

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

Report No.: 92215

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<b>Project Name</b>	BR CAR and Fire Prevention Bahia Project
<b>Region</b>	LCRVP
<b>Country</b>	Brazil
<b>Sector</b>	Environment
<b>Lending Instrument</b>	Technical Assistance Loan
<b>Project ID</b>	P143376
<b>Recipient</b>	Fundação Luis Eduardo Magalhães
<b>Implementing Agency</b>	Fundação Luis Eduardo Magalhães
<b>Environmental Screening Category</b>	<input type="checkbox"/> A <input checked="" type="checkbox"/> B <input type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
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## I. Introduction and Context

1. Brazil's territory encompasses a broad diversity of landscapes and seascapes. These include the Cerrado Biome, which is considered the world's richest savanna in terms of biodiversity. This biome has faced high rates of elimination of its native vegetation cover since the 1970s due to mechanized agriculture, livestock and charcoal production to meet the demands of the steel industry.

2. In 2010, the biome had lost about 49 percent, or 1.0 million km<sup>2</sup>, of its native vegetation cover: about 4.5 percent in the 2002–2010 period. Although the Cerrado's deforested area in 2010 was the same size as that of the Brazilian Amazon in the same year (6,400 km<sup>2</sup>), it represented a larger percentage of the biome (0.32 percent versus 0.15 percent). However, annual deforestation has declined in recent years, both in the Cerrado and the Amazon.

3. In Brazil, by far the largest share of net CO<sub>2</sub> emissions comes from land-use change, especially the conversion of natural vegetation to crop land and pasture (77 percent of total net CO<sub>2</sub> emissions in 2005). The Cerrado is the second largest biome in Brazil and South America (24 percent of the country's total land area). In this context, land-use change in the Cerrado contributed 22 percent of net anthropic emissions in 2005.

4. Additionally, recent estimates from the Brazilian Ministry of Science, Technology, and Innovation (MCTI) suggest a substantial decrease in Brazil's GHG emissions in 2010 (1,246 MtCO<sub>2e</sub>, compared to 2,032 MtCO<sub>2e</sub> in 2005), with agriculture becoming the country's main source of GHG emissions (35%), followed by the energy (32%) and the land use change and

forest (22%) sectors<sup>1</sup>. In 2010, agricultural emissions in Brazil were mainly due to enteric fermentation (56%) and agricultural soils (35%), and to a lesser extent due to animal waste management (5%), rice cultivation (2%) and burning of agricultural residues (1.5%).

5. Besides the conversion of natural vegetation for use of livestock and agriculture, the use of fire in the traditional management of pastures and cutting of wood for charcoal production has resulted in large losses of biomass and carbon emissions.

6. It is estimated that the Cerrado's relative contribution has increased: since 2005, deforestation levels in the Amazon have fallen more steeply than those in the Cerrado. The Cerrado is important not only as the savanna with the world's largest biodiversity, but also because of the large amounts of carbon it stores, with about 70 percent occurring in the soil and underground biomass.

#### *National Policy on Climate Change*

7. Through the National Policy on Climate Change (Law 12.187/2009 and Decree 7.390/2010), the Government of Brazil (GoB) made a voluntary commitment to reduce by 40 percent the annual rates of deforestation in the Cerrado Biome, based on average deforestation between 1999 and 2008.

8. Launched in September 2010, the aim of the Action Plan to Prevent and Control Deforestation in the Cerrado Biome (PPCerrado; Decree 5.577/2005) is to promote sustained reductions in the rates of deforestation and forest degradation, as well as in the incidence of burnings and forest fires in this biome.

#### *National Policy for Prevention and Control of Forest Fires*

9. The Forest Code (Law 12.651/2012) requires landholders to ask the State environmental agency for prior authorization to use fire on vegetation in locations or regions whose characteristics justify its use in agro-pastoral or forestry practices. It also states that Federal, State and Municipal environmental agencies, which comprise the National Environmental System (*Sistema Nacional do Meio Ambiente, SISNAMA*), shall update and deploy contingency plans for fighting forest fires and that the Federal Government should establish a National Policy for Prevention and Control of Deforestation and Forest Fires.

