

INTEGRATED SAFEGUARDS DATA SHEET **APPRAISAL STAGE**

Report No.: ISDSA6878

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I. BASIC INFORMATION

1. Basic Project Data

Country:	Brazil	Project ID:	P129342
Project Name:	Piaui: Pillars of Growth and Social Inclusion Project (P129342)		
Task Team Leader(s):	Michael Drabble		
Estimated Appraisal Date:	22-Oct-2015	Estimated Board Date:	18-Dec-2015
Managing Unit:	GED04	Lending Instrument:	Investment Project Financing
Sector(s):	Secondary education (50%), Health (20%), General agriculture, fishing and forestry sector (10%), General public administration sector (10%), General water, sanitation and flood protection sector (10%)		
Theme(s):	Education for all (50%), Public expenditure, financial management and procurement (10%), Health system performance (20%), Rural policies and institutions (10%), Rural services and infrastructure (10%)		
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?			No
Financing (In USD Million)			
Total Project Cost:	1150.33	Total Bank Financing:	120.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			1030.33
International Bank for Reconstruction and Development			120.00
Total			1150.33
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Project Development Objective(s)

The objectives of the project are to: (a) reduce dropout of students in public secondary education; (b) increase access to diagnosis and treatment for patients with chronic diseases; (c) expand the

registration of groundwater users in rural areas and land tenure regularization; and (d) increase the participation of poor rural women and Quilombola communities in productive value chains.

3. Project Description

The proposed Investment Project Financing (IPF) complements and leverages policy and institutional reforms enacted by the GoPi 2012-15 PPA and 2016-19 draft PPA supported by the proposed Piauí Productive and Social Inclusion Development Policy Loan (DPL, P146981), which has been strategically prepared in conjunction with the IPF in order to maximize impact in the State's priority sectors and activities. The alignment of the proposed IPF and DPL results chains with the state's PPA objectives, synergies that served as a basis for the design of the two operations, are described below in Table 1.

In order to reduce poverty and inequality, the Project would support the Government's efforts for enhanced productive and social inclusion. The operation targets the State's poorest and most vulnerable citizens. Through the activities supported by the IPF, rural families will benefit from: (i) financial incentives to encourage students in state schools to complete secondary education and participate in extracurricular activities on gender equality; (ii) enhanced health treatment to respond to chronic diseases, the leading cause of death in Piauí; (iii) better planning and management of water resources, the scarcity and inefficient use of which have hampered production among subsistence and small farmers; and, (iv) financial and technical support to improve productivity through a more adequate and efficient use of natural resources. Furthermore, the Project would strengthen the results-based monitoring framework and its decentralization in State secretariats in order to oversee the implementation of strategic programs associated with enhanced productive and social inclusion. Additionally, the proposed IPF supports the GoPi to mainstream a gender perspective into its strategic policies, such as income generation programs in rural areas, and to facilitate the access of poor citizens to grievance redress mechanisms in sectoral agencies whose actions are key to reduce poverty in Piauí. In this way, the proposed Project supports an integrated approach of inter-related policies aimed to improve the income and living conditions of the bottom forty percent of Piauí's population.

The Project would have two components, the first of which would provide support for the implementation of the Eligible Expenditure Programs (EEPs), and the second of which would provide technical assistance to strengthen the State of Piauí's public management.

Component 1: Implementation of EEPs in public SE, Chronic diseases, WRM, Land management and rural productive chains (estimated total cost: US\$1,135.3 million; Bank: US\$105.0 million)

Subcomponent 1.1: Improving retention in public SE (estimated total cost: US\$686.8 million; Bank: US\$56.4 million)

Carrying out activities aimed at improving retention in public secondary education through, inter alia: (a) expanding the Youth Saving Program for public secondary education students in targeted municipalities; (b) expanding the full-time school model in secondary education; (c) expanding secondary technical education; (d) expanding distance learning for general secondary education; and (e) reestablishing a student assessment in the Borrower's public schools.

Subcomponent 1.2: Expanding access to health care for patients with chronic diseases (estimated total cost: US\$289.5 million; Bank: US\$27.7 million)

Carrying out activities aimed at expanding access to diagnosis and treatment for patients with chronic diseases through, inter alia: (a) the setting up and operationalization of five SCCDs; and (b) the

elaboration and enforcement of state protocols and medical regulation.

