

**INTEGRATED SAFEGUARDS DATA SHEET  
APPRAISAL STAGE**

**Report No.: ISDSA17711**

**Date ISDS Prepared/Updated:** 03-Jun-2016

**Date ISDS Approved/Disclosed:** 31-Dec-2015

**I. BASIC INFORMATION**

**1. Basic Project Data**

<b>Country:</b>	Brazil	<b>Project ID:</b>	P147158
<b>Project Name:</b>	Paraiba Sustainable Rural Development (P147158)		
<b>Task Team Leader(s):</b>	David Tuchsneider		
<b>Estimated Appraisal Date:</b>	11-Jan-2016	<b>Estimated Board Date:</b>	10-Aug-2016
<b>Managing Unit:</b>	GFA04	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	General agriculture, fishing and forestry sector (40%), General water, sanitation and flood protection sector (50%), Agro-industry, marketing, and trade (10%)		
<b>Theme(s):</b>	Trade facilitation and market access (4%), Rural markets (30%), Rural services and infrastructure (66%)		
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No
<b>Financing (In USD Million)</b>			
Total Project Cost:	80.00	Total Bank Financing:	50.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			30.00
International Bank for Reconstruction and Development			50.00
Total			80.00
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

**2. Project Development Objective(s)**

The objective of the Project is to improve access to water, reduce agro-climatic vulnerability and increase access to markets of Paraiba's rural inhabitants.

**3. Project Description**

## Beneficiaries:

The target population consists of about 165,000 rural inhabitants, whose livelihoods depend primarily on small-scale agricultural production, transformation and related services. Potential beneficiaries would be targeted through different instruments depending on their characteristics. Investments in water supply and in agro-climatic vulnerability reduction will be targeted at farmers and households living in 100 municipalities in the semi-arid region, selected on the basis of a Municipal Index of Agro-climatic Vulnerability, which combines climate, agriculture production, and social and human development indicators. Eligible municipalities have high or medium-high levels of vulnerability. Indigenous and Quilombola communities will be eligible regardless of location in the state. Investments in productive alliances would not be targeted spatially but aimed at smallholder producers, mostly family farmers, organized in existing or new producer associations throughout the state. Implementation of the agro-climatic risk information system will generate benefits for the population of the whole state, as it would improve planning and early alerts and provide information for better-targeted mitigation.

## Components:

### Component 1. Institutional strengthening :

- (a) Carrying out a communication campaign to: (i) inform stakeholders about the scope and rules of the Project; (ii) publish and disseminate the Project; and (iii) promote investments and attract buyers in rural value chains under the Project.
- (b) Strengthening the institutional capacity of Community Associations (CA) and Municipal Councils to: (i) improve their governance and managerial skills for operations and maintenance of community infrastructure; (ii) provide hygiene, environmental and nutritional training to CA members; and (iii) provide training to farmers to facilitate adoption of good agricultural and environmental practices, including the use of climate information for decision making.
- (c) Strengthening the institutional capacity of Producer Organizations (PO) to: (i) comply with organizational and business regulations; and (ii) improve organizational, managerial, business and risk-management skills.
- (d) (i) Provision of training to technical service providers which may provide technical support to CAs, POs, COOPERAR and any other selected public institution, under the Project; and (ii) establish a technical service provider database.
- (e) Strengthening the institutional capacity of the Secretariat of Infrastructure, Water Resources, Environment and Science and Technology (SEIRHMACT) and other selected public institutions to implement a management model for improving rural water and sanitation services, including, inter alia, the provision of support to: (i) define and establish sub-sector institutional arrangements; (ii) improve coordination between sub-sector institutions and programs; (iii) establish an information system for registering and monitoring the status of rural water and sanitation systems; (iv) pilot the implementation of technical assistance mechanisms and management models for rural water systems; (v) support the federation of CAs; and (vi) provide training and technical assistance to improve the capacities of CAs to manage, operate and maintain rural water systems.
- (f) Strengthening of the Paraiba Development Company's (CINEP) capacity and other selected partners for targeting and reaching out to potential investors and buyers, and facilitating their decision to enter into Productive Alliances.

### Component 2. Water access and agro-climatic vulnerability reduction:

- (a) Provision of support for: (i) identifying water supply investments, including, inter alia,

construction and rehabilitation of piped and non-piped water systems, desalinization facilities and household rainwater harvesting systems, and Agro-Climatic Vulnerability Reduction Subprojects; (ii) carrying out pre-investment studies for water supply investments identified under (i) herein, and for Agro-Climatic Vulnerability Reduction Subprojects; and (iii) carrying out of the in water supply investments mentioned under (i) herein.

