

**PROJECT INFORMATION DOCUMENT (PID)
APPRAISAL STAGE**

Report No.: AB1786

Project Name	Sustainable Cerrado Initiative
Region	LATIN AMERICA AND CARIBBEAN
Sector	General agriculture, fishing and forestry sector (100%)
Project ID	P091827
GEF Focal Area	Biodiversity
Borrower(s)	FEDERAL REPUBLIC OF BRAZIL
Implementing Agency	Multi-executing agencies (eg. Ministry of Environment, State of Goiás, Chico Mendes Institute for Biodiversity Conservation, State of Tocantins)
	Federative Republic of Brazil Brazil
Environment Category	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	June 3, 2008
Date of Appraisal Authorization	February 27, 2008
Date of Board Approval	November 6, 2008

1. Country and Sector Background

Brazil's economic management continues to be strong. The country continues to operate the trio of fiscal balance, inflation targeting, and very limited exchange rate intervention that it has been utilizing since January 1999, when the Real was allowed to float. There is no sign of reduced commitment to this strategy.

Agriculture is one of the main sectors behind the current economic growth. This sector represents 33% of the GNP, and 42% of total annual exports, which have reached over US\$ 100 billion per year. Brazil is now the largest exporter of soy, beef and their products. This economic growth needs to be accompanied by poverty alleviation and strengthening of environmental policies. For the most serious and immediate problems facing countries like Brazil – lack of access to clean water, encroachment into fragile lands and associated risks, and forest and land degradation – the limited evidence suggests that addressing these problems will bring major welfare gains and such gains will primarily accrue poorer people, and that economic growth would, in most cases, help address some of these problems more easily.

The *Cerrado* of Brazil has not followed this strategy. The rapid agriculture development of the past 30 years based on highly mechanized practices, transformed the region dramatically. Over 55% of the soybean and meat beef production of the country comes from the *Cerrado*. This has left high environmental costs in terms of habitat fragmentation and destruction, loss of biodiversity, soil degradation and water pollution as well as social costs with small farmers and traditional communities being displaced or restricted to subsistence agriculture.

Global Environmental Issues

The *Cerrado*, a unique type of tropical savanna, covers 25% (200 million ha) of Brazil. It is the most biodiverse savanna in the world, with 23 types of vegetation consisting mostly of

tropical savannas, grasslands, forests and dry forests. The *Cerrado* is considered by Conservation International as one of the 34 World's biodiversity hotspots and by World Wildlife Fund as one of the most biologically outstanding Ecoregions. Home to over 12,000 species of plants (44% endemic), it also contains 195 species of mammals, 605 species of birds and 800 species of freshwater fish (25% endemic). The headwaters of three major watersheds in South America, the Amazon, Platina and São Francisco are located in the *Cerrado*.

Studies have shown that this biome is now severely threatened. Only 20 % of the original vegetation cover remains in a close to natural state, but less than 9% remains in fragments larger than 1.000 ha, considered the minimum viable size for its survival. Deforestation has been extremely high in the last decades, 2.6 million ha per year, an equivalent to 7,000 ha a day. If this continues unchecked, the biome will disappear by the year 2030. Today, of all the world hotspots, the *Cerrado* has the least percentage area under "strict" protection (2.7%). The main threat is land conversion for agricultural. Until the early sixties the *Cerrado* remained relatively isolated from the rest of Brazil's other regions. The construction of Brazil's new capital, Brasília, infrastructure projects and colonization programs fostered an intense flow of migrants. The development of agricultural technologies in the 70's solved soil fertility deficiencies and turned the *Cerrado* into Brazil's newest agricultural frontier. Its productivity of soybeans, maize and cotton is among the highest in the world.

Country Eligibility and Country Drivenness

Brazil ratified the key convention for this Initiative, - the UN Convention on Biological Diversity on June 13th, 1994.

The inhabitants of the *Cerrado* have become increasingly concerned about the ecological health of their ecosystem. For the first time since the ratification of the Convention on Biological Diversity, the Government of Brazil officially expressed its commitment to a biome-level management concept, and included a Biome Conservation and Protection Program for the *Cerrado* in the Federal Budget.

In 2003, the Ministry of Environment established a working group to contribute to the design of a national strategy specific to the *Cerrado* biome in order to prepare a national program for its conservation and sustainable development. The *Cerrado* Working Group (WG) is composed of federal, state and municipal governments, CSOs and the private sector. The goal is to design a long-term program for the region and to facilitate the coordination of federal and state government initiatives aimed at the protection and sustainable use of the biome's natural resources.

