

# INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC1080

**Date ISDS Prepared/Updated:** 17-May-2016

**Date ISDS Approved/Disclosed:** 24-May-2016

## I. BASIC INFORMATION

### A. Basic Project Data

<b>Country:</b>	Brazil	<b>Project ID:</b>	P153012
<b>Project Name:</b>	Fortaleza Sustainable Urban Development Project (P153012)		
<b>Task Team Leader(s):</b>	Catalina Marulanda, Emanuela Monteiro		
<b>Estimated Appraisal Date:</b>	18-Jul-2016	<b>Estimated Board Date:</b>	16-Nov-2016
<b>Managing Unit:</b>	GSU10	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Solid waste management (30%), General water, sanitation and flood protection sector (40%), Public administration- Information and communications (30%)		
<b>Theme(s):</b>	Urban services and housing for the poor (25%), City-wide Infrastructure and Service Delivery (25%), Municipal governance and institution building (20%), Natural disaster management (10%), Pollution management and environmental health (20%)		
<b>Financing (In USD Million)</b>			
<b>Total Project Cost:</b>	146.60	<b>Total Bank Financing:</b>	73.30
<b>Financing Gap:</b>	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			73.30
International Bank for Reconstruction and Development			73.30
Total			146.60
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

### B. Project Objectives

The proposed Project Development Objective is to assist the Municipality of Fortaleza in enhancing the quality of its urban environment through integrated infrastructure investments in priority areas, and strengthening its urban planning and management capacity.

## C. Project Description

The Project will have three components:

Component 1. Urban and Environmental Restoration. This component will support: (i) the optimization of existing sanitation infrastructure in the Vertente Marã-tima watershed, including financing household connections, to improve the water quality in the city's seashore; (ii) the environmental restoration and urban renewal of the Park Rachel de Queiroz, including the implementation of an Urban Operation in the area; and (iii) promote a comprehensive approach for solid waste management.

Component 2. Strengthening Municipal Management Capacity for Urban Planning, Disaster Risk Management (DRM) and Environmental Management. This component will support: (i) a better integration of DRM and resilience activities into the city's urban planning and management process; (ii) the development of an integrated multipurpose cadaster; (iii) the implementation of SEUMA's Fortaleza Online Program, aiming at expanding the current online system of services; (iv) the identification and structuring of Urban Operations; (v) the review of the Master Plan and Land Use and Zoning Law; and (vi) the strengthening of SEUMA's urban and environmental monitoring systems.

Component 3. Project Management. This component will support the technical and fiduciary management of the project, project audits, and project monitoring and evaluation.

## D. Project location and salient physical characteristics relevant to the safeguard analysis (if known)

Fortaleza is the fifth largest city in the country with a population of 2.6 million inhabitants (IBGE, 2014), who live in a territory of 314.93 square kilometers (population density equals 8.3 thousand inhabitants/km<sup>2</sup>). The city's Gini coefficient is one of the highest amongst state capitals (IBGE, 2010) and 5.46 percent of the population lives in conditions of extreme poverty (IPECE, 2014). Over 16 percent of the population lives in substandard settlements (roughly 509 different favelas were mapped in the city in 2010). In 2010, Fortaleza had the second largest slum population of the cities of the Northeast, amounting to roughly 396,370 people (IBGE).

Inequalities are spatially distributed. The poorest zones of the city are located along the main water bodies including the Maranguapinho and Cearã rivers (in the Western area) and the Cocã<sup>3</sup> river and its tributaries (in the Northeastern area) as well as along the beach, particularly on the Western and North Eastern side. Many low-income settlements are located in areas of high risk of flooding, increasing the vulnerability of an elevated number of poor households.

The deep inequalities that characterize the city are evident along the coastline, where wealthy neighborhoods are adjacent to pockets of severe poverty. In fact, 69% of the population living in the northern neighborhoods of the city has levels of income at or below three minimum salaries (IBGE, 2010). Originally areas of illegal occupation, they are characterized by high density, disorganized and unregulated land use, lack of basic services (sewerage, water, waste collection), and an overall deficiency of urban amenities. The poor live in precarious housing conditions located in environmental degraded areas with critical levels of crime and violence.

Additionally, remote, poor southern areas are characterized by large low-income housing complexes built in the 1970s and 1980s, with very limited transportation options. In subsequent years, the city expanded fast and without planning towards those areas, resulting in low-rise, low density and low-income residential housing. Infrastructure for the provision of basic services is deficient, mobility remains very limited, and crime rates are high. Encroachment in parks and around lagoons has essentially deprived the majority of the population of access to these natural spaces.

