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BR-MICI004-2011

**THIRD MONITORING REPORT ON THE CONSULTATION PHASE AGREEMENTS
LOW-INCOME NEIGHBORHOOD IMPROVEMENT PROGRAM HABITAR BRASIL**

**(BR-0273)
(1126/OC-BR)**

This document was prepared for the Consultation Phase.

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Third Monitoring Report on the Agreement:
December 2015 – November 2016

Case BR-MICI004-2011

Low-income Neighborhood Improvement Program

Habitar Brasil (BR-0273)

São José dos Campos

CONSULTATION PHASE

TABLE OF CONTENTS

I.	EXECUTIVE SUMMARY.....	1
II.	MICI POLICY BACKGROUND FOR AGREEMENT MONITORING.....	2
III.	BACKGROUND OF THE CASE.....	2
IV.	ACTIONS PERFORMED DURING THE MONITORING PROCESS.....	2
V.	CONCLUSIONS AND NEXT STEPS	4

ANNEX I. ACTIVITIES MONITORING TABLE

MONITORING REPORT

Period: December 2015 – November 2016

I. EXECUTIVE SUMMARY

- 1.1 This document is being issued in accordance with paragraph 35 of the Independent Consultation and Investigation Mechanism Policy (document MI-47-3), to report on the progress made over the period of reference (December 2015 to November 2016) on the commitments assumed by the Parties under the agreement signed on 24 May 2014 (the “Agreement”) for case BR-MICI004-2011, regarding the Low-income Neighborhood Improvement Program Habitar Brasil (BR-0273) carried out in São José dos Campos, Brazil. The progress related in this report builds on the advances made during the periods from June through November 2014 and December 2014 through November 2015, which are documented in the [First Monitoring Report](#) and [Second Monitoring Report](#), respectively.
- 1.2 During the period covered by this report, and in accordance with the monitoring plan, the following activities were carried out: (a) monthly meetings of the Joint Committee;¹ (b) an international MICI mission to São José dos Campos to monitor implementation of the Agreement on site; and (c) receipt, by the MICI, of the quarterly progress reports issued by the Committee as well as additional relevant information.
- 1.3 To date, 14 of the 22 actions that comprise the Agreement were carried out, one of them has been partially carried out, and four are in the process of being carried out, of which the following are worth mentioning: (a) conclusion of the works; (b) implementation of social actions during the works; and (c) delivery of dwellings and moving of the families into them. There has been no progress as yet on the three actions still pending under the Agreement, since they are tied to the conclusion of activities that are still being carried out.
- 1.4 In the following months, the following actions are expected to be monitored: (a) conclusion of the process involving donation of the land; (b) signature of the financing contract for the houses; and (c) implementation of the post-occupancy work. In addition, adherence to the Agreement by the new municipal administration—which enters into office in January 2017—will be sought. In order to follow up on these pending matters, the MICI will conduct two missions to São José dos Campos during the first and third quarters of 2017 and will continue to receive support from the local facilitator.
- 1.5 Pursuant to the Agreement, the MICI will consider the case closed once it has verified that the last activity—completion of the post-occupancy work—has been carried out, tentatively in June 2017.

¹ A joint committee was created for the purpose of monitoring the activities set out in the Agreement. It consists of three representatives from the families and three from the municipal government. The Committee meets monthly to consider the progress of the actions necessary to comply with the Agreement and submits the findings in progress reports to be sent to the MICI on a quarterly basis.

II. MICI POLICY BACKGROUND FOR AGREEMENT MONITORING

- 2.1 The monitoring of agreements for this case is done in accordance with the MICI Policy approved on 17 December 2014 (document MI-47-3) and the Transition Plan (document MI-48-1) approved by the Board of Executive Directors on 4 February 2015.
- 2.2 Paragraph 35 of the MICI Policy establishes the obligations in terms of monitoring of agreements for the Consultation Phase as follows: “The MICI will submit a monitoring report to the Board [...] for information at least annually, which will be published in the Public Registry.”
- 2.3 In accordance with the Transition Plan, in the case of Requests that were recorded and processed under the Policy Establishing the MICI and were in the monitoring of agreements process of the Consultation Phase when that Policy was approved, the duration of such monitoring will not exceed five years counted from the date of entry into force of that Policy. The monitoring reports are to be issued annually.

