

**INTEGRATED SAFEGUARDS DATA SHEET
APPRAISAL STAGE**

Report No.: ISDSA2724

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I. BASIC INFORMATION

1. Basic Project Data

Country:	Brazil	Project ID:	P128968
Project Name:	BR Marine Protected Areas Project (P128968)		
Task Team Leader:	Adriana Goncalves Moreira		
Estimated Appraisal Date:	02-Dec-2013	Estimated Board Date:	19-Sep-2014
Managing Unit:	GENDR	Lending Instrument:	Investment Project Financing
GEF Focal Area:	Biodiversity		
Sector(s):	General agriculture, fishing and forestry sector (100%)		
Theme(s):	Biodiversity (60%), Other environment and natural resources management (40%)		
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:	117.86	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			99.66
Global Environment Facility (GEF)			18.20
Total			117.86
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

2. Global Environmental Objective(s)

The Project's Global Environmental Objective (GEO) is the same as the Project's Development Objective (PDO), namely, (a) to support the expansion of globally significant, representative and

effective Marine and Coastal Protected Area System in Brazil, and (b) to identify mechanisms for its financial sustainability.

3. Project Description

The marine and coastal area in Brazil covers 3.5 million km², an area equivalent to 41 percent of the Brazilian terrestrial territory (8.5 million km²) and comparable in size to the Brazilian Amazon (4.1 million km²). Despite its vastness, only 1.57% of this area is currently officially protected.

Brazil has one of the most extensive coastlines in the world, measuring over 9,000 km including bays and promontories. Along this coastline there is an immense variety of environments and wildlife. The Brazilian marine and coastal zones shelter the greatest continuous stretch of mangrove ecosystems, which are important as nursery sites and biological filters and include the only coral reefs in the South Atlantic, ecosystems with high biodiversity and ecological relevance. They also shelter many endemic species and distinct ecosystems, such as dune fields, lagoon complexes, islands, restingas (sandy-coastal plain vegetation), flood plains, estuaries, etc. Also, five out of seven marine turtle species found around the world nest along the Brazilian coast and many migratory birds and mammals come to this region for rest stops, feeding and reproduction. Furthermore, 15 seabird species use Brazilian oceanic islands as nesting sites. Unfortunately, these environments have been subjected to intense human pressure.

In Brazil, 43 million inhabitants live on the coastal zone, which concentrates 18% of the national population and 16 of the 28 larger metropolitan regions (MMA, 2008). Economic activities in coastal areas account for roughly 70% of the Brazilian GDP (MMA, 2007). Coastal zones can be considered one of the most environmentally threatened regions in the country and are the main geographic area for economic growth for many industries, including the oil and gas industry which engages in significant off-shore drilling. Additionally, the waters off the Brazilian coast have traditionally been rich with fisheries, but significant fish populations have been overexploited and in some cases have become extinct. The creation of protected areas is considered an important measure to protect and maintain the productivity of fish stocks.

Marine and coastal protected areas (MCPAs) include protected areas which are adjacent to the ocean, but which may or may not include intertidal or subtidal areas. The definition of MCPAs for this project includes: protected areas, governed by the SNUC act; permanent preservation areas, set forth in the Forestry Code; no-take zones, established under the National Strategic Plan for Protected Areas (PNAP, according to Decree 5758/2006), where fishing is completely prohibited; and other fishing management instruments such as limited access rights and establishment of refugia to protect breeding or nursery areas which provide for the sustainable use of coastal and marine areas in a permanent or seasonal manner.

Consistent with the Ecosystem-Based Management principles, sites will be selected where compatibility and integration with other coastal activities and their management is feasible or where supporting measures such as fish access limits can be effectively implemented. Potential to offset climate change and generate revenues through the carbon market (Blue Carbon), establishment of community or individual access privileges (such as fish quotas) within MCPA and surrounding areas, or payment for ecosystem services mechanisms could also be considered. This project will help mainstream biodiversity concerns in coastal zone planning, in particular for the fishing, tourism and petro-chemical industries. The partnership with Petrobras is especially encouraging in this regard.

The specific areas to be created under this project will be all 100% marine, and more precisely

defined during project preparation. Consolidation activities will target both new marine areas and existing coastal and marine protected areas. Initial exercises have been carried out by the National Wetlands Committee (CNZU) to define additional criteria and refine the priority classification of coastal and marine areas listed among the Priority Areas for the Conservation and Sustainable Use of Brazilian Biodiversity. Further studies and analysis will be carried out, and the additional specialized and categorized information gathered will contribute to the planning and designing of the network.