In short, population growth and rapid unplanned urbanization brought with them a number of urban, social and environmental problems such as occupation of high risk areas, deficiencies in sanitation

and solid waste management systems, urban mobility bottlenecks, and environmental degradation and poor quality (as expressed by the low rate of green areas per population within the city >( 4 m2 per inhabitant). In the city of Fortaleza, deficiencies in urban infrastructure and afforestation of streets >( which can be used as good proxies for urban and environmental quality >( are strongly associated with low-income households (IBGE, 2010). This association suggests the Project may have positive distributional impacts.

### **E. Borrowers Institutional Capacity for Safeguard Policies**

The Project implementing agency, SEUMA, has no previous experience with the World Bank >( s Operational Policies. The Environmental Management Plan will assess the need for capacity enhancement and include a plan for capacity building. However It >( s worth mentioning that: (i) Despite having never worked with the World Bank, SEUMA is the Secretariat in charge of urban planning and urban and environmental management matters at the city level. The issuance of urban and environmental permits, as well as the enforcement of their provisions, for instance, is also part of their concerns and duties; and (ii) specifically regarding potential resettlement impacts, the Bank team is already in coordination not only with SEUMA, but also with HABITAFOR, the agency in charge of policymaking and execution of the overall social housing and resettlement. Whatever TA to be provided to SEUMA will also be extended to HABITAFOR.

### **F. Environmental and Social Safeguards Specialists on the Team**

Alberto Coelho Gomes Costa (GSU04)

Clarisse Torrens Borges Dall Acqua (GEN04)

## **II. SAFEGUARD POLICIES THAT MIGHT APPLY**

<b>Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	The proposed set of interventions is primarily focused in urban and environmental restoration, aiming to enhance the quality of the city >( s urban environment. These interventions are expected to include: optimization of installed sewer infrastructure; reduction and control of pollution sources of water resources; regeneration of green spaces and implementation of Urban Operations. Therefore, a category B it is proposed for this Project. The Environmental Assessment safeguard is mandatory to all projects and sub-projects that may potentially have an environmental and social impact. The Borrower will carry out an Environmental and Social Impact Assessment (ESIA), which includes a focused analysis of the social context and the potential positive and adverse impacts of the Project. The Terms of Reference (ToR) of this study are being prepared by the Borrower and will be submitted to the Bank for approval before the hiring process. Criteria and screening procedures for the selection of interventions to be financed will be defined and the

		<p>Borrower will apply the environmental screening before the final selection of each investment subproject.</p> <p>Principles of OP 4.01 will be applied, including an Environmental and Social management Framework (ESMF) and with regards to proper consultation. The ESMF will be reviewed by the Bank and publicly disseminated prior to appraisal.</p> <p>The social analysis shall be gender sensitive and consider the distributional impacts of the interventions. Special attention may be given to potential impacts on the livelihood strategies of waste pickers and families living at high-risk areas and substandard settlements. However, it is not possible to determine these potential impacts at this point and they should be assessed during the assessment of potential environmental and social impacts and risks during project preparation. The analysis shall also take into consideration the potential risks that may affect project implementation such as the need to intervene in violence-ridden areas of the city. Finally, the social analysis will include the assessment of the systems that are in place for adjudicating competing land claims and for providing access to an adequate grievance redress mechanism to the most vulnerable population.</p>
Natural Habitats OP/BP 4.04	Yes	<p>Some proposed interventions may support investment for the recovery of green spaces and redevelopment of degraded areas. These interventions could be proposed in areas considered by the state to be environmentally sensitive (i.e., in riparian areas Permanent Preservation Areas, APP).</p> <p>The OP 4.04 is triggered and all planning activities that may affect natural habitats must follow World Bank policies. Spring and river margins areas are classified as Permanent Preservation Areas (APP) and legally protected by the Brazilian Legislation (Federal Law 4771/65). APP use for sanitation systems development requires specific permitting, mitigation and regeneration measures.</p> <p>Despite the expected positive impacts, the ESIA and ESMF will include clear guidance regarding direct and indirect impacts on natural habitats.</p>
Forests OP/BP 4.36	No	It is not expected that the Project implementation will have negative impacts on forest resources.
Pest Management OP 4.09	Yes	The project is not expected to finance any pesticides