This coordination is important because environmental management in Brazil is the responsibility of the federal, state and municipal levels of government, as part of the SISNAMA (National Environmental System). The federal government establishes the general guidelines and norms and provides enforcement through the national environmental agency (IBAMA). The states' responsibilities are concurrent. They include the implementation of federal legislation, the formulation and implementation of their own policies, which are more stringent than the national standards, and the licensing and control of most resource-use activities.

In September 2004, the *Cerrado* WG delivered the first draft of the National Program for the Conservation and Sustainable Use of the *Cerrado* Biome to the Minister of Environment. The Program proposal was submitted to a participatory consultation process and its current version represents a comprehensive framework, with a set of principles and guidelines established by the *Cerrado* Working Group that aims to achieve environmental and social

sustainability for the entire biome. Decree 5577/2005 recognized the *Cerrado* Program as part of the MMA structure.

2. Objectives

The Initiative's 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 Initiative aims to achieve two specific goals:

- Fully developed *Cerrado* conservation policy framework and at least two policy components adopted and contributing to biodiversity conservation in over 20 percent of the *Cerrado* biome.
- Increased biodiversity conservation in at least four priority regions of the *Cerrado* biome.

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 replications of pilot activities reported and verified that apply incentive measures and instruments;
- The number of sector policies and plans that incorporate biodiversity aspects;
- Production systems that contribute to biodiversity conservation or the sustainable use of its components.

Each of the two phases of the Initiative will have its own set of targets for the same indicators and will contribute to the same goals.

3. Rationale for Bank Involvement

Brazil's long-term vision calls for greater equity, sustainability, and competitiveness. These are the three pillars of the World Bank's CPS for the 2008-2011 Multi-Year Plan. The sustainability pillar aims at the increased support for federal and state policies and programs that seek to sustainably manage natural resources and conserve biodiversity, with a geographic focus on areas with critical biodiversity value, crucial environmental services, cultural heritage and that improve living conditions. The equity pillar aims at increasing the income of the rural poor, especially in the consolidated agricultural frontier.

The bulk of the Bank's work on the environment has been focused on finding growth options for Brazil that simultaneously lead to improved environmental and social outcomes – the so-called win-win options. This has been done using different types of tools, from specific investment projects to Development Policy Loans and sector work, as well as incorporating international experiences into government policies and programs.

While the Bank has been active in the *Cerrado* for over 15 years, the biome has not received much attention from other multilateral and bilateral agencies. In fact, no other major agency has a strategy for the region.

The present initiative includes lessons learned from past experiences in natural resources management and poverty reduction in the *Cerrado*. The implementation of the natural resources management projects that began in the 1990s and were recently completed in the states of Mato Grosso and Rondônia (Prodeagro and Planaflo, respectively) was difficult. Following the largely negative experience of the Polonoroeste regional development program (implemented in the 1980s), these projects incorporated some of the lessons of past failures. Among them was the need to understand the political economy of the frontier, the crucial importance of developing ownership not only among beneficiaries but among all relevant stakeholders, the benefits and pitfalls of decentralization, the vital role of local institutional capacity and the clear priority of these efforts in the overall programs of the government and the Bank. These points were presented in the Learning Implementation Completion Reports of these two projects, and are being heeded and proactively incorporated into the proposed *Cerrado* Initiative.

The Initiative will also build on the World Bank's successfully implemented GEF-PROBIO project which, among other achievements, led to the definition of priority areas for conservation in the *Cerrado* biome. The proposed *Cerrado* Initiative will draw upon the results of the GEF-PROBIO project and will coordinate with the other World Bank GEF full-size projects - the *Aquabio*, signed in 2006, and the *Biodiversity Mainstreaming and Institutional Consolidation Project* recently signed, thus ensuring complementarities and avoiding overlaps.

The World Bank has begun a decentralized approach to its investment operations at sub-national levels. For example, one of the key states of the *Cerrado* region, Goiás, is completing a large investment operation financed by IBRD: *Goiás State Highway Management*. It focuses on infrastructure improvement as well as on the state's conservation areas. The Bank is in the final stages of negotiations of a second loan to the state with the same goal. The GEF support to Goiás will enable the leveraging of this and other investment operations through sub-projects established directly with the state executing agencies, providing a comprehensive conservation package for each state.