The ecological criteria for the MCPA network creation proposed for this project will include the entire range of biodiversity present within the bio-geographical region and also consider the principles of representativeness, inter-connectivity, replicability, feasibility, and precaution. In addition, specific studies on the existence of conflicts, level of available information about biodiversity, and opportunities for each area may be necessary, as well as the identification of relevant actors, and the status of the existing legal instruments affecting the area (such as closed fishing seasons for species, determination of minimum sizes for capture, etc.).

This project will be funded by a \$US 18.2 million GEF grant and \$US 98.4 million in co-financing. The partnership among the GEF, the Government of Brazil, Petrobras and potentially other private sector players is an innovative and exciting approach to coastal zone management and mainstreaming of biodiversity in Brazil. The proposed project design includes four components:

Component 1 - Creation and Implementation of Marine and Coastal Protected Areas: Protected areas creation activities under this component will focus mainly on marine areas, as the marine zone has the greatest deficit of protection among all Brazilian biomes. This component will also support the implementation of different categories of new and existing MCPAs in the Brazilian marine and coastal zones, establishing and strengthening an effective MCPA system. These areas will be divided between strict protection and sustainable use MCPAs. The selection of new protected areas to be created will be based on the document "Priority Areas for the Conservation, Sustainable Use and Benefit Sharing of Brazilian Biodiversity" (SBF/MMA, official list revised in 2007), which lists priority areas in all Brazilian biomes, including the coastal and marine zones. An enormous amount of analytical work at the regional and biome-level is available in Brazil, undertaken over the past 15 years by research and government agencies, universities and NGOs. This project will use this regional and macro-level information - not only biodiversity data but socio-economic information as well - and refine it at the local level to define PA creation and implementation actions to be supported by the project, which could include among others the following: decree for protected area creation, demarcation and installation of physical signs indicating the area to be protected, the provision of basic equipment for enforcement, and staffing in protected areas.

The procedures for establishing protected areas are determined by the National System of Protected Areas (SNUC- federal law No. 9.985, of June 18, 2000, and Decree No. 4.340, of August 22, 2002). The SNUC Law provides a sound legal basis for the establishment and consolidation of protected areas. This project will contribute to improve institutional capacity for implementing this legislation for coastal and marine areas. Public consultations will be carried out for each new protected area to be created, with studies on the environment and socioeconomic indicators informing the final decisions about the location of new protected areas. Additionally, the implementing agencies will undertake public consultations and circulation of the draft decrees for protected area creation. The partnership with Petrobras is especially important here in that the recommendations made regarding which areas are particularly vulnerable or have high biodiversity value will help inform Petrobras' investment decisions.

Component 2 - Design of financial mechanisms to support the MCPAs system: The main activities under this component will be an assessment of the financing needs of coastal and marine protected areas and the identification of potential funding sources. The successful experience of the GEF-supported Amazon Region Protected Areas project will be considered, but alternatives other than an endowment fund will also be explored to complement existing governmental mechanisms aiming at ensuring the necessary financial sustainability of the protected areas system. As part of this work, studies on potential returns of income generating activities will be carried out and financial sustainability plans will be generated, taking into account different costs for different types of protected areas. GEF resources will specifically finance studies for potential revenue generating mechanisms for protected areas focusing especially on climate change related mechanisms (Blue Carbon) for payment for environmental services, the initial testing of the most promising options identified, and support to the Brazilian Government in the development of fundraising strategies.

Component 3 - Monitoring and Evaluation - Project monitoring and evaluation will be carried out in three broad areas: (i) financial monitoring, (ii) monitoring of implementation and management of the protected areas, and (iii) environmental/biodiversity monitoring. Financial monitoring will be carried out by FUNBIO, who is responsible for approving and tracking the distribution of funds. The monitoring of project progress in the protected areas will also be carried out by FUNBIO in close coordination with the Project Coordination Unit (UCP) and the Ministry of Environment. The UCP will be responsible for overall project management, and at the strategic level, for evaluating and updating, as needed, project objectives and targets in the project results matrix; and at the management level, to further develop and implement the GEF Management Effectiveness Tracking Tool for project management, and to monitor performance against project goals, supervising FUNBIO. MMA and ICMBio will be responsible for the institutional and legal actions for PA creation, and for the implementation of biodiversity and environmental monitoring. Partnerships with research institutions will be critical for this latter activity, given the lack of capacity within these institutions.

Component 4 - Project Coordination and Management: Coordination among and between the two investment components and among the various actors involved in all aspects of project implementation will require an efficient and well-trained coordination unit. Funds under this component will be used for the improved operation of the Project Coordination Unit (UCP) within the Ministry of Environment (MMA) and the Project Implementation Unit at FUNBIO. Also included in this component is the strengthening and coordination of the project's Technical Commission, which will be responsible for defining action strategies and providing technical guidance, identifying and prioritizing relevant actors, and approving operative plans. It will be composed of representatives from governmental, academic and non-governmental sectors.