Subcomponent 1.3: Expanding the registration of groundwater users (estimated total cost: US\$55.7 million; Bank: US\$7.3 million)

Carrying out activities aimed at implementing the CERH through inter alia: (a) elaborating and implementing information and communication campaigns for registering groundwater users in the CERH; and (b) carrying out verification of registration of groundwater users.

Subcomponent 1.4 Strengthening real property rights (estimated total cost: US\$58.3 million; Bank: US\$7.7 million)

Carrying out activities aimed at supporting the implementation of the Land Tenure Regulation Program and strengthening real property rights through, inter alia: (a) strengthening and modernizing INTERPI; (b) carrying out the identification, demarcation and registration of state land; (c) carrying out the Land Tenure Regularization Program of land reform settlements; (d) carrying out the Land Tenure Regularization Program of Quilombola territories; and (e) supporting the operationalization of the Land Tenure Regularization Center.

Subcomponent 1.5 Strengthening participation of poor women and Quilombola communities in rural productive chains (estimated total cost: US\$45.0 million; Bank: US\$5.9 million)

Carrying out activities aimed at increasing the participation of poor rural women and Quilombola communities in productive value chains by: (a) financing Productive Investment Plans; and (b) building capacity on technical and managerial assistance, as well as on institutional organization and logistics.

Component 2: Provision of technical assistance to strengthen the Borrower's public management (estimated total cost: US\$15.0 million; Bank: US\$15.0 million).

Subcomponent 2.1: Modernize expenditure and investment management in the public sector (estimated total Bank cost: US\$3.3 million)

Provision of technical assistance to modernize expenditure and investment management practices in the public sector, including, inter alia: (a) the strengthening of the process of planning, monitoring and evaluation of investment projects in a single results-based system; (b) the carrying out of a study on the Borrower's public expenditure and financial accountability and the strengthening of the Borrower's capacity to implement streamlined financial management processes and an accrual accounting system in line with national accounting norms and International Public Accounting Standards; (c) the provision of training on the adoption of standards of the International Organization of Supreme Audit Institutions; (d) the modernization of the Borrower's procedures and processes to carry internal audit; (e) the designing and implementation of the Borrower's new procurement information and contract management system; and (f) Project management, including the hiring of key project staff, the Independent Verification Agency and Operating Costs.

Subcomponent 2.2: Build state capacity for WRM, land management and rural development (estimated total Bank cost: US\$8.6 million)

Provision of technical assistance to strengthen the Borrower's capacity to carry out the water resources cadaster, land tenure regularization and rural development including, inter alia: (a) the operationalization and maintenance of the CGEO; (b) the piloting of an integrated real estate registration system for notaries; and (c) the establishment of a computerized monitoring, information and management system for PROGERE II.

Subcomponent 2.3 Generate evidence to support policy-making and practice in education, health,

gender and citizen engagement (estimated total Bank cost: US\$3.1 million)

Provision of technical assistance to generate evidence supporting policy-making in education, health, gender and citizen engagement including, inter alia: (a) carrying out of an impact evaluation and studies of secondary education; (b) elaborating a State Health Regulation Plan and carrying out an impact evaluation and studies on Neglected Diseases; (c) carrying out of studies on gender in the Borrower's territory; and (d) capacity building for the Borrower's Ombudsman Office.

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

Overall the Project is expected to have a positive social impact and pro-poor effects, particularly in the state's rural areas. Levels of poverty and extreme poverty remain very high in Piauí; 21.3 percent of the 3.18 million inhabitants live in extreme poverty. Piauí also faces high levels of inequality. Income distribution remains highly unequal: the 20 percent poorest live with a monthly per capita income of R\$ 85.70, while the 20 percent richest have a monthly per capita income of R\$ 1.349,37. Piauí's Gini coefficient was 0.57 in 2012, which is above the national coefficient of 0.53 and the second highest among Brazilian states. This situation is exacerbated in rural areas, where 54 percent of residents are considered poor and 40 percent live in extreme poverty. In urban areas, the share of the population living with earnings smaller than one and smaller than three minimum wages are 17.8 and 64.7 percent, respectively; whereas in rural areas, they equal 39.2 and 87.7 percent. The average per capita household monthly income of the rural population is just 47 percent of the state average and 38 percent of the same average among the urban population. The bottom quarter of the rural population lives with average per capita household monthly incomes that are only 32 percent of their urban counterparts.