4. Description

In view of the biome's magnitude, the large number of stakeholders, the already substantial loss of habitat, the fact that the long-term policy framework for its conservation is not yet fully developed, and the gaps in conservation actions identified by the Sustainable *Cerrado* Program, the Initiative has adopted an innovative design to achieve the necessary degree of flexibility, **decentralization** and biome-wide **coordination**, while supporting immediate actions where needed.

This GEF Sustainable *Cerrado* Initiative has four components that closely follow the key thematic and cross-cutting activities proposed under the National Sustainable *Cerrado* Program and are consistent with GEF Strategic Objectives:

Component 1: Conservation of the *Cerrado* Biodiversity (total amount: US\$ 17.0 million; US\$ 5 million from GEF) - aims at increasing biodiversity conservation in the *Cerrado* region by: (i) strengthening the mosaic of legally protected areas (PAs) of unique biodiversity¹; (ii) developing pilot financial sustainability mechanisms for

¹ In the present context, "mosaic of protected areas" embraces a group or cluster of PAs — generally of different categories — including their surrounding buffer zones and connecting ecological corridors, designed to provide optimal protection for environmentally important regions.

these PAs; and (iii) developing and implementing activities for the protection and recovery of key threatened species.

Component 2: Sustainable Use of the *Cerrado's* Natural Resources (total amount: US\$ 16.5 million; US\$ 5 million from GEF) - aims at the management of the rural productive landscape including the sustainable use of native species, so as to improve the use of available resources and biodiversity conservation while reducing environmental impacts.

Component 3: Institutional Strengthening and Formulation of New Public Policies (total amount: US\$ 7.0 million; US\$ 2.0 million from GEF) – aiming at: (i) formulating new public policies for the conservation and sustainable use of the *Cerrado*; (ii) strengthening federal, state and municipal level government agencies to manage natural resources; and (iii) selecting and using the best tools available and accessing state-of-the-art knowledge. It also intends to enable the private sector, civil society organizations and local communities to actively participate in environmental management and in the formulation of new public policies related to the conservation and sustainable use of the *Cerrado's* natural resources.

Component 4: Coordination of the National Sustainable *Cerrado* Initiative and Monitoring of the Biome (total amount: US\$ 1.5 million; US\$ 1 million from GEF) - aims to ensure the effective and efficient implementation of this GEF Sustainable *Cerrado* Initiative. It also intends to support the implementation of a publicly accessible database, containing current, geo-referenced, social and environmentally relevant information on the *Cerrado* biome.

5. Financing

Source:	(\$m.)
BORROWER/RECIPIENT	29
GLOBAL ENVIRONMENT FACILITY	13
Total	42

6. Implementation

The Initiative's major beneficiary will be the Federal Republic of Brazil. It will be under the general coordination of the Biodiversity and Forest Secretariat (SBF) of the Ministry of Environment, which will be responsible for: (i) conducting the dialogue with the Bank on the implementation policies for the Initiative; (ii) generally evaluating and monitoring the Initiative's implementation, including consolidating the information on its implementation progress; (iii) indicating the chair of and coordinating the Initiative Committee; and (iv) preparing proposal for Phase 2 of the Initiative.

The Initiative Committee will be responsible for: (i) establishing strategic guidelines for the Sustainable *Cerrado* Initiative, including the definition of priority areas and topics to be considered in the design of specific sub-projects; (ii) approving the proposals submitted and ensuring that the criteria and guidelines of the Sustainable *Cerrado* Initiative are observed; (iii)

monitoring and facilitating sub-project implementation, and monitoring and evaluating sub-projects, as well as the Initiative as a whole.

The Initiative Committee will be chaired by the MMA and composed of representatives from the Government (state and federal), academia, NGOs and the production sector. Other institutions may be invited by the Committee during the Initiative's implementation.