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

The area for the proposed project will encompass the entire Brazilian Coastal and Marine Area, which comprises the most deficient biome in terms of protected areas. Within the target area, the marine zone is even less protected than the coastal zone. Therefore, project actions related to the creation of new protected areas will be directed towards the marine zone, while both new and existing marine and coastal protected areas will be targeted by PA implementation actions and for the establishment and management of the Marine and Coastal Protected Area System.

Potential project impacts related to the implementation and consolidation of new and existing protected areas will be minimal and localized, such as demarcation and installation of physical signs

indicating the area to be protected, and improvements to visiting/vigilance trails and field bases. Positive impacts should result from the preparation or updating and implementation of protected area management plans, particularly for the existing sustainable use protected areas, ensuring adequate use and conservation of marine, mangrove and possibly non-timber forest resources.

The project intends to positively affect the following types of ecosystem, through enhanced protection: marine environments, small coastal and oceanic islands, coral reefs, beaches, estuaries, restingas, mangrove systems, coastal lagoons, and possibly coastal Atlantic Forest.

5. Environmental and Social Safeguards Specialists

Alberto Coelho Gomes Costa (GURDR)

Agnes Velloso (GENDR)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	Given the essentially environmental conservation characteristic of the project, a category B is proposed. The project is expected to have a significantly positive environmental outcome as it will improve the conservation and management of ecologically important areas through the creation and implementation of marine and coastal protected areas, and the establishment of the Marine and Coastal Protected Areas (MCPA) System, to be comprised of new and existing PAs. The project may support small-scale investments in the protected areas to be created or existing PAs that will integrate the MCPA system, such as demarcation, possibly interpretative centers, trails, preparation of management plans, etc. Possible negative impacts from these small-scale investments are expected to be small, localized and reversible. As such, project preparation included the preparation of an Environmental and Social Management Framework by the Grant Recipient, which assesses potential impacts and proposes a framework for preventing or mitigating them. This framework will also be integrated into the operating rules of the financing mechanisms envisaged as part of component 2. Furthermore, principles of OP4.01 regarding proper consultation will be applied as part of project financed studies for the creation of new protected areas envisaged as part of component 1.
Natural Habitats OP/BP 4.04	Yes	This policy is triggered as the project is expected to have positive impacts on the quality of critical natural habitats. The Environmental and Social Management Framework ensures the policy is

		addressed appropriately by identifying the criteria for prioritizing the most biologically valuable and/or threatened areas to be protected and through the application of a precautionary approach to natural resource management in sustainable use protected areas, among other measures and guidance.
Forests OP/BP 4.36	Yes	This safeguard policy is triggered as project actions for strengthening protected areas may include existing coastal protected areas that can contain mangroves, restinga or portions of Atlantic Forest and the sustainable use of non-timber forest resources can be allowed in sustainable use protected areas. All impacts on forest systems are expected to be positive. The Environmental and Social Management Framework ensures the policy is addressed appropriately through the application of a precautionary approach to the management of non-timber resources in forested areas in sustainable use protected areas, and by complying with strict protection guidance when recommended by the existing studies on Priority Areas for Conservation. The project will not involve the conversion or degradation of forested areas.
Pest Management OP 4.09	No	As the project will not involve agricultural activities, seedlings production, reforestation, or any other activity that may involve the management of pests that affect plant or public health, OP 4.09 is not triggered.
Physical Cultural Resources OP/ BP 4.11	Yes	The marine areas to be supported under the project are as yet unknown. However, some of the existing protected areas include historical sites and, although project actions as planned should not interfere with those sites, eventual additional historical and/or archeological findings may occur during project implementation. As such, the Environmental and Social Management Framework includes relevant provisions to mitigate impacts and procedures for "chance findings" from specific investments under Component 1 (if applicable). Such provisions include compliance with the guidelines defined by the National Institute for Historical and Cultural Heritage (IPHAN) regarding historical sites and/or archaeological findings.