(b) Provisions of Matching Grants to the CAs for carrying out the Agro-Climatic Vulnerability Reduction Subprojects.

(c) Provision of support to the Executive Agency for Water Management of Paraiba (AESA) for the establishment of an Agro-Climatic Risk Information System.

Component 3 - Productive alliances:

(a) Provision of support for: (i) identifying and implementing Productive Alliances; and (ii) carrying out pre-investment studies for Productive Alliances, including the formulation of business plans associated to Productive Alliance Subprojects.

(b) Provision of Matching Grants to the POs for carrying out Productive Alliance Subprojects.

Component 4 - Project management, monitoring and evaluation:

Provision of support to the Borrower for carrying out: (a) Project coordination and management; (b) monitoring, results evaluation and impact assessment of Project activities; (c) Project fiduciary administration, internal controls and audits; (d) Project safeguards management; (e) independent financial and technical evaluations of Productive Alliances' business plans; (f) a citizen's engagement mechanism; and (vii) Project-related studies.

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

Para -ba is among Brazil's smaller states, both in terms of size (56,000 km<sup>2</sup>) and population (3.4 million). The state is also exceptionally poor even by Northeast standards. Paraiba's poverty and extreme poverty reach 28.2 and 8.1 percent, respectively, and two-fifths of Paraiba families live on less than one-half of the minimum wage (versus 22% nationwide). About 29% of the total state population resides in rural areas, where the share of households living on less than one-half the minimum wage rises to 56%.

The project area encompasses rural areas in 222 municipalities of the state of Para -ba. The vulnerability reduction component focuses on the 100 municipalities with the lowest Human Development Index (HDI) rates, lowest rainfall levels and highest population density. Most of these are located in semi-arid regions, which experience significant environmental degradation and chronic water scarcity, with long and severe droughts. The productive alliances component will cover all rural areas of the State.

#### **5. Environmental and Social Safeguards Specialists**

Agnes Velloso (GENDR)

Jason Jacques Paiement (CRKI2)

Judith M. Lisansky (OPSPF)

<b>6. Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/BP 4.01	Yes	Possible negative impacts from agricultural and small-scale infrastructure activities, as currently planned, are expected to be small, localized and reversible through

		<p>close monitoring and on-time adjustments. Positive impacts are also expected from investments in simplified sanitation systems and from the adoption of sustainable rural production practices. The project is thus classified as Category B.</p> <p>The state prepared an Environmental and Social Impact Assessment (ESIA), which includes a focused analysis of the social and environmental context and the potential (positive and adverse) impacts of the types of activities to be supported.</p> <p>The ESIA originated framework guidance and tools organized in an Environmental and Social Management Framework (ESMF), for previous screening, implementation monitoring, and evaluation of proposed subproject in each type of supported activity to ensure environmental and social sustainability and compliance of rural production and infrastructure investments. The ESMF also identifies and provides management solutions for all potential project-related risks and impacts to the natural and social environments, and to the health and safety of all project stakeholders.</p>
Natural Habitats OP/BP 4.04	Yes	<p>This policy is triggered given the project's impacts on natural resources such as water. Environmental management frameworks developed for the project include specific guidance on good rural production practices that support the conservation of natural resources (particularly water, soils and pollinators); screening procedures for proposed investments; and detailed guidance on compliance with environmental legislation and OP 4.04. Guidance also includes best practices for the restoration of native forests (see OP 4.36 below) and for the sustainable management of non-timber forest products.</p> <p>Sanitation investments are expected to result in positive impacts on natural habitats and the safeguards frameworks include an Environmental and Social Manual for Civil Works.</p>
Forests OP/BP 4.36	Yes	<p>This policy is preventively triggered given the connection between agricultural activities and forests in Brazil. No activity involving timber products is currently foreseen under the project. Some vulnerability reduction or alliance subprojects may involve the use of non-timber products and/or the restoration of native forests (Permanent Preservation Areas and Legal Reserves in rural properties), a theme that was addressed according to OP 4.04 in the project's Environmental and Social Management Framework (ESMF). All rural producers</p>