A team of staff from the Nucleus *Cerrado* and *Pantanal* (NCP), established in the SBF of MMA, will be responsible for managing the Initiative. The use of MMA staff for the NCP is primarily intended to optimize the Ministry's existing structure, to train the staff to execute externally funded projects and to mainstream MMA's activities within its internal staff. The NCP acts as the Executive Secretariat for the National Commission of the Sustainable *Cerrado* Program, responsible for the Program's coordination, operational framework, and the specialized teams that execute its functions. Thematic and crosscutting actions of the Sustainable *Cerrado* Program are addressed by the Initiative's components and are consistent with the GEF's strategic objectives. The NCP will be the link between the SBF, the Initiative Committee and all sub-projects. It will be the agency responsible for the Initiative's executive management. Specialists may be sought to address thematic particularities and to provide inputs for the Initiative Committee's decisions whenever required by NCP.

As a decentralized project, the GEF Sustainable *Cerrado* Initiative establishes a framework for the planning, implementation and evaluation of four distinct sub-projects. The sub-projects should partially or totally meet the goals of the Initiative, the eligibilities criteria established in the PAD, and the guidelines and recommendations of the Initiative Committee. The sub-project proposals will be negotiated directly with the Bank and MMA by the executing agency, ensuring that the final set of sub-projects collectively addresses the targets set forth in the results framework. MMA will be limited to executing one sub-project only, directed at policy issues, biome monitoring and the general coordination of the Initiative. The participatory process of sub-project selection is an additional instrument to avoid conflicts of interest and to provide for a selection process directed at the Initiative's outcomes.

Federal, state and municipal governmental agencies and Civil Society Organizations could be considered executing agencies. The preparation of the sub-project will start after approval from the Initiative Committee and the Bank. The possibility of having consortia among proponent institutions is also anticipated. The proponent must present specific information on the counterpart funds including the amount and the targets to which they contribute. Once the contract is signed directly with the executing agencies, they will be accountable for the implementation of the corresponding sub-projects, including aspects such as financial, procurement, safeguards, etc.

Once the executing agency is selected, the Bank will follow its internal project approval procedures. This will include an analysis of the specific contribution of the counterpart funds to the sub-project's objectives. Retroactive counterpart funds may be considered, as long as the actions funded clearly contribute to the outcomes of the Initiative, and pending analysis and agreement by the Bank. The proposals will have to present all the information typically requested by the Bank, including the capacity to undertake financial management and to ensure a fair and transparent procurement procedure process, as well as an assessment of the application of the World Bank's safeguards and eventual procedures for addressing them.

The sub-project proposals will be negotiated directly with the Bank after the endorsement and following the strategic implementation guidelines and recommendations from the Initiative

Committee. Each sub-project will undergo the typical Bank project preparation, including analyses of aspects such as financial issues, procurement and safeguards. There will be specific Quality Enhancement Review (QER) Meetings for each sub-project as well as Decision Meetings and Appraisal Missions. After negotiations, the final package for each sub-project will be submitted to GEF's CEO endorsement and approved by the RVP, who will authorize the signing of the Grant Agreement and the beginning of implementation. The MMA and the Bank will ensure that the final set of sub-projects **collectively address** the targets set forth in the results framework.

The sub-projects should be between two and four years long, so as to provide sufficient flexibility to accommodate possible new demands. As a large-scale and multi-stakeholder venture, it is also expected that some of the sub-project proposals may require up to a year to be prepared, depending on their proponent's capacity. All sub-projects should encourage the active involvement of stakeholders in all stages of sub-project development and implementation, including in M&E activities.

The four sub-projects that collectively achieve the targets have been selected by the Initiative Committee. The Goiás sub-project and the MMA sub-project are already appraised and these MMA one is being presented together with the proposed Initiative. These two amount to a total of US\$ 7.0 M of GEF funds. In May 2007, the MMA announced a call for proposals for the remaining unallocated funds. The interim Initiative Committee selected four sub-projects rated as highest priority among the 13 evaluated. The Bank selected the two highest-ranked by the Initiative Committee, given the maximum grant amount available. It is expected that these new sub-projects will be in the final stages of preparation by the time this Initiative goes to the Board.

7. Sustainability

The Government of Brazil (GoB) views this Initiative as a major step forward in coordinating a biome-wide approach for protecting the remaining threatened biodiversity. The idea is to get the policy framework and coordination in place, thereby helping to steer future investments from both public and private sectors towards a more sustainable use of the agricultural landscape. Additionally, the GoB has allocated resources from its budget to support this National Program.