Rural poverty is directly related with poor family farmers, especially in the semi-arid regions, who derive their income mostly from subsistence, small-scale and rain-fed agriculture characterized by rudimentary techniques (such as slash-and-burn agriculture) and low productivity. Land concentration and lack of tenure regularization contribute importantly to rural poverty in Piauí. Land distribution in Piauí is highly unequal, with the Gini coefficient in excess of 0.85 and increasing. Family farms comprise 90.0 percent of the rural landholdings in the state, but holds just 39.5 percent of the agricultural areas. The average area of family farming landholdings equal 17.0 hectares, whereas the average area of non-family farming landholdings equals 233.2 hectares. A share of 60.7 percent of the landholdings in the state has an area smaller than 10 hectares and they hold only 3.1% of the total agricultural area. Meanwhile, a proportion of 0.5 percent of the landholdings has more than 1,000 hectares and hold 35.1 percent of the total agricultural land.

The small-scale agriculture often takes place in non-titled land areas and relies on outdated techniques and the high incidence of uncertainty and conflicts in land affect the most the security and the livelihood of the vulnerable. In spite of the progress made in the past 10 years, land titles are still insecure in Piauí. In 2006, only 53 percent of the family farmers and 62 percent of the non-family farmers held secure land titles and the lack of land title has significant socioeconomic implications. Land tenure insecurity is especially harsh for poor communities living in public lands (including Quilombola settlements and smallholders engaged in subsistence family agriculture), because their livelihoods continue to be heavily reliant on the lands which they are at risk of losing if their occupation is not regularized.

It is estimated that there may be nearly 200 traditional Afro-descendent communities in the state of Piauí. They may comprise more than 10,000 families, who traditionally occupy an area of approximately 670,000 hectares. Nevertheless, the overlap with other land categories is not clear and

there are just five quilombola communities already been regularized. They occupy an area of 21,215 hectares (0.1 percent of the state territory). Prioritized quilombola communities are the most vulnerable group among the rural poor.

Poverty is also strongly related to water scarcity, which increases the vulnerability of poor rural families – particularly those living in the drought prone areas of the semi-arid region – to extreme climate events and has led to an increasing of conflicts over water uses due to the lack of clear regulation and allocation of water rights.

Poverty hits harder women rural producers, who are taking an increasing productive role in rural areas, but remain constrained to unpaid work or low profitable sectors and activities in spite of a reversed gender gap in education attainments. Gender gaps in income remain high; gender-based violence is on the rise; and the state lacked till recently the institutional governance framework needed to promote gender-smart policies, foster women's empowerment and agency and overcome gender imbalances.

Combining investments for productive inclusion, sustainable agriculture, and efficient allocation of natural resources, and secure land tenure, the Project will likely contribute to a reduction in poverty and an increase in the adaptive capacity of poor small farms to deal with climate variability and extreme climate events because it will promote livelihood diversification, enable the adoption of new technologies and increase access to credit and financing lines, technical assistance for subsistence family farmers. A priority focus on women's productive inclusion and rights may also contribute to gender equity. Finally, the activities to be supported in the education and health sectors are targeted to ensure that the primary beneficiaries are the poor.

Water scarcity and long drought periods are among the major hurdles for the Piauí State's population welfare improvement. Piauí is located in the Brazilian Northeast region, known by severe drought periods. Rainfall in the State is complex, varying from 2,000 mm to less than 500 mm in some spots. In most parts of the State, the annual precipitation is smaller than 1,000 mm, and potential evaporation by far exceeds precipitation. The rainy season lasts four months, from February to May, but has considerable year-to-year and decade-to-decade variability.