#### *State Police for Rural Environmental Cadastre*

10. Bahia has its own electronic registration system called *Cadastro Estadual Florestal de Imóveis Rurais* – CEFIR (State Forest Cadastre of Rural Properties) which was established by the State Law 10.431/2006, as part of the *Sistema Estadual de Informações Ambientais* – SEIA (State Environmental Information System). The first paragraph of article 14 of Law 10.431/2006, defines CEFIR as "the instrument for monitoring Areas of Permanent Preservation, Legal Reserve, the Easement Environmental and forestry production, necessary to effectively control and supervise all forestry activities in the State, as well as provide information to enable the

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<sup>1</sup> Ministério da Ciência, Tecnologia e Inovação (MCTI), 2013. Estimativas anuais de emissões de gases de efeito estufa no Brasil. Available at: <http://gvces.com.br/arquivos/177/EstimativasClima.pdf>

creation of ecological corridors." In the State of Bahia, CEFIR exercises the functions and objectives of the Rural Environmental Registry (CAR) and is now fully integrated into the national system.

11. Under current law, the State government has the responsibility to make the registry and the Plan for Recovery of Degraded Areas (PRAD) of all small landholdings, as well as offer technical support for the restoration of the natural vegetation.

#### *Brazil Cerrado Climate Change Mitigation Trust Fund (DCTF)*

12. Launched in 2012 as part of the Cerrado Biome approach, the Brazil Cerrado Climate Change Mitigation Trust Fund (BCCMTF) is a single-donor trust fund with Bank- and recipient-executed components from the Department for Environment, Food and Rural Affairs of United Kingdom (DEFRA).

13. The Program's main preliminary goals are: (i) the capture of 22.5 million tons of CO<sub>2</sub> equivalent over 30 years through the recovery of forests, 26 million tons through direct reductions from deforestation, and 65 million tons by reducing fires (including a reduction in the burning of forests and agricultural lands); (ii) the restoration of 360,000 hectares (ha) of native vegetation and 128,000 ha of avoided deforestation (a 46 percent reduction), with a substantial impact on reducing biodiversity loss; and (iii) intervention with 1,000 small landholders (20 percent of the total target of 5,000 farmers) to improve livelihoods through a combination of access to credit and the adoption of improved agricultural practices and natural resource management.

14. The proposed Project will contribute to the environmental regularization of rural properties in the Cerrado of Bahia and to the decrease in forest fires in the Cerrado. Greater environmental compliance and mitigation of wildfires mean less illegal deforestation, fewer degraded lands and more reclaimed areas. In a more global view, this will contribute toward reducing net greenhouse gas (GHG) emissions and conserving ecosystem services and biodiversity.

## **II. Proposed Development Objective(s)**

15. The Project's main objective is to promote the reduction of climate change impacts in the Cerrado of the west of the Bahia State by:

- Promoting the environmental regularization of landholdings in the targeted municipalities and support actions to promote recovery of environmental liabilities; and
- Strengthening the State's capacity to prevent and combat forest fires through the integration of local actors and promoting the adoption of sustainable production practices in the targeted municipalities.

### III. Project Description

16. The Project will cover eight municipalities of the Cerrado Biome in west of Bahia. The following criteria were used to select the priority municipalities: (i) Ministry of Environment's Decree 97/2012, which lists 52 municipalities deemed priorities under the PPCerrado based on the following: (a) areas of remnant native vegetation larger than 20 percent of the municipality, or existence of protected areas; and (b) deforestation over 25km<sup>2</sup> observed during the 2009–2010 period; (ii) numbers of hotspots detected in 2011; (iii) concentration of extreme poverty in rural areas; and (iv) municipalities that are not financially supported by external funds or grants to carry out a cadastre of small rural landholdings.

17. Based on the above criteria, the municipalities are Formosa do Rio Preto, Cocos, Jaborandi, Correntina; São Desidério, Riachão das Neves, Barreiras e Luís Eduardo Magalhães. In these municipalities there are about 5,000 small rural landholdings (less than 500 hectares), which will directly benefit from this project.

18. Considering the amount of funds available, the State establish criteria to determine where to focus the CAR registration efforts, which included: (i) have access conditions and logistics to implement Project activities within the Project's time frame; (ii) with state Protected Areas (UCs); (iii) with a significant area of remaining native vegetation; (iv) well-organized local organizations to support the process; (v) potential synergies with existing activities in the CAR; and (vi) have local administrative capacity to implement the project immediately.

