



# Concept Environmental and Social Review Summary

## Concept Stage

### **(ESRS Concept Stage)**

Date Prepared/Updated: 10/04/2022 | Report No: ESRSC02993



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Brazil	LATIN AMERICA AND CARIBBEAN	P179088	
Project Name	Progestão Tocantins: Public Sector Management Efficiency		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Governance	Investment Project Financing	11/7/2022	2/7/2023
Borrower(s)	Implementing Agency(ies)		
State Secretariat of Planning (SEPLAN)	SEPLAN - Secretaria de Planejamento de Modernização da Gestão Pública, UGP		

Proposed Development Objective

Improve efficiency in public resource management in selected departments of the State of Tocantins

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>55.00</b>

**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

Progestão Tocantins is the fifth operation in a Series of Projects (SoP) under the Program designed to assist Brazilian States implement reforms to improve efficiency in public resource management. The objective of the Progestão Program, as stated in the Memorandum of Understanding between the National Secretariat of Treasury (Secretaria do Tesouro Nacional, STN) and the World Bank (WB), is to develop the fiscal budget and asset management of the Brazilian State governments through actions that aim at reducing and rationalizing public spending with long term results to contribute to the fiscal sustainability of state governments. The Program, available to all Brazilian States

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regardless of their fiscal situation, will provide technical assistance to help participating States modernize and improve efficiency in whole-of-government functions and strategic sectors through investments in management reforms and information systems. The Federal Government has requested that the Bank supports the Progestão Program through a series of investment project financing (IPF) operations in order to ensure technical assistance from the World Bank during project implementation. The Tocantins Progestão project addresses five whole-of-government functions (human resource management, pensions, procurement, public investment management, and asset management) and three strategic sectors (health, education, and social assistance). These focus areas were selected by applying the Progestão Program selectivity criteria: strategic alignment, implementation capacity, impact on beneficiaries, and alignment with the WB corporate commitments.

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The proposed IPF operation support of investments in management information systems and reforms for whole-of-government functions and in strategic sectors in the State of Tocantins. The project will support management systems in health, education, and social assistance. The project will have three components.

Component 1: Whole-of-Government Management System comprises five subcomponents:

Sub-Component 1.1: Human Resource Management will be implemented by the Secretariat of Administration (SECAD) and will include the following activities: (i) strategic workforce right-sizing of selected agencies and departments; (ii) design and implementation of workforce right-sizing platform integrated with the human resources management system to identify core competencies of public officials and organizations' adequate hiring needs; (iii) implementation of a people's allocation management platform, including dynamic distribution of the workforce, replacement alarms, and automated official documentation of reallocation; (iv) development and implementation of a management analytics and artificial intelligence system for automated payroll audit to reduce errors and fraud; (v) design and implementation of new functionalities to the State's HRMIS; (vi) automation of human resources management services and creation of a portal of services for the public tenants; (vii) periodic staff surveys to assess reform implementation and support change management; (viii) communications and capacity building to support the rollout and implementation of new tools; and (ix) procurement of energy efficient hardware to support the rollout and implementation of new tools.

Sub-Component 1.2: Pensions will be implemented by the Tocantins Institute of Social Security Management/ Instituto de Gestão Previdenciária do Tocantins (IGEPREV-TO) and will include the following activities: (I) design and



implementation of a pension management information system to implement the new benefit scheme and capacity-building to improve management of pension benefits; (ii) development and implementation of a management analytics and artificial intelligence system for automated inactive payroll audit; (iii) procurement of energy efficient hardware to support the deployment of these systems; and (iv) communications and capacity building to support the rollout and implementation of new tools.