		supported by the project will be required to comply with national environmental legislation, particularly regarding the percentage of native forests in their properties to be maintained or restored.
Pest Management OP 4.09	Yes	Agricultural investments should promote environmental sustainability of agricultural production with the adoption of practices such as agroforestry and integrated pest management, among others, that reduce or eliminate the use of pesticides. The project's ESMF includes adequate guidance on the pesticide use restrictions prescribed by OP 4.09.
Physical Cultural Resources OP/BP 4.11	Yes	As the exact location of planned activities is not yet known and cultural heritage sites are present in Paraiba, the project's environmental management framework includes guidance on the adequate procedures to be followed for chance findings, with relevant provisions to mitigate any potentially adverse impacts. Such provisions include compliance with the guidelines defined by the National Institute for Historical and Cultural Heritage (IPHAN) regarding historical sites and/or archaeological finding.
Indigenous Peoples OP/BP 4.10	Yes	Paraiba has an indigenous population of about 12,600 (Indigenous Census 2005/2006). The state also counts with 38 Quilombola (African slave descendant) communities with a total population of approximately 2,400. Under the previous project, indigenous communities successfully identified and executed four subprojects, mostly in agriculture, and provided water and transport infrastructure for 602 Quilombola families. The project will continue to provide support for diverse groups and ethnicities by expanding its sphere of action to all of the state in order to cover regions, indigenous groups and ethnic communities that did not benefit previously. These actions will be guided by the Indigenous and Quilombola Peoples Planning Framework (IQPPF) which seeks to ensure that the interested communities gain access to proposed activities as well as any additional measures required to maximize their culturally appropriate benefits and/or to avoid potentially adverse effects.
Involuntary Resettlement OP/BP 4.12	Yes	In the previous operation there were no cases of involuntary relocation nor of land acquisition. The project is not expected to require any involuntary relocation or land acquisition either; however, because the exact location and design specifications for the proposed investments and subprojects will only be determined during project implementation, the Environment and

		Social Impact Assessment (ESIA) prepared an Involuntary Resettlement Policy Framework (IRPF). The IRPF sets out the guidelines, procedures and criteria to avoid, minimize, mitigate and/or compensate any unforeseen involuntary resettlement impacts that could potentially result from any eventual design specifications.
Safety of Dams OP/BP 4.37	Yes	Given that some project activities related to irrigation and water supply may rely on existing dams, or require the construction of farm ponds, this policy is preventively triggered. Adequate guidance and provisions according to this policy regarding the construction, use and/or restoration of existing dams were included in the project's environmental and social management framework.
Projects on International Waterways OP/BP 7.50	No	As currently planned, no project activity should interfere with international waterways as described under this policy.
Projects in Disputed Areas OP/BP 7.60	No	There are no disputed areas as described under this policy within the foreseen project area.

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

<b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b>
<p>The bulk of project activities should be of low, localized and reversible environmental impact. Preventive and mitigation measures were identified, particularly for activities that require more attention, such as the construction of water uptake and distribution systems and sanitary kits, irrigation, fisheries and other rural production activities.</p> <p>Given the impacts from fisheries activities, which are compounded by the long drought currently affecting most of the project target area, no fisheries activities will be financed within existing reservoirs. If funded, this type of productive activity will only be supported if fish are raised in dug-out ponds and if adequate water supply is guaranteed.</p> <p>The project will also support the improvement of feeder roads leading to rural communities, including the construction of small bridges at fords, to improve year-round access to markets and services. Project preparation involved discussions with the state's environmental and water agencies, which contributed to define best practices which were included in the ESIA.</p>
<b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b>
No indirect or long-term negative impacts are anticipated.
<b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b>
N/A
<b>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.</b>
The borrower prepared an environmental and social impact assessment (ESIA), which includes a focused analysis of the social and environmental context and the potential (positive and adverse)

impacts of the types of activities to be supported. The ESIA was published by the borrower on 03 July 2015, and revised versions of the ESIA, Environmental and Social Management Framework (ESMF), Indigenous and Quilombola Peoples Planning Framework (IQPPF), and Involuntary Resettlement Policy Framework (RPF) were published on 28 March 2016 at InfoShop and by the client at [http://www.cooperar.pb.gov.br/index.php?pg=documentos\\_oficiais](http://www.cooperar.pb.gov.br/index.php?pg=documentos_oficiais). The current project built on lessons learned from the previous operation and prepared robust screening procedures for subproject selection, as well as monitoring and evaluation tools.

Project implementation arrangements include a safeguards management unit with two staff. Following Bank recommendations and given the large number of subprojects foreseen for this operation, the project team should be reinforced with two more technical staff responsible for safeguards compliance at the central management unit (one social, one environmental), in addition to one technical staff in each of the regional units trained for field supervision of safeguards compliance.