19. Based on these criteria, the following municipalities have been selected: Formosa do Rio Preto, Riachão das Neves, São Desidério e Luís Eduardo Magalhães. In a total of 4,823 small rural landholdings, in an estimated area of 119,860ha.

#### A. Project Components

20. **Component 1: Rural Environmental Regularization (Estimated Cost: US\$2.42 million).** The aim of this component is to promote environmental regularization by implementing the CAR for small landholders and promoting the recovery of degraded areas in APPs and RLs in these landholdings located in the targeted municipalities.

21. This component will focus on building the institutional capacity of the State and the targeted municipalities' agencies to implement the CAR and on developing a framework to support the recovery of degraded areas in these municipalities. Activities are envisaged to: (i) update the land use maps for the target municipalities; (ii) establishment of "situation rooms" in the target municipalities to monitor CAR registration and deforestation; (iii) delivery of training to environmental agencies technicians, state and municipal staff and rural extensions staff, as well as consulting firms in environmental regularization of rural properties in how to operate CEFIR and how to prepare Plans of Recovery of Degraded Areas (PRAD); (iv) design and implement a communication strategy and campaign to involve local and interdisciplinary team for joining CEFIR and on the activities to be developed; (v) organize events to promote the CAR; (vi) support the preparation of plans for recovery of degraded areas in small rural landholdings and the preparation of the environmental assessment of the targeted municipalities;

(viii) develop a financial sustainability plan for the Degraded Areas Recovery Centers (Centros de Referência em Recuperação de Áreas Degradadas, CRADs); (ix) promote the creation of a seed collection network in the targeted municipalities and/or establish nurseries linked to the CRADs; (x) provide technical training courses on degraded areas recovery and sustainable economic alternatives; and (xi) design a financial sustainability strategy for the CRADs.

**22. Component 2: Prevention and Fight of Forest Fires (Estimated Cost: US\$1.54million).** The aim of this component is to strengthen the capacity to prevent and fight forest fires and promote alternatives to the use of fire in the State of Bahia, especially in the Project's targeted municipalities.

23. This component will focus on strengthening the capacity of the State and targeted municipalities to prevent and fight forest fires, and on developing practices to promote alternatives to the use of fire. Activities envisaged are: (i) empowering the Prevention and Fight Forest Fires State Committee to prevent and fight forest fires in targeted municipalities; (ii) assisting in the creation of municipal committees or municipal protocols for preventing and fighting forest fires and of the contingency plan; (iii) promoting the development of municipal operating plans for preventing and fighting forest fires; (iv) developing a communication strategy to disseminate actions on preventing and fighting forest fires; (v) providing training on how to prevent and fight forest fires; (vi) establishing municipal situation rooms to monitor deforestation and forest fires; (vii) implementing units to demonstrate alternatives to the use of fire, and promoting community forest fire prevention protocols; (viii) providing training on practical alternatives to the use of fire and on sustainable economic activities; (ix) promoting the subject of forest fire prevention and control through environmental education efforts, and (x) acquiring equipment and materials to support preventive and repressive inspection efforts.

**24. Component 3: Administrative and Financial Management (Estimated Cost: US\$0.44 million).** The aim of this component is to support the Project's effective and efficient management, administration, monitoring and evaluation. This component will include activities such as: Project coordination, monitoring and reporting; adequate financial management, and procurement; and Project financial and technical activities for Project closure.

#### IV. Safeguard Policies that might apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
<a href="#">Environmental Assessment</a> (OP/BP 4.01)	X		
Natural Habitats ( <a href="#">OP/BP 4.04</a> )	X		
Pest Management ( <a href="#">OP 4.09</a> )		X	
Physical Cultural Resources (OP/BP 4.11)		X	
Involuntary Resettlement ( <a href="#">OP/BP 4.12</a> )		X	
Indigenous Peoples ( <a href="#">OP/BP 4.10</a> )		X	
Forests ( <a href="#">OP/BP 4.36</a> )	X		
Safety of Dams ( <a href="#">OP/BP 4.37</a> )		X	
Projects in Disputed Areas ( <a href="#">OP/BP 7.60</a> )*		X	
Projects on International Waterways ( <a href="#">OP/BP 7.50</a> )		X	

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

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