Sub-Component 1.3: Public Procurement will be implemented by SEFAZ and include the following activities: development of a sustainable procurement strategy, which addresses environmental, climate and gender equality considerations, and an implementation plan to help embed sustainable procurement across the State's purchases; (ii) development and implementation of an integrated system for sustainable e-procurement, including the redesign and automation of key processes, and reviewing the regulatory framework and institutional arrangements to increase transparency, green and climate smart procurement; (iii) design and implementation of integrated dashboards with reliable data aligned to sustainability and gender equity practices; (iv) application of artificial intelligence using electronic invoices to identify and reduce fraud and corrupt practices; (v) design and implementation strategic sourcing methodology to help identify demand for goods and services across the government; (vi) capacity building program for officials working in procurement across the state; and (vi) procurement of energy efficient hardware to support the deployment of these systems.

Sub-Component 1.4: Public Investment Management and Budgeting will be implemented by State Secretariat of Planning (SEPLAN) and SEFAZ and include, inter alia: (i) development and implementation of a public project management system for State's investments, integrating project preparation, screening and appraisal; (ii) preparation of a portfolio of technically appraised, implementation ready projects; (iii) design and implementation of a governance strategy to manage the project portfolio execution; (iv) design and implementation of sustainable budgeting systems and practices; (v) development and implementation of a management system for the transfer of resources from the State of Tocantins to municipalities and non-governmental organizations, allowing for digital monitoring of project preparation, implementation and accounting; (vi) capacity building for State officials on sustainable public investment and expenditure management practices, to support the rollout and implementation of new tools; and (vii) periodic staff surveys to assess reform implementation and support change management.

Sub-Component 1.5: Asset Management will be implemented by the Secretariat of Administration (SECAD) and include: (i) technical support to assess up-to-date information of real estate properties, including geospatial data, area, occupation rate, valuations and registry's status; (ii) development and implementation of modules in the public asset management system that includes a climate risk assessment of real estate assets, a strategy panels and information for decision making and fleet management; (iii) energy audits based on climate, community and biodiversity methodology (CCB) for selected government properties, focused on reducing energy consumption; (iv) development and implementation of a system for mapping costs of information and communication technologies (ICTs), including identification of synergies between government-to-government systems, interoperability, and a governance strategy for new acquisitions and maintenance; (v) capacity building on asset management practices and support the rollout and implementation of new tools; (vi) procurement of energy-efficient hardware to support the rollout and implementation of the above mentioned activities; and (vii) sizing of server storage to guarantee enough space for information technology tools and systems implemented under this project.

Component 2: Management Systems in Strategic Sectors comprises three subcomponents:

Sub-Component 2.1: Health will be implemented by the Secretariat of Health (SES) and include: (i) development of an expenditure review to identify cost structure and assess budgeting practices in the state's public health units; (ii) implementation of information system to support budgeting and expenditure management in the state's health units;



(iii) introduction of communication and capacity-building activities to support the rollout and implementation of new tools; and (iv) procurement of energy efficient hardware to support the rollout and implementation of new tools.

Sub-Component 2.2: Education will be implemented by the Secretariat of Education (SEDUC) and include: (i) strengthening of a student's transport system; (ii) strengthening of a school's meals system; (iii) development and implementation of I.T. systems to improve management of transferred resources from the federal government and to municipalities and schools, documents monitoring, and other transactional tools of the Secretariat, and (iv) communications and capacity building to support the rollout and implementation of new tools.

Sub-Component 2.3: Social Assistance will be implemented by The Secretariat of Work and Social Assistance (SETAS) and include: (i) design and implementation of an integrated management system to facilitate the execution of social assistance programs, including financial management, cash transfer programs and management of other benefits, as well as internal registries; (ii) development and implementation of a transparency dashboard to support decision-making in social assistance; (iii) automation of social protection processes, providing faster access to services and reducing operational costs; (iv) communication and capacity-building to support the rollout and implementation of new tools; and (v) procurement of energy-efficient hardware to support the rollout and implementation of the above-mentioned activities.

Component 3. Project and Change Management comprises two subcomponents:

Sub-Component 3.1: Project Management Unit will be implemented by SEPLAN and include: (i) project management, including procurement, financial management, and environmental and social safeguards (staff, equipment, and operating costs); (ii) development and implementation of a grievance redress mechanism and management information system, in coordination with the Comptroller General (CGE) the institution mandated with this function; and (iii) communications and capacity building to support project management functions.