The Parnaíba Watershed, second largest in the NE region, drains most of the State. This watershed is sub-divided, for administrative purposes, in twelve sub-basins, with distinct characteristics. The drainages located in the central and east portion of the State are commonly intermittent, due to the semi-arid climate and hydrogeology conditions. Some sub-basins, such as the Guruguia, have more water resources, attracting occupation and economic activities. The State has high potential aquifers located in the Parnaíba Sedimentary Basin, with water resources estimated in 4.500hm³. However, underground water use is still limited.

Piauí has distinct physiographical characteristics. The southwest region has characteristics similar to the Brazilian Central Plateau, with the Cerrado Biome occurrence. The south and central regions have the semi-arid climate, and the Caatinga Biome. The coastal region, north, also has distinct characteristics, with wet lands and coastal vegetation. Atlantic Forest vegetation also occurs in localized spots.

The Cerrado, (the Brazilian savanna), is a strategic biome due economic and environmental reasons, and, also, for food security. Notwithstanding its ecological and socio-economic importance, the Cerrado has suffered a rapid alteration in the last three decades due to human occupation. There has

been growing pressure to open up new lands for increasing meat and grain production for exports. Currently, the Cerrado is responsible for over one half of Brazil's soybean production. Estimates indicate that deforestation in the Cerrado biome is proportionally more severe than that of the Amazon biome. Between 2002 and 2008, Amazon deforestation represented 3.2 percent of the biome, with 82 percent of the original forested area remaining. Over the same period, the Cerrado biome lost 4.1 percent of its cover and only 52 percent of the area covered by native vegetation remains. The Cerrado in Piauí, southeast region, is considered the Country last “agriculture frontier,” and is facing serious threats. The rapid expansion of agriculture in the region has caused natural vegetation to be converted to alternative land uses, especially large soybean plantations.

The other major Biome in Piauí is the Caatinga, one of the richest dry forests in the world. It encompasses the drier part of northeastern Brazil, and has very complex transition zones with Cerrado, Atlantic forest and Amazon, which have allowed a considerable biotic interchange among these regions during the evolutionary time. The Caatinga is the dominant vegetation in Piauí, which has several distinctive types of Caatinga vegetation. The Caatinga covers most of the State south and central areas, which have been occupied for centuries. A large portion of the Caatinga has been altered for agriculture development, goat and cattle grazing. Intense erosion and desertification has been identified in the State central portion.

5. Environmental and Social Safeguards Specialists

Alberto Coelho Gomes Costa (GSURR)

Ernesto Sanchez-Triana (GENDR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The Project was classified as Category B, given the nature and scale of the investments. It encompasses an eligible expenditure program focused on the health, education and rural development sectors, involving technical assistance and institutional strengthening of the State public administration. The Project does not include any activity with potential to generate significant environmental impacts, and the expected environmental impacts are limited in scope, localized, and temporary.</p> <p>The environmental assessment concluded that the Project is expected to have an overall positive impact on the environment as it seeks to promote land tenure regularization. Additionally, supported rural development activities are limited to small scale and low impact activities, promoting the dissemination of environmentally sustainable practices. The project may include small civil works to adapt, expand or build small health clinics. The environmental impacts of these works are also small and localized, and are expected to occur in land currently owned and occupied by the health agencies, inside urban areas.</p> <p>The client prepared an Environmental and Social</p>

		<p>Management Framework (ESMF), including an environmental and social impacts assessment, a resettlement policy framework, and a simplified pest management plan, to provide guidance on potential issues that could arise during Project implementation. The ESMF scope was defined with the Bank Safeguards specialists' support, and includes mitigation measures, to avoid potential social conflict that could result from project activities. The ESMF comprises an environmental management plan for land regularization, income generation activities and health clinics development, and an analysis of economic or social impact that the project activities might have on vulnerable groups, traditional communities or poor rural communities. The ESMF also includes guidance for the construction works, addressing construction sites management criteria, waste disposal measures, and overall supervision and oversight measures. Additionally, the client prepared a health waste management plan for the clinics future operation, and a specific environmental management plan for the rural productive chains, Progere II.</p> <p>The ESMF Report was disclosed and distributed through the SEPLAN-PI website, for consultation with key stakeholders in June 2014. The referred ESMF report was submitted to the Bank shortly after that. The ESMF was updated in August 2015 to include provisions related to two additional production chains to be supported by Progere II, manioc farming and manioc flour production, and backyard horticulture. The two new production chains do not trigger additional environmental safeguards and do not change the project category. The Updated Report was disclosed for consultation and submitted to the Bank.</p>
Natural Habitats OP/BP 4.04	Yes	<p>Overall, the Project may generate positive impacts on natural habitats and protected areas. The land regularization program will promote the preservation of the permanent protection areas and legal reserves, as the restoration of degraded areas in private properties. OP 4.04 was triggered and the ESMF included criteria and management procedures to avoid potential impacts on sensitive biodiversity areas and protected areas. The ESMF also has specific procedures for the land regularization program, aiming to improve the preservation of natural corridors, fragile ecosystems and areas with relevant biodiversity. Additionally, Progere II Environmental Management Plan has specific guidelines, looking to mitigate negative impacts on natural habitats.</p>