III. BACKGROUND OF THE CASE

- 3.1 For the case background, please refer to the following documents:
[Eligibility Memorandum](#);
[Consultation Phase Assessment Report](#);
[Consultation Phase Report BR-MICI004-2011](#);
[First Monitoring Report](#); and
[Second Monitoring Report](#).

IV. ACTIONS PERFORMED DURING THE MONITORING PROCESS

- 4.1 In the Agreement, 22 activities were identified, listed in Annex I to this document. The following actions were carried out during the reference period to comply with the Agreement:
 - a. Beginning in January 2016, monthly meetings with the Joint Committee were held at the construction site, in order to be able to monitor progress on the housing works on site.
 - b. During the period, several activities under the Social Action Plan (PAS), previously agreed upon with the families, were carried out. The PAS includes the following activities: (a) actions to support income generation (training courses and entry into the workforce); (b) socio-educational actions; and (c) community building actions.
 - c. In February 2016, in the context of the PAS, beneficiary families established a housing assignment system that included priority criteria for those houses selected by more than one family. This process concluded successfully in March 2016.
 - d. During this period, families were registered in the municipal government’s Housing Program as a requirement to be considered beneficiaries thereto.

Since the objective of such registration was not clear and since the municipal government already had basic information on each family, there was some confusion about this but the local MICI facilitator was able to clear it up. As a result, the families registered and thereby complied with all the administrative requirements involved.

- e. In September 2016, the Department of Federal Assets' donation decree was formally instituted and published. This was a key milestone in the process of donating the land for the housing construction. As part of this process, two visits by experts were conducted to report on housing conditions in the railway hangar, where the families were living.
- f. With 95% progress in the construction phase, the terms of possession of the dwellings began to be prepared and, at the same time, an addendum to the Agreement signed in 2014 in the context of the MICI was drafted. The addendum sought to clarify matters under the Agreement, which had been adjusted by mutual understanding of the Parties during execution.
- g. At the start of November, the final adjustments to the work were made, electric power installation was completed, and sewer system fixes were performed. After that, the families, together with the Joint Committee, inspected the new houses and concluded that, with the exception of a few details that were later addressed, the housing construction phase appeared to be completed and the houses satisfied the requirements. Implementation of the moving-in plan began.
- h. On 10 November 2016, in a ceremony organized by the municipal government, presided over by the Mayor and attended by the families, the members of the Joint Committee, municipal government officials, and the MICI team, the keys were formally handed over to the beneficiary families. On 11 and 16 November, the families moved into their new homes.
- i. In order to provide continuity and support for the activities still pending to achieve full compliance with the Agreement, the MICI worked with the Parties to consolidate a work plan and timetable. The plan calls of specific actions to carry out the activities in the Agreement after the families move in, fulfillment of which is still pending or in the process of being completed.
- j. Lastly, it is important to note that, as result of the October 2016 municipal elections, a new municipal administration will come into office in January 2017. Thus, the final monitoring stage of this case will be managed in collaboration with the new officials. The MICI team held meetings with the transition team in order to make them aware of the MICI process.



