

**INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE**

I. Basic Information

Date prepared/updated: 07/13/2009

Report No.: 49478

1. Basic Project Data

Country: Brazil	Project ID: P091827	
Project Name: Sustainable Cerrado Initiative		
Task Team Leader: Garo J. Batmanian		
GEF Focal Area: Biodiversity	Global Supplemental ID:	
Estimated Appraisal Date: June 10, 2009	Estimated Board Date: August 25, 2009	
Managing Unit: LCSEN	Lending Instrument: Specific Investment Loan	
Sector: General agriculture, fishing and forestry sector (100%)		
Theme: Biodiversity (29%);Environmental policies and institutions (29%);Land administration and management (28%);Other environment and natural resources management (14%)		
IBRD Amount (US\$m.):	0.00	
IDA Amount (US\$m.):	0.00	
GEF Amount (US\$m.):	13.00	
PCF Amount (US\$m.):	0.00	
Other financing amounts by source:		
<u>BORROWER/RECIPIENT</u>		<u>29.69</u>
		29.69
Environmental Category: B - Partial Assessment		
Simplified Processing	Simple <input type="checkbox"/>	Repeater <input type="checkbox"/>
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

2. Project Objectives

The Sustainable Cerrado Initiative Program development objective is to promote the increase of biodiversity conservation and improve the environmental and natural resource management of the Cerrado biome through support for appropriate policies and practices. The Sustainable Cerrado Initiative aims to achieve two specific goals:

- Action Plan of the National Program for the Conservation and Sustainable Use of the Cerrado Biome and, at least two public policies are adopted by state or federal agencies and contributing to biodiversity conservation in over 20% of the Cerrado biome; and
- Biodiversity conservation increased in four priority regions of the Cerrado.

The GEF Sustainable Cerrado Initiative will help strengthen the sustainability of the protected areas systems (SP1) and bolster the integration of biodiversity conservation into production systems (SP2) as expressed by the increase in:

- Brazil's concrete improvement in the effective management of its protected area systems;
- The percentage of supported protected areas effectively preserved;

- The number of pilot activities reported and verified that apply incentive measures and instruments;
 - The number of sector policies and plans that include measures which promote sustainable use or conservation of biodiversity; and,
 - Production systems that contribute to conservation or sustainable use of biodiversity.
- Each of the two phases of the Sustainable Cerrado Initiative will have its own set of targets for the same indicators and will contribute to the same goals presented above.

3. Project Description

The rationale of the GEF Sustainable Cerrado Initiative design is to balance two sets of actions: (i) to get the policy framework and coordination in place, thereby helping to guide future investments from both public and private sectors towards a more sustainable use of the agricultural landscape; and, (ii) to facilitate the implementation of immediate actions that will decrease or halt the loss of biodiversity through support to protected areas and the sustainable management of the productive landscape. The four projects under the Sustainable Cerrado Initiative Program target results which combined will fulfill the overall goal of the Program.

Each individual project contributes significantly to the targets, and the entire set of projects should achieve the overall goals set forth for the Sustainable Cerrado Initiative Program. This Sustainable Cerrado Initiative Program has four components that closely follow the key thematic and cross-cutting activities proposed under the National Cerrado Program and are consistent with GEF Strategic Objectives.

Component 1: Conservation of the Cerrado Biodiversity aims at increasing biodiversity conservation in the Cerrado region by strengthening the mosaic of legally protected areas (PAs) of unique biodiversity. This component has the following result indicators:

- An additional 2.0 million hectares of the Cerrado biome protected through the creation/expansion of Protected Areas (PAs).
- 30% of the Cerrado PAs targeted by the Sustainable Cerrado Initiative with their basic protection measures in place.

Component 2: Sustainable Use of the Cerrado's Natural Resources aims at promoting the management of the rural productive landscape including the adoption of sustainable agricultural practices by medium and large farmers and the sustainable use of native species by small farmers and local communities, so as to improve the use of available resources and biodiversity conservation while reducing environmental impacts. This component has the following result indicators:

- Twelve initiatives of traditional know-how and current best practices for the sustainable management of the Cerrado's natural resources documented and disseminated. The focus will be on practices that significantly contribute to conserving key biodiversity and their habitats.
- An increase of 10% of rural properties in project-supported areas regularly using some form of natural resource, land or agricultural management or biodiversity conservation practice, and/or "sustainable management" production (e.g., protection of the riparian forests, managing fires, location of the Legal Reserve, management of species).
- Fifteen initiatives for adding value and improving the commercialization of native products originating from sustainably managed production developed. These initiatives

will be carried out directly by the local communities or will have their strong involvement in order to ensure adequate access and benefit sharing, in accordance with the Bonn Guidelines.