Forests OP/BP 4.36	Yes	<p>The Project does not support any activity that may cause negative impacts on the health and quality of forests. Therefore, OP 4.36 – Forests - was triggered on a precautionary basis, considering the potential induced impacts of the land regularization activities. Actually, the Project will contribute to the conservation and restoration of the Cerrado and Caatinga biomes, avoiding deforestation of natural vegetation in parts of private rural holdings (all land on steep slopes, along watercourses (up to a given distance from the margin) or in the vicinity of springs, protecting environmental services and values of natural vegetation. The ESMF considers the requirements of OP/BP 4.36 whenever restoration and plantation activities are being planned. According to the new Forest Code, landholders have to request previous authorization from the State Environmental Agencies to use fire, where this practice is a part of agroforestry and forestry production system. Additionally, the Forest Code states that indigenous people and traditional communities do not have to request authorization to use fire as agriculture practice. It also determines that Federal, State and Municipal Governments need to prepare and keep updated contingency plans to combat forest fires, whereas the Federal Government needs to develop the National Fire Management Policy, which includes the use of burning as well as combat and prevention of forest fires. The proposed Project will assist prevention activities, promotes training and capacity buildings activities and focus on wild fire prevention in the Cerrado biome on private landholdings.</p>
Pest Management OP 4.09	Yes	<p>The project will not support the purchase or increased use of pesticides and other agricultural chemicals as defined under this Policy, however, some of the agricultural activities selected for project support may make use of these substances. The ESMF adopted checklists for screening sub-projects/activities and negative lists for exclusion activities with potentially high negative impacts. Additionally, the ESMF also included a simplified Pest Management Plan addressing the specific environmental impacts and health & safety aspects of the production activities supported by PROGERE II, specifically cashew plantation, manioc farming and horticulture. The Plan provides guidance for reducing the environmental impact of using pesticides according to the principles of OP 4.09, and recommends the adoption of integrated pest management and agro-ecological practices where possible. The theme was, further, detailed in the</p>

		Progere II Environmental Management Plan.
Physical Cultural Resources OP/BP 4.11	Yes	The Project will not support land regularization or any other type of activity in areas with known physical cultural resources, but the Op 4.11 was triggered on a precautionary basis, due to the fact that Piauí has relevant archeological sites, such as the National Park Serra da Capivara and the National Park Serra da Confusão. The ESMF has checklists for screening sub-projects/activities and negative lists for excluding activities and land regularization, in areas with physical cultural resources (mainly archeological sites) occurrence. Additionally, the ESMF has procedures for screening any known cultural property in the Project area and incorporate 'chance find' procedures in the event that culturally significant resources are discovered during the Project implementation. The 'chance find' procedures were defined in accordance with IPHAN and the Bank requirements.
Indigenous Peoples OP/BP 4.10	No	OP 4.10 Indigenous Peoples is not triggered for this project. There are no indigenous peoples in the project area. In the state of Piauí, there are three social groups that are currently claiming recognition of their indigenous identity, but they do not fulfill the four criteria set by OP 4.10 to identify indigenous peoples: (a) despite self-identification as members of a distinct cultural group, they have not been recognized by others as indigenous peoples; (b) they hold no collective attachment to geographically distinct habitats or ancestral territories in the project area or to the natural resources in these habitats and territories; (c) they do not hold customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (d) they do not keep an indigenous language different from the official language of the country or region. Although these three groups face high degrees of vulnerability, they do not differ from other poor rural communities in the state in accessing public programs and do not require a distinct treatment for the purpose of social inclusion.
Involuntary Resettlement OP/BP 4.12	Yes	OP 4.12 is triggered in a precautionary mode because activities supported by the project under Subcomponent 1.3 (Expanding land regularization for small farmers and quilombola communities) and, particularly those associated with regularization of Quilombola lands may lead to adverse impacts related with the involuntary resettlement of dwellers who do not identify themselves