		<p>or other chemical amendments that would trigger OP 4.09. Nevertheless, some amounts of herbicides could probably be used in the creation and maintenance of green areas and urban parks. In this case, the project would support the development of an Integrated Pest Management (IPM) for these areas.</p> <p>The need to use herbicides will be indicated in each sub-project, as well as the IPM measures to be adopted. When the use of herbicides is justified, an analysis of potential negative impacts resulting from the use of these chemical and the risk associated with the inappropriate handling or storing of their containers will be conducted. The projects will also include measures to reduce those risks, in compliance with Law No. 7.802/89.</p> <p>A Pest Management Plan (PMP) will be prepared and incorporated into the EMP/ESMF and the Project Operational Manual. The PMP would make use of the World Health Organizations Recommended Classification of Pesticides by Hazard and Guidelines to Classification (GENEVA; WHO 1994-95). The PMP would also exclude finance under the proposed project for formulated products that fall into WHO classes IA and IB, or formulation of products in Class II, if: (i) the country lacks restrictions on their distribution and use, or (ii) they are likely to be used by, or be accessible to, lay personnel, farmers, or others without training, equipment, and facilities to handle, store, and apply these products properly.</p>
Physical Cultural Resources OP/BP 4.11	Yes	<p>Project implementation is not expected to cause any negative impact on known physical cultural resources (PCR). Proposed sub-projects with expected direct and negative impact on known archaeological, paleontological, historical or other culturally significant sites will not be eligible. However, they may include historical sites and/or archaeological findings. As such, impacts and procedures for "chance findings" from specific investments under Component 1 (if applicable) will be assessed within the ESIA, and the resulting EMP/ESMF will include relevant provisions to mitigate any potentially adverse impacts. Such provisions will include compliance with the guidelines defined by the National Institute for Historical and Cultural</p>

		Heritage (IPHAN) regarding historical sites and/or archaeological findings.
Indigenous Peoples OP/BP 4.10	No	The Project will not interfere with Indigenous Peoples because all the investments will be undertaken in urban areas and there are no indigenous Peoples as defined under the policy in the Project's area of influence.
Involuntary Resettlement OP/ BP 4.12	Yes	<p>Some of the proposed interventions in Components 1 and 2 may require land acquisition and have adverse effects related with involuntary physical displacement. The location of some activities has already been decided, but remains uncertain with regards to others. In both situations the scope and magnitude of expected adverse impacts related with physical and economic displacement due to land acquisition for implementation of Project's activities are expected to be limited. Information recently provided by the Borrower states that about 100 low income families (mostly squatters occupying public lands) may be affected by the works envisaged for the Rachel de Queiroz Park.</p> <p>The socioeconomic profile of these families and the value of their assets will be further detailed during Project preparation. These families will be informed of Project envisaged activities and their feedback will be integrated into the RAPs prepared for these locations before appraisal. Unidentified impacts will be further assessed during Project preparation.</p> <p>The Borrower shall prepare before appraisal two complementary instruments: (i) a Resettlement Policy Framework to set the principles and procedures that the Project as a whole will follow whenever its activities require land acquisition leading to physical and/or economic displacement; and, (ii) specific Involuntary Resettlement Plans for the activities that have their location already defined. These instruments will be reviewed by the Bank and publically disclosed before appraisal. Additionally, solid waste management activities envisaged under Component 1 may cause the economic displacement of waste pickers. Whenever this adverse social impact is identified, the Project would propose livelihood restoration measures for the affected population.</p> <p>Some activities envisaged under Component 2 (better integration of DRM and resilience activities into urban planning and the review of the Master</p>

		<p>Plan and Land Use and Zoning Law could have downstream resettlement-related impacts, such as the preventive resettlement of populations living in at risk areas in Fortaleza. The team will ensure that these Technical Assistance activities will follow the guiding principles set at the World Bank's Interim Guidelines on the Application of Safeguard Policies to Technical Assistance (TA) Activities in Bank-Financed Projects and Trust Funds Administered by the Bank and Interim Guidance Note on Land Use Planning. The Terms of Reference for all these activities will be submitted to the Bank for review, which would assess their consistency with the World Bank's policy, and give no objection before the hiring process. The Bank will ensure these Terms of Reference include all guidelines needed to ensure the implementation of TA activities will be consistent with the World Bank's Involuntary Resettlement Policy.</p> <p>Finally, the team will clarify the scope of activities proposed under the multipurpose cadaster and address the existence of systems in place for adjudicating competing land claims and an adequate grievance redress mechanism to the most vulnerable population groups.</p>
Safety of Dams OP/BP 4.37	No	It is not expected that the investment in sanitation systems will demand the applying of OP 4.37.
Projects on International Waterways OP/BP 7.50	No	
Projects in Disputed Areas OP/BP 7.60	No	

### III. SAFEGUARD PREPARATION PLAN

**A. Tentative target date for preparing the PAD Stage ISDS:** 30-Jun-2016

**B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing<sup>1</sup> should be specified in the PAD-stage ISDS:**

Safeguard-related studies are expected to be launched by the end of June 2016 and completed by July 2016.

### IV. APPROVALS

Task Team Leader(s):	Name: Catalina Marulanda, Emanuela Monteiro	
<b>Approved By:</b>		
Safeguards Advisor:	Name: Francis V. Fragano (SA)	Date: 17-May-2016

<sup>1</sup> Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.

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Practice Manager/ Manager:	Name: Anna Wellenstein (PMGR)	Date: 24-May-2016
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