Component 2 (Decree 28.933, September 28, 2017). The CEML contributes to increase the harmonization of procurement processes across sectors as the MoS increasingly uses external financing.

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