		<p>as Quilombolas. Although these situations are expected to be minor, the client has prepared an Involuntary Resettlement Framework, aligned with both the relevant State and Federal Legislation and the World Bank Operational Policy on Involuntary Resettlement (OP 4.12).</p> <p>OP 4.12 does not apply to activities such as those proposed under Sub-component 1.5 (Expanding the registration and allocation of water resources), because it “does not apply to regulations of natural resources on a national or regional level to promote their sustainability, such as watershed management, groundwater management, fisheries management, etc” (OP 4.12, footnote #8). This exemption holds, for example, when the program imposes restrictions on the use of natural resources, such as limitations on pumping from aquifers. Although some activities under Sub-component 1.4 (Strengthening rural productive chains to increase income of poor farmers) may require land acquisition, these areas will be acquired through voluntary land donation and but this type of transaction in itself also does not require the triggering of the Policy. The ESMF and RPF define the criteria for ensuring and documenting voluntary land donations, including the evidences that the supported activities could technically be implemented in another location and the donators were aware they do not need to donate the land and freely agreed to donate the land for the community sub-project without compensation.</p> <p>Finally, the land areas required for implementing and making operational five specialized centers for chronic diseases, under Sub-component 1.2 (Expanding access to healthcare for patients with chronic diseases) have been previously identified, assessed with regards to land tenure rights and this screening exercise concluded that they (i) are state owned and (ii) free of occupants. The ESMF/ RPF bring the list of areas selected for building these health facilities, their localization and land tenure status.</p>
Safety of Dams OP/BP 4.37	No	This policy is not triggered since the project will not finance any dams nor will it rely on the operations of existing dams.
Projects on International Waterways OP/BP 7.50	No	This policy is not triggered since the project will not affect any international waterways as defined under the policy.
Projects in Disputed Areas OP/BP 7.60	No	This policy is not triggered as the project will not work in any disputed areas as defined under the policy.

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 ESMF concluded that only subcomponents 1.2: Expanding access to healthcare for patients with chronic diseases, .3: Expanding land regularization for small farmers and Quilombola communities, and 1.4 Strengthening rural productive chains to increase income of poor might generate environmental impacts. The project does not entail any potential large scale and/or significant irreversible negative impacts, and the only identified potential negative environmental impacts are due to the construction of small clinics, and the small-scale income generation activities, such as cashew plantation and manioc farming. However, the environmental benefits of the land tenure regularization, would greatly surpass such negative impacts.

The expected environmental benefits from land regularization are significant. The regularization process takes into account diverse environmental requirements defined by the new Forest Code. Legal reserves in Piauí encompass 30% for the properties in the Cerrado Biome and 20% in the Caatinga Biome, and their definite location must take into consideration regional environmental aspects. The land regularization environmental management framework includes procedures that can generate cumulative positive impacts to preservation of natural corridors, fragile ecosystems and areas with relevant biodiversity. Land titles are key for deforestation control, allowing the demarcation of legal reserves and permanent protection areas, as enabling the identification of the persons accountable for illegal deforestation activities.

The alternative to land regularization is a “no action” scenario, with continuity of the current situation. At this time, protected areas within private properties are not recognized, neither managed, properly, by land occupants. Additionally, the “no action scenario” favors the increasing degradation of important Biomes, such as the Cerrado.

Eligible activities for the Sub-component 1.4 Strengthening rural productive chains to increase income of poor farmers is limited to six production chains: cashew plantation, bee-keeping, goat raising, fruit processing and small handicraft production, manioc farming and manioc flour production, and backyard horticulture, all in small scale operations and with minimum environmental impacts. The ESMF uses checklists for screening investment proposals and negative lists for excluding activities with potentially high negative impacts. The GovPi prepared a specific environmental management plan for this sub-component, which details the Progere II environmental procedures.