Component 3: Institutional Strengthening and Public Policies aims at formulating new public policies for the conservation and sustainable use of the Cerrado, and strengthening government agencies to manage natural resources. It also intends to enable the private sector, civil society organizations and local communities to actively participate in environmental management and formulation of new public policies related to the conservation and sustainable use of the Cerrado's natural resources. This component has the following result indicators:

- Formulation of Action Plan of the National Program for the Conservation and Sustainable Use of the Cerrado Biome concluded, publicly launched and under implementation.
- Four new public policies (state or federal), related to the conservation and sustainable use of the Cerrado's natural resources developed.
- Geo-referenced systems for environmental monitoring, licensing of rural properties, and enforcement, developed at federal and state levels.
- Six selected institutions working on matters related to the use of natural resources strengthened through staff training in specific environmental management processes and associated tools.
- Three civil society networks and/or organizations strengthened to keep their affiliates informed about public policies and to communicate and represent civil society's opinions and aspirations in the national arena.

Component 4: Coordination and Monitoring of the Biome aims at ensuring the effective and efficient implementation of this GEF Sustainable Cerrado Initiative Program. It also intends to support the implementation of a publicly accessible database containing current geo-referenced, social and environmental information on the Cerrado biome. This component has the following result indicators:

- All the projects of the GEF Sustainable Cerrado Initiative being coordinated, monitored, and annually evaluated, with the results fully publicized.
- Information on biodiversity, vegetation cover, and land use of the Cerrado biome updated periodically and made freely available.

4. Project Location and salient physical characteristics relevant to the safeguard analysis

The overall Initiative will contribute to the conservation of the Cerrado biome. The biome covers some areas of the States of Maranhão, Piauí, Bahia, Tocantins, Goiás, Minas Gerais, São Paulo, Paraná, Mato Grosso and Mato Grosso do Sul, and the Federal District. The subprojects will implement activities in some of these states and the MMA will monitor the Cerrado cover of the overall biome.

5. Environmental and Social Safeguards Specialists

Mr Garo J. Batmanian (LCSSEN)

Ms Maria Jose Vilas Boas Per Weiss (LCSSO)

6. Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)	X	
Natural Habitats (OP/BP 4.04)	X	
Forests (OP/BP 4.36)	X	
Pest Management (OP 4.09)	X	
Physical Cultural Resources (OP/BP 4.11)	X	
Indigenous Peoples (OP/BP 4.10)	X	
Involuntary Resettlement (OP/BP 4.12)	X	
Safety of Dams (OP/BP 4.37)		X
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts: The analysis based on the components of the Sustainable Cerrado Initiative and the typical social and environmental situation in the Cerrado, and later confirmed by the specific components of the projects, indicates that several safeguard policies could be triggered by each project. The list below indicates those safeguards triggered for the entire Sustainable Cerrado Initiative (i.e., whole set of projects).

Separate environmental assessments were prepared for each project. The Goiás and Tocantins projects build on the full Environmental Assessment prepared for the IBRD loans which will collaborate with the respective state projects. The MMA and ICMBio projects build on the several Bank-implemented GEF projects which have been successfully executed by MMA and IBAMA, most notably ARPA.

Environmental Analysis. The draft EA and EMP were submitted to the Bank on May 8, 2007. The final EA/EMP report was disseminated in Brazil through the MMA website (<http://www.mma.gov.br>), and contains a more detailed description of possible positive and negative environmental impacts of Sustainable Cerrado Initiative-supported activities, as well as a framework of identified preventive/corrective measures as a guideline for project EAs and EMPs. The document was also sent to the representatives of government and non-governmental organizations and civil society, who participated in the consultations during preparation of the Sustainable Cerrado Initiative, and addressed all comments received.

Overall Environmental Assessment. The Sustainable Cerrado Initiative is notably a conservation project, and has been classified by the World Bank as a Category B proposal. The rationale of the Sustainable Cerrado Initiative is to achieve positive environmental outcomes on a biome-wide basis through direct measures - the establishment and consolidation of protected areas and the identification and facilitation of sustainable use strategies - and indirectly through engaging productive sector stakeholders whose activities as currently undertaken may result in biodiversity loss,

through mainstreaming biodiversity conservation and sustainable use concerns into productive landscape policy and planning issues in the Cerrado.

Given the framework character of the Sustainable Cerrado Initiative and the fact that activities will be undertaken by means of projects, the necessary environmental analysis should be built into the procedures for developing each project proposal according to the Sustainable Cerrado Initiative EA framework and its subsequent review by the Sustainable Cerrado Initiative Committee and the MMA, and according to the World Bank environmental safeguard policies.