The Initiative is designed to facilitate the pursuit of long-term objectives for biodiversity conservation and sustainable use, especially through the formulation of an Action Plan for the National Program for the Conservation and Sustainable Use of the *Cerrado* Biome (National *Cerrado* Program). It should also contribute to the functioning of the National Commission for the *Cerrado* (CONACER), composed by representatives of governmental sectors, business sector, NGOs, social movements, academia and indigenous peoples of the *Cerrado*, and which coordinates, monitors and evaluates the implementation of the National *Cerrado* Program's activities. CONACER was created during the preparation of this proposal, urged by the greater interaction among governmental sectors triggered by the Initiative preparation process. Since its creation in November 2005, the Commission already held seven work meetings, reinforcing the compromise of the Brazilian Government with the goals of the Commission, the Sustainable *Cerrado* Program and this Initiative. The Initiative

will also support studies that analyze the need for new public policies and/or regulatory standards for the conservation, sustainable use and development of the *Cerrado's* natural resources; and the design, development and implementation of systems for the environmental monitoring, licensing and enforcement of rural properties on a statewide basis in the *Cerrado* biome.

The Secretariat of Biodiversity and Forests of the Ministry of the Environment also established the Nucleus for the *Cerrado* and *Pantanal* (NCP) to facilitate the integration of the Ministry's actions to conserve those biomes, to support the elaboration of an Action Plan for the Sustainable *Cerrado* Program, and to support the work of CONACER. NCP is composed by specialized technical staff, which will be strengthened through training by the MMA Sub-project.

The National *Cerrado* Program, at first with some support from the Initiative, will promote and prepare a number of coordinated actions to guarantee that all of the Program's recommendations and plans will be addressed. The work of the CONACER is essential for ensuring that the Program is implemented through a participatory process, and the presence of the National *Cerrado* Program in the Federal Government Multi-Year Plan (*Plano Pluri-Anual*) ensures the sustainability of this Program.

8. Lessons Learned from Past Operations in the Country/Sector

Past experiences of **concentrating** all funding in one federal organization that would establish sub-projects with other independent agencies have not generated the best results. Any institutional or budgeting issue faced by the main agency reflected directly on project establishment and on the implementation of all sub-projects. A **decentralized approach** to contract each sub-project directly is therefore recommended.

Experience shows that large and complex projects, which have a very structured and detailed set of activities, have difficulty taking advantage of new opportunities or tackling new challenges that could arise during the life of the project. The inclusion of mechanisms to provide some **flexibility** to design and implement new activities that contribute to achieving the projects' goals most effectively should therefore be considered.

Lessons learned from past experiences where projects were developed and contracts were signed directly with the state and other implementing agencies have demonstrated the advantages of implementing most proposed activities through the state governments and other agencies directly. This eliminates the need and cost of further layers of supervision and bureaucracy for project implementation. In addition, some proposed sub-projects will be partially **blended** with ongoing Bank projects, facilitating Bank and government monitoring and evaluation, ensuring more efficient use of GEF grants and more effective investment in the generation of global benefits.

An overall results framework for the Initiative, associated with the existence of the Initiative Committee will ensure the necessary **synergy** (i) among proponent agencies, minimizing unproductive competition; and (ii) among sub-projects and the Initiative's goals and strategies, optimizing the cost-benefit efficiency of results. The process aims at guaranteeing that the selected sub-projects represent the best possible combination of efforts to achieve the Initiative's goals efficiently.

Experience also shows that **partnerships** must be established with all relevant stakeholders (local communities, governments and the private sector). Increased participation of civil society in project and program activities may raise financial costs in some cases. However, these are modest and are outweighed by the benefits in terms of improved capacity and institutional strengthening.

The **participatory process** of sub-project selection and preparation, involving the Initiative's Committee, the executing agencies and the NCP, is associated to the composition of the Initiative Committee, which includes representatives of MMA, IBAMA, MDA, EMBRAPA, SBPC, ABEMA, a social NGO, an environmental NGO, and the rural productive sector.

Valuable knowledge from past and current experiences is not **passed on** to those who could use it due to a lack of networks and channels of communication. There is also a shortage of trained professionals and entities that can provide advice and assistance to others. Capacity building for disseminating lessons and duplicating models is therefore a priority that has been considered in project design.

Failure to **promote conservation and sustainable development** in the past was mostly due to a lack of inter-institutional coordination between different executing agencies and beneficiaries. When fostering ownership, it is important to include all agencies and their representatives at the state level early in project preparation and stakeholder consultations. This also means that institutional strengthening should be readily supported with investments in human and material resources.