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

As agreed with the Bank, the Borrower implemented the following plan for consultation and disclosure: in early April 2015, the draft ESIA was consulted in four face-to-face regional workshops covering the entire project area (Sertão, Borborema, Agreste Paraibano, and Mata Paraibana), and in parallel, through a broader online consultation using the state's social networks and the project's website (<http://www.cooperar.pb.gov.br/>). The final document incorporates comments received during the consultation process and was disclosed on 03 July 2015 at the borrower's website (<http://www.cooperar.pb.gov.br/index.php?pg=destaques&informativo=265>) and on 07 July 2015 at InfoShop. The public mobilized for the consultation process comprised: producers' associations and cooperatives; Municipal Secretariats for the Environment; Municipal Councils for Sustainable Rural Development (which will carry out initial subproject selection); NGOs; and partner institutions, among others. The description of the consultation process, including comments received and how they were addressed, as well as the lists of participants in consultation workshops, were all included in the ESIA document.

**B. Disclosure Requirements**

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	23-Mar-2016
Date of submission to InfoShop	28-Mar-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
<b>"In country" Disclosure</b>	
Brazil	03-Jul-2015
<i>Comments:</i> Updated documents were re-disclosed on March 28, 2016/ Safeguards documents were disclosed 'in country' through the Project's website: <a href="http://www.cooperar.pb.gov.br/index.php?pg=documentos_oficiais">http://www.cooperar.pb.gov.br/index.php?pg=documentos_oficiais</a>	
<b>Resettlement Action Plan/Framework/Policy Process</b>	
Date of receipt by the Bank	23-Mar-2016
Date of submission to InfoShop	28-Mar-2016

"In country" Disclosure	
Brazil	28-Mar-2016
<i>Comments:</i> Updated Involuntary Resettlement Policy Framework was re-disclosed 'in country' through the Project's website: <a href="http://www.cooperar.pb.gov.br/index.php?pg=documentos_oficiais">http://www.cooperar.pb.gov.br/index.php?pg=documentos_oficiais</a>	
<b>Indigenous Peoples Development Plan/Framework</b>	
Date of receipt by the Bank	23-Mar-2016
Date of submission to InfoShop	28-Mar-2016
"In country" Disclosure	
Brazil	28-Mar-2016
<i>Comments:</i> Updated Indigenous and Quilombola Peoples Planning Framework was re-disclosed 'in country' through the Project's website: <a href="http://www.cooperar.pb.gov.br/index.php?pg=documentos_oficiais">http://www.cooperar.pb.gov.br/index.php?pg=documentos_oficiais</a>	
<b>Pest Management Plan</b>	
Was the document disclosed prior to appraisal?	NA
Date of receipt by the Bank	NA
Date of submission to InfoShop	NA
"In country" Disclosure	
Brazil	03-Jul-2015
<i>Comments:</i> Safeguards documents were disclosed 'in country' through the Project's website: <a href="http://www.cooperar.pb.gov.br/index.php?pg=documentos_oficiais">http://www.cooperar.pb.gov.br/index.php?pg=documentos_oficiais</a>	
<b>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.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>	
N/A	

### ***C. Compliance Monitoring Indicators at the Corporate Level***

<b>OP/BP/GP 4.01 - Environment Assessment</b>			
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 type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input checked="" 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"/> ]
<b>OP/BP 4.04 - Natural Habitats</b>			
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 [ <input type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input checked="" type="checkbox"/> ]
<b>OP 4.09 - Pest Management</b>			
Does the EA adequately address the pest management issues?	Yes [ <input checked="" type="checkbox"/> ]	No [ <input type="checkbox"/> ]	NA [ <input type="checkbox"/> ]



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 [ × ]
<b>OP/BP 4.11 - Physical Cultural Resources</b>	
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 [ ]
<b>OP/BP 4.10 - Indigenous Peoples</b>	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [ × ] No [ ] NA [ ]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [ ] No [ ] NA [ × ]
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Practice Manager?	Yes [ ] No [ ] NA [ × ]
<b>OP/BP 4.12 - Involuntary Resettlement</b>	
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?  Provided estimated number of people to be affected	Yes [ ] No [ × ] TBD [ ]
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)  Provided estimated number of people to be affected	Yes [ ] No [ × ] TBD [ ]
<b>OP/BP 4.36 - Forests</b>	
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 [ × ]
<b>OP/BP 4.37 - Safety of Dams</b>	
Have dam safety plans been prepared?	Yes [ ] No [ ] NA [ × ]

Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?	Yes [ ] No [ ] NA [ × ]
Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?	Yes [ ] No [ ] NA [ × ]
<b>The World Bank Policy on Disclosure of Information</b>	
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 [ ]
<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ × ] No [ ] NA [ ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ × ] No [ ] NA [ ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ × ] No [ ] NA [ ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ × ] No [ ] NA [ ]

### III. APPROVALS

Task Team Leader(s):	Name: David Tuchsneider	
<b>Approved By</b>		
Practice Manager/ Manager:	Name: Laurent Msellati (PMGR)	Date: 07-Jun-2016