Direct, positive environmental impacts stemming from the Sustainable Cerrado Initiative implementation will likely include: (i) reduction of the rate of biodiversity loss; (ii) support for the development/testing and dissemination of sustainable use practices, resulting in decreased soil erosion, riparian forest recovery, and conservation of biodiversity; (iii) diversification of agricultural production favoring native species to substitute monocultures; (iv) creation and strengthening of protected areas to ensure effective environmental conservation; (v) the creation of mosaics of natural habitats through strategic distribution of Sustainable Cerrado Initiative actions and recuperation of natural habitats; (vi) development and implementation of public policies directed at the Cerrado conservation and sustainable use, promoting the engagement of the productive sector; and, (vii) improved capacity of government institutions and civil society to participate in decision-making and implement public policies that support the sustainable use and conservation of the Cerrado, fostering better management and control of the threats that lead to the degradation of the region's biodiversity and resources.

Environmental Management Plan. The Sustainable Cerrado Initiative is a framework for the facilitation and coordination of actions to establish and consolidate protected areas, promote the conservation and sustainable use of the biodiversity of the Cerrado, develop public policy, build the capacity of stakeholders and collect and disseminate relevant socio-environmental data.

The keys to identifying, preventing or mitigating adverse environmental impacts and enhancing positive impacts are to be found, firstly, at the level of the procedures for development, approval, implementation and monitoring of the projects and, secondly, in the procedures to be adopted for coordinating, monitoring and evaluating the projects. The Sustainable Cerrado Initiative Program lists obligatory "qualifying" criteria and additional preferential criteria for assessing project proposals (see Annex 17), and the EMP lists additional criteria for assessing project proposals. The Sustainable Cerrado Initiative will not fund any activity that may lead to significant environmental impact, such as clear-cutting of forests or unsustainable exploitation of natural resources.

Natural Habitats. Activities under some Sustainable Cerrado Initiative components should lead to positive impacts on natural habitats, such as their conservation and recuperation. Nevertheless, OP 4.04 is triggered and therefore all projects' planning activities that may affect natural habitats must follow World Bank policies, identifying monitoring and management activities to prevent or mitigate any possible negative impact. Local and national legislation concerning natural habitats must be followed and habitat recuperation and sustainable use activities should give priority to the use of appropriate combinations of native species.

Pest Management. The need to use pesticides or herbicides should be indicated in each project, as well as the measures for Integrated Pest Management (IPM) to be adopted. When the use of pesticides or herbicides is justified, an analysis of potential negative impacts resulting from the use of these chemicals and the risks associated with the inappropriate handling or storing of their containers should be conducted. The projects should also include measures to reduce those risks, in compliance with Law No. 7802/89 and OP4.09.

The Operating Manual determines that for all projects provisions should be made for the appropriate handling and storing and, the use of these substances, whenever needed, should be limited to low toxicity products according to Class IV of Decree 98816/90, which correspond to Class "U" products in the World Health Organization's classification. Or, if appropriate Class "U" products are not available, the PCU may authorize the use of WHO Class III products.

Physical Cultural Resources. Under Brazilian legislation provisions for the protection of cultural property are part of the environmental licensing procedures. The National Institute for Historical and Cultural Heritage (IPHAN) is the Brazilian institution responsible for handling archeological and cultural property issues. Whenever "chance findings" occur it is mandatory, under federal and state law, for Brazilian government agencies to seek IPHAN's support to address "chance finding" issues. At the Sustainable Cerrado Initiative's appraisal, only the Goiás Sustainable Cerrado Project triggered this safeguard due to the proposed works of the Goiás Highway Management Program, to which it contributes. However, these chance finding procedures are included in the DER-GO Environmental Management System and the Program also has a Cultural Property Framework to deal with these issues.

Involuntary Resettlement. The creation of new and the consolidation of existing protected areas will be consistent with (i) the Brazilian legislation on protected areas (SNUC - Law 9985/00, Decree 4340/02 and Decree 5758/06); (ii) the CBD Work Programme on Protected Areas; (iii) the list of priority areas for conservation, sustainable use and benefit-sharing in the Cerrado biome, as approved by CONABIO in December 2006 and amended by MMA Administrative Ruling n. 9 of January 23, 2007; and, (iv) the principle of avoiding the need for resettlement as a result of the creation of protected areas as successfully adopted in other Bank- implemented GEF projects in Brazil (i.e., ARPA). Under this principle, if local communities exist in areas identified as important for the establishment of protected areas, those community areas would be created as RESEXs. However, when unavoidable, involuntary resettlement must conform to Brazilian legislation, World Bank's OP4.12 and the Sustainable Cerrado Initiative Resettlement Framework, and will involve extensive public consultation for all areas. An updated Resettlement Framework was prepared and filed to better describe the principle and ensuing procedures of avoiding involuntary resettlement as a result of creating new protected areas.