Technical aspects are frequently overemphasized. This can overshadow and obscure the policy aspects. In Rondônia, for instance, a zoning policy was first adopted to satisfy World Bank requirements, and not to respond to the population's needs. Likewise, **economic incentives** to promote sustainable use should be considered. For example, the state of Paraná has had a positive experience with the so-called "*ICMS ecológico*", which rewards municipalities that implement environmental protection policies in that they receive a higher share of state revenues from the locally raised value-added tax. The project should therefore seek a balance between technical work on the ground and the need for technically and practically sound policies.

Protected areas (PAs) should consider a mosaic of different categories, not only that of "strict protection", and also contribute to establishing biological corridors. Such PAs, mosaics and corridors should be created according to GEF PROBIO's recommendations.

The Brazilian legislative framework establishes that federal and state responsibilities are concurrent. States are therefore responsible for implementing federal legislation in addition to formulating and implementing their own policies. The federal government can, however, implement its own policies if it deems necessary. Support to uncoordinated **policy work** at different levels (federal and state) has therefore led to conflicting policies and overlaps as well as policy gaps. The project has addressed this issue through the definition of a general results framework, along with the Initiative's necessary policy work and coordination and monitoring mechanisms.

9. Safeguard Policies (including public consultation)

The analysis, based on the components of the Initiative and the typical social and environmental situation in the *Cerrado*, indicates that several safeguard policies could be

triggered by each sub-project. The list below indicates those safeguards that might be triggered for the entire Initiative (i.e. whole set of sub-projects).

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP/GP 4.01)	[x]	[]
Natural Habitats (OP/BP 4.04)	[x]	[]
Pest Management (OP 4.09)	[x]	[]
Cultural Property (OPN 11.03 , being revised as OP 4.11)	[x]	[]
Involuntary Resettlement (OP/BP 4.12)	[x]	[]
Indigenous Peoples (OD 4.20 , being revised as OP 4.10)	[x]	[]
Forests (OP/BP 4.36)	[x]	[]
Safety of Dams (OP/BP 4.37)	[]	[x]
Projects in Disputed Areas (OP/BP/GP 7.60)*	[]	[x]
Projects on International Waterways (OP/BP/GP 7.50)	[]	[x]

The Initiative has been considered a category B project, where one or more safeguard policies could be triggered, but effects are limited in their impacts, are technically and institutionally manageable (S2), and considered within the context of a project which aims at achieving positive environmental outcomes.

A safeguard framework was developed for the design of this Initiative with all safeguards that could possibly be triggered by the sub-projects. However, when triggered, the safeguards will be analyzed following the frameworks defined in the PAD for each sub-project, which will have its own safeguard policy assessments.

A specific training process will take place in the case of an agency that is unfamiliar with the safeguard policies. Additionally, the safeguard framework will need to be monitored and related studies, plans, or mitigation procedures will be conducted with support from MMA and close assistance/supervision from the Bank.

10. List of Factual Technical Documents

Project documentation

- ③ **Project Information Document, Report n° AB1786, 2005**
- ③ **Integrated Safeguards Data Sheet, Report n° AC1786, 2005**
- ③ **GEF/PDF**, “Request for Pipeline Entry Approval”, Washington, October 2004.
- ③ **NCP/SBF/MMA**, “*Templates and Guidelines for the Preparation of a Letter of Intent*” (only in Portuguese), Brasília, July 2005.
- ③ **NCP/SBF/MMA**, “*Templates and Guidelines for the Preparation of a Sub-project Proposal*” (only in Portuguese), Brasília, July 2005.

Background Documentation

* By supporting the proposed project, the Bank does not intend to influence the final determination of the parties' claims on the disputed areas.