Environmental impacts associated with the subcomponent 1.2: Expanding access to healthcare for patients with chronic diseases are restricted to the construction and operation of five small clinics. The clinics will be constructed in urban areas, with minimum or negligible marginal impacts due construction. The Client prepared a Health Waste Management Plans (PGRSS) for the clinics, addressing health waste handling and disposal, in accordance with the Brazilian Sanitary and Environmental regulations.

The ESMF and the RPF also concluded that only Sub-Component 1.3: Expanding land regularization for small farmers and quilombola communities might generate social impacts related with involuntary physical displacement of populations. People living within Quilombola

territories may not identify themselves as Quilombolas and may not want their landholdings be included in the collective land title conferred to the Quilombola community. As this situation might represent a source of potential social conflict, Brazilian and state legislation on Quilombola land regularization ensures that: (i) these people have full opportunity to assert their rights over the lands they hold within the claimed Quilombola Territory; (ii) private property can be separated from Quilombola communal land if agreed upon with the community; (iii) full compensation for privately owned land and facilities when there is no such agreement with the community, with a preference to land for land compensation in the situations involving small landholders (Presidential Decree 4887, November 20, 2003, and Piauí State Law 5995, August 1st, 2006). Additionally, potential social conflicts due to activities for Quilombola land regularization in this Project are less plausible because the Project will only regularize the claims of Quilombola communities settled in publicly owned areas.

Positive social impacts have been associated with the different Components and subcomponents. Land regularization might (i) increase land tenure security for small landholders, traditional communities and poor and socially vulnerable rural populations, (ii) reduce land conflicts due to the superimposition of claims and fraudulent land titles, and (iii) expand the market opportunities for their produce. Sustainable Production Practices might also contribute to strengthen family farming and production chains by overcoming barriers to access to technical assistance and to introduce new technologies, leading to income generation and contributing to poverty reduction. These impacts on family farming might also contribute to gender equity because (a) land titles will be issued in name of the family's male and female household heads, (b) most of the prioritized production chains intensively engage women groups, and (c) women groups will be a priority target of these interventions. Activities in the education sector might contribute to retain young people (male and female) in secondary schools and to improve their skills and qualification for accessing the formal job market. Given the strong association between low educational attainments and poverty in Brazil, these activities focused on the public education system and on municipalities with high poverty levels might also have a pro-poor impact. Positive social impacts are also expected from activities envisaged on the health sector as they will mostly address the neglected diseases which are deeply associated with poverty.

Eventually, the ESMF concluded that activities envisaged under Subcomponent 1.5 Expanding the registration and allocation of water resources might not generate negative environmental and social impacts insofar as water users register and better allocation of water resources will be preceded by outreach, information and awareness raising campaigns engaging multiple stakeholders. Additionally, these activities might have pro-poor effects because they might contribute to reduce inefficient water use by large producers as well as to increase access to water rights by subsistence and small producers leading to increases in their productivity, incomes and coping capacity to deal with water scarcity.

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

The ESMF did not identify any potential indirect and/or long-term impacts due to anticipated future activities in the project area.

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

The ESMF did not identify Project implementation alternatives that could avoid or minimize negative impacts.

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 and Social Management Framework (ESMF) – including a social impact assessment – and a Resettlement Policy Framework (RPF) have been prepared by the client in compliance with the World Bank's Operational Policies triggered by this operation.

The State of Piauí has some experience with Bank Safeguards and has at its disposal the gamut of state environmental agencies to analyze, monitor and supervise environmental safeguards. The team assessed the Client's institutional capacity to implement the Safeguard policies, concluding that institutional arrangements and technical assistance is necessary. The Project involves several State Secretariats and agencies, but the ESMF implementation will be done, mainly, by three entities: SEMAR, INTERPI and SDR, and do not require complex institutional provisions. The RPF implementation will be done only by INTERPI, which has proven capacity to implement land regularization of Quilombola Territories located in state owned areas. In the last years this institution has regularized five Quilombola Territories (benefiting 534 families) and the Project aims the regularization of six new areas.