Indigenous Peoples. Many indigenous peoples live in the Cerrado region and this Program will not create any protected area on Indigenous Lands. While no activity under

the Sustainable Cerrado Initiative may negatively impact indigenous lands or cultural properties, indigenous communities that express an interest in participating in project activities should be welcome to do so.

An Indigenous Peoples Plan Framework (IPPF) was developed for the Sustainable Cerrado Initiative, containing criteria for the development and disclosure of an Indigenous Peoples Plan by any project involving indigenous communities. An updated Indigenous Peoples Plan Framework was prepared and filed, to better describe the Indigenous People of the region and the process to avoid overlap between protected areas and indigenous land.

Forests. Typical activities should support mainly conservation and restoration activities, and sustainable forestry activities (mainly non-timber), traditional communities and small-scale rural producers, and should be planned and executed in such a way to minimize or prevent negative impacts on forest areas. Activities resulting in deforestation and loss of native vegetation cover will not be allowed. No large-scale timber activities will be supported by the Sustainable Cerrado Initiative. The management of any non-timber or timber (in limited scope) products will follow management plans approved by the Sustainable Cerrado Initiative and fully compatible with the World Bank's OP4.36.

Identify and describe any potential large scale, significant and/or irreversible impacts:

There will not be any large scale, significant and/or irreversible impacts associated with this Project.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

Given the nature of the proposed project's investments no long term social or environmental negative indirect impacts are expected to occur.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

n/a.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described. An environmental assessment and related safeguard frameworks were prepared by the Borrower for the Initiative. The assessment and frameworks were reviewed by the Bank and considered satisfactory. Each subproject carried out its specific safeguard assessment which complies with the overall Initiative safeguard framework.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. The Initiative was prepared in consultation with the Sustainable Cerrado Program National Committee (CONACER), which convenes government, academia and civil society representatives. The environmental assessment was disclosed to the general public at CONACER's website <http://www.mma.gov.br/> in April 2007.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	01/10/2007
Date of "in-country" disclosure	04/02/2007
Date of submission to InfoShop	02/13/2008
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	

Resettlement Action Plan/Framework/Policy Process:

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	01/10/2007
Date of "in-country" disclosure	12/17/2007
Date of submission to InfoShop	05/13/2008

Indigenous Peoples Plan/Planning Framework:

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	01/10/2007
Date of "in-country" disclosure	12/17/2007
Date of submission to InfoShop	04/29/2008

Pest Management Plan:

Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	01/10/2007
Date of "in-country" disclosure	12/17/2007
Date of submission to InfoShop	02/12/2008

*** If the project triggers the Pest Management and/or Physical Cultural Resources, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.**

If in-country disclosure of any of the above documents is not expected, please explain why:

The documents related to the Initiative will be disclosed as usual. The subprojects will also have their documents disclosed in accordance with Bank practices.

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)**OP/BP/GP 4.01 - Environment Assessment**

Does the project require a stand-alone EA (including EMP) report?	Yes
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes

OP/BP 4.04 - Natural Habitats

Would the project result in any significant conversion or degradation of	No
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critical natural habitats?
 If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank? N/A

OP 4.09 - Pest Management

Does the EA adequately address the pest management issues? Yes
 Is a separate PMP required? Yes
 If yes, has the PMP been reviewed and approved by a safeguards specialist or SM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist? Yes

OP/BP 4.11 - Physical Cultural Resources

Does the EA include adequate measures related to cultural property? Yes
 Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property? N/A

OP/BP 4.10 - Indigenous Peoples

Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples? Yes
 If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan? Yes
 If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Sector Manager? N/A

OP/BP 4.12 - Involuntary Resettlement

Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared? Yes
 If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan? Yes

OP/BP 4.36 - Forests

Has the sector-wide analysis of policy and institutional issues and constraints been carried out? N/A
 Does the project design include satisfactory measures to overcome these constraints? N/A
 Does the project finance commercial harvesting, and if so, does it include provisions for certification system? N/A

The World Bank Policy on Disclosure of Information

Have relevant safeguard policies documents been sent to the World Bank's Infoshop? Yes
 Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs? Yes

All Safeguard Policies

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? Yes
 Have costs related to safeguard policy measures been included in the project cost? Yes
 Does the Monitoring and Evaluation system of the project include the Yes

monitoring of safeguard impacts and measures related to safeguard policies?
 Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? Yes

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Mr Garo J. Batmanian	04/29/2008
Environmental Specialist:	Mr Garo J. Batmanian	04/29/2008
Social Development Specialist	Ms Maria Jose Vilas Boas Per Weiss	04/29/2008
Additional Environmental and/or Social Development Specialist(s):		
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Mr Reidar Kvam	
Comments:		
Sector Manager:	Ms Laura E. Tlaiye	06/04/2008
Comments:	I confirm that the framework for potential env and social impacts is satisfactory.	