- ③ **Machado**, 2000. “*A fragmentação do Cerrado e a avifauna na região de Brasília*”. PhD theses
- ③ **World Bank**, “*Brazil – Equitable, Competitive and Sustainable – Overview and Contributions for Debate*”, Washington, November 2002.
- ③ **CONABIO**, “*Deliberations of the CONABIO regarding the types of projects to be submitted to the GEF as financial mechanism for the Biological Biodiversity Convention*” (only in Portuguese), Brasília, 2004.
- ③ **CI & CEMEX**, “*Hotspots: Earth’s Biologically Richest and Most Endangered Terrestrial Ecoregions*”, Mexico City, 1999.
- ③ **Dinerstein E. et-al**, “*A Conservation Assessment of the Terrestrial Ecoregions of Latin America and the Caribbean*”, IBRD, Washington, 1995.
- ③ **MMA**, “*Directives for an Integrated Policy for the Conservation and Sustainable Use of the Cerrado and Pantanal*” (only in Portuguese), Brasília, 2001.
- ③ **Rede Cerrado**, “*The Cerrado and the Absence of Public Policies*” (only in Portuguese), Brasília, 2003.
- ③ **Aide-Mémoire** (only in Portuguese) of meeting between MMA, WB and *GT Cerrado* for the definition of directives for the GEF Sustainable *Cerrado* Initiative, Brasília, 14 March 2005.
- ③ **Ribeiro J. R. et-al**, “*Is all the Cerrado equally vulnerable? What can we learn from the biogeographical distribution of plants?*”, EMBRAPA-Cerrados, Brasília and Edinburgh Botanical Garden, Scotland, draft July 2005.
- ③ **Klink C & Machado R. B.**, “*Conservation of the Brazilian Cerrado*”, *Conservation Biology*, p.707-713, Vol. 19, N° 3, June 2005.
- ③ **GT Cerrado**, proposal for “*Brazil’s National Program for the Conservation and Sustainable Use of the Cerrado Biome*” (only in Portuguese), MMA, Brasília, September 2004.
- ③ **MMA/SBF/NCP**, “*GEF Sustainable Cerrado Project – Phase I. Concept Note*” (only in Portuguese), MMA, Brasília, September 2004.
- ③ **IBGE**, “*Brazilian Biome Map*” (only in Portuguese), Brasília, 2004.
- ③ **Machado et al.** at Conservation International (CI) www.conservation.org.br.
- ③ **Jesus & Sano**, 2002, *Simpósio de Ecologia e Biodiversidade*, UnB and EMBRAPA.
- ③ **Mittermeier, R. A. et al.** 2004 "Earth’s Biologically Richest and Most Endangered Terrestrial Ecoregions". CEMEX books on Nature, 2004.
- ③ **Vilela et al.** 2005. “*Pasture Degradation and Long-Term Sustainability of Beef Cattle Systems In The Brazilian Cerrado*”.
- ③ **Hass, Braz and Cavalcanti**, 2005. “*Fragmentation And The Role Of Conservation Units In Biodiversity Conservation*”

Relevant Legislation (all only in Portuguese)

- ③ **Presidential Decree N°. 5.092**, dated 21 May 2004, which defines priority areas for the conservation of biodiversity.
- ③ **MMA Decree (Portaria) N°. 126**, dated 27 May 2004, which defines the methodologies for the identification of priority areas for conservation, sustainable use and partition of the Brazilian biodiversity benefits.
- ③ **Presidential Decree N°. 2.741**, dated 20 August 1998, which promulgates the National Policy for the Control of Desertification.

- ③ **CONAMA Resolution N°. 238**, dated 22 November 1997, which approves the National Policy for the Control of Desertification.
- ③ **Presidential Decree N°. 3.420**, dated 20 April 2000, which creates the National Forestry Program (PNF).
- ③ **Presidential Decree N°. 4.339**, dated 22 August 2002, which institutes the National Policy on Biodiversity.
- ③ **Presidential Decree N°. 4.703**, dated 21 May 2003, which alters the National Program on Biological Diversity (PRONABIO) and the National Biodiversity Commission (CONABIO).
- ③ **Federal Law N°. 4.771**, dated 15 September 1965, which institutes the National Forestry Code.
- ③ **Federal Law N°. 6.938**, dated 31 August 1981, which institutes the National Policy for the Environment and the National Environment System (SISNAMA).
- ③ **Federal Law N°. 9.433**, dated 08 January 1997, which institutes the National Water Resource Policy.
- ③ **Federal Law N°. 9.985**, dated 18 July 2000, which institutes the National Protected Areas System (SNUC).
- ③ **Presidential Decree N°. 4.340**, dated 22 August 2002, which organizes the implementation of the SNUC law.
- ③ **Presidential Provisional Decree N°. 2.166-67**, dated 24 August 2001, which alters several key environmental laws.
- ③ **MMA Decree (Portaria) N°. 361**, dated 12 September 2003, which institutes the *Cerrado* Working Group (*GT Cerrado*).

11. Contact point

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