

Program Summary for Public Disclosure

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| Program Name | Emergency Assistance Program in Combating COVID-19 |
| Country | Brazil |
| Sector | Social Safety |
| Board Approval Date | 20 July 2020 |
| Loan Amount | USD 1 billion |
| Borrower | The Federative Republic of Brazil |
| Implementation Agency | Ministry of Citizenship, Government of Brazil |
| Program Context | <p>In Brazil, like in many other countries, the COVID-19 outbreak constitutes an unprecedented health challenge with very severe socio-economic consequences. Since the declaration of a national health emergency associated with the COVID-19 outbreak, the Brazilian Government established a coordinated and comprehensive strategy to deal with health emergency needs, to support economic activities, and to prepare the foundation for recovery. This strategy combines policies to combat the COVID-19 outbreak and its adverse consequences, from public health measures to deal with the needed containment of the virus transmission to social protection measures to address the social and economic adverse impacts of the COVID-19 outbreak. Many measures were complemented by states and municipalities, primarily responsible for the health response. Government response could be divided into the following set of measures:</p> <ul style="list-style-type: none"> a. Health Prevention, Preparedness, and Response b. Mitigation of Immediate Social Impacts c. Mitigation of Immediate Economic Impacts and Protect Jobs d. Mitigation of Immediate Fiscal Impacts and Support to Subnational Governments <p>The Ministry of Economy requested the support of international development agencies to combat the outbreak of COVID-19 in Brazil. Together with other development partners, NDB has a key role to play in facilitating the recovery from the crisis and restoring strong, sustainable, balanced, and inclusive growth for its member countries.</p> |

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| <p>Program Objective</p> | <p>The purpose of the Loan is to support the Government of Brazil to strengthen social safety nets and to address immediate socio-economic impacts arising from the COVID-19 outbreak, particularly on the most vulnerable population in Brazil, who have been heavily impacted by the COVID- 19 outbreak.</p> <p>The Program is NDB’s fourth emergency assistance program to combat COVID-19, following the emergency assistance programs to China, India, and South Africa. The Program contributes to Brazil’s ongoing efforts to contain the spread of the virus, to slow the rate of COVID-19 infection, and to minimize the negative social and economic consequences of the social distancing measures related to the COVID-19 outbreak. By addressing the immediate socio-economic challenges posed by the COVID-19 outbreak, the Program also supports the medium and long-term sustainable development and economic growth paths of Brazil.</p> <p>NDB’s emergency assistance is strategically relevant with NDB’s mandate of promoting sustainable development. More importantly, the Program will provide much needed emergency support to its member country. The Program also represents a diversification of NDB’s operations beyond traditional infrastructure, envisaged by the NDB’s General Strategy 2017-2021, in response to the development needs of NDB’s member countries.</p> |
| <p>Program Description</p> | <p>The Program will support the financing of the Government of Brazil’s expenditures incurred under Law 13.982/2020 that “<i>establishes exceptional social protection measures to be adopted during the period of confrontation of the public health emergency of international importance resulting from the coronavirus (COVID-19)</i>”. The Program will support (i) the maintenance of minimum income levels for informal, self-employed and unemployed workers with the Basic Emergency Aid; and (ii) families under the cash transfer Bolsa Familia Program that are also eligible for the Basic Emergency Aid. The Program seeks to contribute to improving the living conditions of vulnerable people, in the face of the COVID-19 crisis, which is affecting income and employment levels.</p> <p>The Program is specifically related to the Government of Brazil’s response to the COVID-19 outbreak. The Program will help ensure that strong fiscal support is in place to combat the outbreak and that priority public investment projects in 2020 will be implemented, and to helping the economic recovery of the country.</p> |

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| | <p>The Program will be implemented by Ministry of Citizenship of the Government of Brazil to support minimum income levels for the most vulnerable population, including informal, self-employed and unemployed workers, and poor families with a Basic Emergency Aid. The Program will support the implementation of non-pharmaceutical interventions, such as social distancing while contributing to safeguard the living conditions of the most vulnerable population in Brazil during the COVID-19 crisis.</p> |
| <p>Expected Benefits</p> | <p>The Program will directly support the containment of COVID-19 onward transmission and the protection of health conditions of the Brazilian people, particularly for the most vulnerable population. The Program allows informal workers to have an income and stay at home maintaining the social distancing measures. The Program also helps the poorest families to gain increased accesses to food and health-related goods such as medicine and personal hygienic products that are equally important and vital to prevention and containment of COVID-19.</p> <p>The Program will contribute to women’s economic empowerment and gender equality. Law 13.982/2020 establishes that the monthly amount paid to women solely responsible for the household expenses will be doubled the amount of the basic assistance. It is estimated that about 9.2 million families headed by women will automatically receive the Basic Emergency Aid.</p> |
| <p>Environmental and Social Aspect</p> | <p>The Program is Category “C” in line with NDB’s Environment and Social Framework (ESF). The Program, which will involve the financing of cash transfers of social safety nets government programs, will not cause negative environmental and social impacts and will bring positive social impacts due to the emergency income aid benefit directly to the vulnerable population, such as informal workers, self-employed, unemployed, and their families.</p> |
| <p>Financing Aspect</p> | <p>The total loan amount is USD 1.0 billion. Disbursement will be one tranche of the total loan amount.</p> |
| <p>Implementation</p> | <p>The Program duration is up to May 31, 2021. The Federative Republic of Brazil, represented by the Ministry of Economy of the Government of Brazil, will be the Borrower of the Loan. The Ministry of Citizenship of the Government of Brazil will be the Executing Agency. The state-owned bank Caixa Econômica Federal will be responsible for processing the payments to beneficiaries of the Emergency Aid for the Program. The National Treasury Secretariat of the Ministry of Economy will be responsible for the management of financial resources and control of the flow of funds of the Program.</p> |

| Contacts | NDB | Borrower | Implementation Agency |
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