Indigenous Peoples OP/BP 4.10	Yes	During Project preparation it was determined that Indigenous Peoples with the four characteristics called for in OP 4.10 are present within one of the Protected Areas to be supported by the Project. A Social Assessment and Indigenous Peoples Plan (IPP) was prepared, consulted and disclosed, per the requirements of OP 4.10 prior to appraisal.
Involuntary Resettlement OP/BP 4.12	Yes	As the project will support only the creation of marine protected areas, it will not promote involuntary physical resettlement. Additionally, the project will abide to a non-physical displacement rule and its activities will be previously assessed to screen out the implementation of any intervention/area which might require physical displacement. The creation and consolidation of protected areas could potentially lead to restrictions in access leading to impacts on peoples' livelihoods. A Process Framework was prepared, consulted and disclosed prior to appraisal, and ensures that affected people and communities will have an opportunity to participate in the definition and design of alternative livelihood activities or other compensation/mitigation measures.
Safety of Dams OP/BP 4.37	No	No dams exist in the project area and none of the project activities will involve dam works or operation. Therefore, OP 4.37 is not triggered.
Projects on International Waterways OP/BP 7.50	No	No project activities will occur in international waters, or in areas which border Uruguay or the French Guiana. Therefore, OP 7.50 is not triggered.
Projects in Disputed Areas OP/BP 7.60	No	There are no disputed areas within the project target area (Brazilian coastal zone and marine zone under Brazilian jurisdiction). Therefore, OP 7.60 is not triggered.

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

<p>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</p>
<p>The project as planned should cause no large scale, significant and/or irreversible impact. The project was not restructured to-date.</p>
<p>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</p>
<p>All potential and long term impacts from project activities as planned should be positive, improving and ensuring the long term conservation of nationally and globally important</p>

ecosystems and biodiversity in coastal and marine zones.
3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.
The project is the best selected alternative to improve the conservation of coastal and marine biodiversity in Brazilian coastal and marine areas and should not result in adverse 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.
The main measures identified in the project's Environmental and Social Management Framework to prevent or mitigate potential negative impacts from project actions do not differ from the usual procedures applied by the implementing agencies MMA and ICMBio for the creation and consolidation of protected areas. A few additional measures to deal with economic displacement, if it becomes necessary, were preventively identified in the project's Process Framework. These two agencies have demonstrated capacity to comply with Bank safeguards instruments, as verified under the similar Amazon Region Protected Areas Program, currently in its second phase.
5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
In addition to the face-to-face consultation of safeguard documents held at the protected area where indigenous peoples are present and described in the project's IPP Funbio published a Public Consulting call in its website, inviting public society to download and comment on the socio-environmental safeguards document from February 15 to March 15, 2013. The comments/suggestions were made through an on-line form. Interested people could identify themselves or remain anonymous to ensure no-restraints to participation. Following publication in their website, Funbio used social network tools to spread the word that the public consultation was occurring. For this, Funbio addressed its 5,297 followers in twitter and 1,359 in Facebook. The public consultation invitation was posted in these networks 4 times during the period the consultation was open. In previous experiences, Funbio received a substantial amount of attention using these tools. The compiled results of this on-line consultation indicated that 18 different people made 23 suggestions, the most important ones relating to how the non-commercial fisherman would get a living with protected areas being created. This vision is understandable but the project approach is to create multiple categories of protected areas, including some where artisanal fishery is not prohibited but restraints are put in place for commercial mass fisheries.

B. Disclosure Requirements

Environmental Assessment/Audit/Management Plan/Other	
Date of receipt by the Bank	18-Mar-2013
Date of submission to InfoShop	19-Mar-2013
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
"In country" Disclosure	
Brazil	15-Feb-2013
<i>Comments:</i>	
Resettlement Action Plan/Framework/Policy Process	
Date of receipt by the Bank	18-Mar-2013
Date of submission to InfoShop	19-Mar-2013

"In country" Disclosure	
Brazil	15-Feb-2013
<i>Comments:</i>	
Indigenous Peoples Development Plan/Framework	
Date of receipt by the Bank	18-Mar-2013
Date of submission to InfoShop	19-Mar-2013
"In country" Disclosure	
Brazil	15-Feb-2013
<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 [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
OP/BP 4.11 - Physical Cultural Resources	
Does the EA include adequate measures related to cultural property?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
OP/BP 4.10 - Indigenous Peoples	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
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 [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]

OP/BP 4.12 - Involuntary Resettlement	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
OP/BP 4.36 - Forests	
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
Does the project design include satisfactory measures to overcome these constraints?	Yes [<input type="checkbox"/>] No [<input type="checkbox"/>] NA [<input checked="" type="checkbox"/>]
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	Yes [<input type="checkbox"/>] No [<input checked="" type="checkbox"/>] NA [<input type="checkbox"/>]
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
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 [<input checked="" type="checkbox"/>] No [<input type="checkbox"/>] NA [<input type="checkbox"/>]
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:	Name: Adriana Goncalves Moreira	
Approved By		
Sector Manager:	Name: Emilia Battaglini (SM)	Date: 04-Aug-2014