Ceremony to hand over the keys,
10 November 2016.
MICI photograph

Signature of the terms for handing
over the keys
MICI photograph

V. CONCLUSIONS AND NEXT STEPS

- 5.1 During the period covered by this report, the Parties have constantly demonstrated their willingness and their commitment to the Agreement. The members of the Joint Committee, the municipal government, the representatives of the Social Movements, and the Ombudsperson devoted time and effort to comply with the agreed upon actions within as short a time as possible.
- 5.2 This period's main milestone was delivery of the houses and the families moving into them, after more than a decade of living in the railway hangar.
- 5.3 As planned by the Parties, during the period from December 2016 to June 2017, the MICI will monitor the following actions:
 - a. Ratification by the new municipal government of the Agreement and Monitoring Plan on which consensus was reached;
 - b. Appointment of new members of the Joint Committee by the municipal government;
 - c. Conclusion of the land donation process, including presentation and approval of the financing contract by the municipal legislature;
 - d. Signature of the sales contract by the families, using the templates of the *Minha Casa Minha Vida* Program, in line with the current standard set out in the signed Agreement, and incorporation into the Property Registry of São José dos Campos;
 - e. Development of the Post-Occupancy Social Plan; and
 - f. Implementation of the Post-Occupancy Social Plan activities.
- 5.4 The MICI is expecting to conduct two international missions to São José dos Campos to follow up on these actions. In addition, the MICI will have the support of the local facilitator to directly monitor fulfillment of pending actions.

- 5.5 In accordance with the Agreement, once fulfillment of the final activity to be implemented is verified, the MICI would declare case BR-MICI004-2011 closed. This should tentatively take place around June 2017.



New houses for the Requesting families
MICI photograph



Requester in her new home
MICI photograph

ANNEX I. ACTIVITIES MONITORING TABLE

Stage	#	Activity in the timeline	Description	Current status
Preparation	1	Request for plant cover removal - preparation	The land where the works will be carried out currently has vegetation that needs to be eliminated. Authorization from the Municipal Department of the Environment is needed for this purpose.	Fulfilled
	2	Authorization for plant cover removal		Fulfilled
	3	Preparation of documentation for the SPU	The municipal government needs SPU approval to use the land for housing construction. As the owner of the land, the SPU required a series of documents that will need to be prepared and delivered by the municipal government.	Fulfilled
	4	SPU response		Fulfilled
	5	Negotiation with the residents of the project area and temporary housing solution	There were some informal settlements in the area to be used for housing construction. In order for the land to be completely cleared for use, the municipal government needed to negotiate with the residents of those settlements and provide them with a temporary housing solution, until they could move into their houses.	Fulfilled
	6	Preparatory actions to move the residents out of the project area		Fulfilled
	7	Relocation of the residents in the project area		Fulfilled
	8	Monitoring of the relocation of the residents in the project area		Fulfilled
	9	Authorization to operate in the area	The SPU is responsible for such authorization, which is the key activity for the start of the works.	Under way
	10	Detailed design	This document is to be prepared by Urbam, the construction company in charge of the works.	Fulfilled
	11	Area survey	The survey work in the area is necessary to support the SPU's land transfer process.	Fulfilled
	12	Drafting and signature of the contract (municipal government and Urbam)	The municipal government and Urbam will draft and sign the terms of the contract for the works.	Fulfilled
	13	Preparation of the Social Action Plan (PAS)	This is technical social work to be performed by the Parties, which will cover the following activities, <i>inter alia</i> : (a) social support for families in vulnerable circumstances; (b) development of community activities during works execution; and (c) support for establishing community life following the move.	Fulfilled
	14	Social actions with the families that will be resettled	These are activities provided for in the PAS for the pre-occupancy period.	Under way
	15	Creation of the financial model for paying for the houses	The financial model to be used for paying for the houses will be similar to the one used in the social program <i>Minha Casa Minha Vida</i> . The specific modality and the conditions for delivery of the houses and payment therefor will be created in the context of the Agreement.	Under way

Stage	#	Activity in the timeline	Description	Current status
Execution	16	Works execution	This involves the actual construction of the works.	Fulfilled
Delivery of the works	17	Preparation of the terms of the contract	Upon delivery of the houses, the beneficiary families will sign a delivery contract.	Under way
	18	Signature of the contract and delivery of the houses		Partially fulfilled
	19	Monitoring and support of the families' relocation	These are activities provided for in the PAS for the relocation to the new houses.	Fulfilled
	20	Registration of the payment card	Each beneficiary will have to file a payment card to make payments on the houses.	Pending
	21	Notification to the SPU that the families have been relocated	The SPU will be notified when the beneficiary families have moved out of the railway hangar and have been relocated to their new houses.	Pending
	22	Post-occupancy work	This involves social activities to promote integration and establishment of community life provided for the families after their relocation.	Pending