SDR has a long experience with Rural Poverty Projects (PCPRs) funded by the Bank, and do not need major adjustments to comply with Safeguards policies. The ESMF recommended hiring two environmental experts, to support the existing staff.

During the Project preparation, the GovPi issued a Decree integrating the processes of INTERPI and SEMAR, and establishing the State Geo-processing Laboratory (CGEO), with the goal of offering high quality cartographic and land use information, to support the environmental and land regularization programs. The technical assistance component will support the Client on staff training, as the purchase of equipment, software and satellite images, for the CGEO implementation.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.

The key stakeholders include: principals, teachers and students of state public schools; health workers and users of public health services; family and small-scale farmers, and rural labor unions; Quilombola communities and statewide Quilombola organizations; municipal authorities and staff of state and federal agencies.

Stakeholders have broadly supported the activities included in the Project. Some of them expressed concerns about the ability of the state – due to weak institutional capacity – to implement the activities and achieve the expected results on the Project's timeframe. The strong and broad technical assistance component was devised to include the activities needed to strengthen the state's institutional capacities. An Environmental and Social Management Framework (ESMF) – including a social impact assessment – and a Resettlement Policy Framework (RPF) have been prepared by the client in compliance with the World Bank's Operational Policies triggered by this operation. The ESMF and the RPF were available for public consultation in the website of the Government of Piauí from June 13 to July 15, 2014.

A public consultation meeting was held in Teresina at June 24, 2014, focusing on the potential environmental and social impacts and the mitigation measures identified and proposed for the Project. The meeting was widely advertised and more than one hundred people and institutions have received invitation letters. Forty people – representing state agencies, municipalities, civil society organizations, scholars, producers groups and public servants – have taken part on this

meeting. Minutes and photographic registers of the meeting have been prepared. Inputs provided through the website and in presence consultation processes have been incorporated to the ESMF and the RPF as appropriate.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	22-Oct-2015
Date of submission to InfoShop	03-Nov-2015
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	////
"In country" Disclosure	
Brazil	03-Nov-2015
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	22-Oct-2015
Date of submission to InfoShop	23-Oct-2015
"In country" Disclosure	
Brazil	23-Oct-2015
<i>Comments:</i>	
Pest Management Plan	
Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	13-Jun-2014
Date of submission to InfoShop	19-Jun-2014
"In country" Disclosure	
Brazil	19-Jun-2014
<i>Comments:</i>	
If the project triggers the Pest Management and/or Physical Cultural Resources policies, 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:	

C. Compliance Monitoring Indicators at the Corporate Level

OP/BP/GP 4.01 - Environment Assessment			
Does the project require a stand-alone EA (including EMP) report?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [<input checked="" type="checkbox"/>]	No [<input type="checkbox"/>]	NA [<input type="checkbox"/>]
OP/BP 4.04 - Natural Habitats			
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [<input type="checkbox"/>]	No [<input checked="" type="checkbox"/>]	NA [<input type="checkbox"/>]

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?	Yes [] No [] NA []
OP 4.09 - Pest Management	
Does the EA adequately address the pest management issues?	Yes [×] No [] NA []
Is a separate PMP required?	Yes [] No [×] NA []
If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	Yes [] No [] NA []
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [×] No [] NA []
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [×] No [] NA []
OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [×] No [] NA []
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [×] No [] NA []
Is physical displacement/relocation expected?	Yes [] No [×] TBD []
Provided estimated number of people to be affected	
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes [] No [×] TBD []
Provided estimated number of people to be affected	
OP/BP 4.36 - Forests	
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes [×] No [] NA []
Does the project design include satisfactory measures to overcome these constraints?	Yes [×] No [] NA []
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes [] No [×] NA []
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [×] No [] NA []
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 [×] No [] NA []
All Safeguard Policies	

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have costs related to safeguard policy measures been included in the project cost?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]

III. APPROVALS

Task Team Leader(s):	Name: Michael Drabble	
<i>Approved By</i>		
Safeguards Advisor:	Name: Francis V. Fragano (SA)	Date: 05-Nov-2015
Practice Manager/ Manager:	Name: Reema Nayar (PMGR)	Date: 05-Nov-2015