Sub-Component 3.2: Change Management will also be implemented by SEPLAN and include: (i) development a transversal change management strategy encompassing on incentives, processes and skills; (ii) consulting services, studies, and surveys to support project implementation; (iii) carrying out process reviews before information systems are developed; (iv) just-in-time support, as needed and as agreed with the Bank, including advisory services to the Procuradoria and technical teams during implementation, and knowledge exchange activities; and (v) communications and capacity building to support the rollout and implementation of new tools.

Additionally, Progestão has an ambitious learning agenda with thematic working groups established through CONSAD which brings together technical teams and high-level officials from across the country. These working groups will be a key mechanism for exchanging views on both technical challenges and implementation issues among the Brazilian States, as well as the Federal Government. In addition to a permanent high-level agenda (meetings at least once a year), States will be able to request ad hoc workshops to present and discuss specific project-related issues that can be discussed by the network of specialists and practitioners. Thematic groups on Human Resources, Digital Government, Procurement, and Asset Management have already been formed during the Program's preparation in partnership with the CONSAD. The National Council of State Secretaries of Planning (CONSEPLAN) and the National Council of Secretaries of Finance (CONFAZ) are expected to join. The thematic groups will serve as a sounding board to continuously improve processes and procedures to make interventions more effective. These will help strengthen the operation's design and implementation, both of which will be critical to the success of the operation in Tocantins and other States.



#### D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The proposed operation will have statewide relevance and will focus on technical assistance activities. Project activities will be implemented in an office environment. No site-specific interventions are expected, but some elements of the project will have positive downstream effects across the state.

The State of Tocantins is the most recent State in Brazil created under the 1988 constitution. With an area of 27.74 million hectares and a population of 1.6 million (2021), the state density is low (4.98 inhabitants/km<sup>2</sup>). The rate of urbanization in the State has grown at a fast pace reaching 79% with the population mainly concentrated in 10 major cities, but more than half of the 139 municipalities has less than 5,000 inhabitants.

Tocantins Human Development Index (HDI) was 0.73 in 2019, the 13th highest among Brazilian states, but below the country's average of 0.76. Tocantins is located in the North region of Brazil and one of the 9 states that form the Legal Amazon region. The State occupies 3.26 percent of Brazilian territory and its economy represents only 0.5 percent. Gini Index is close to Brazilian average, and 5.1 percent of the population is under extreme poverty and 31.5 percent is considered vulnerable to poverty.

The state of Tocantins is Brazil's 24th economy, representing 0.5% of the national GDP. In addition, it ranks in 15th place in terms of per capita income among Brazilian states. The composition of the state GDP is as follows: Agriculture counts for 18% of the state GDP (and 99% of its exports), industry counts for 24% and the service sector is the main contributor to the state GDP (58%).

Tocantins has seen a considerable improvement in health outcomes in the last thirty years, largely driven by the expansion of universal health care system, with mortality rates for children under-five years falling from 44.9/1,000 live births in 1990 to 14 in 2020, while life expectancy increased to 74.2. All of public high-complexity health care facilities (referral hospitals) are managed by the State government and 93% of the population depends on the public health system. State expenditures on health services peaked during the Covid-19, reaching R\$ 1.5 million or 14% of the State expenditures in 2021. SEDUC runs 492 schools delivering education services to 151,175 students from primary to upper secondary education, including adult education and inclusive education. Primary and lower secondary education (1st to 9th grades) represents 55 percent (83,320 students) of enrollment in the state network and 30 percent of the schools are in rural areas. Thus, the logistics of delivering a quality school meal and transportation services are complex, and the lack of planning leads to financial and management inefficiencies. The social protection network (responsible for enrolling the deprived population in conditional cash transfer programs) is marred by inefficiencies and 3 of each 10 Centers of Reference for Social Assistance (CRAS) cannot provide essential services to its users.

Personnel expenditures present a serious threat to the State's fiscal sustainability. Tocantins has approximately 50,000 active staff and wages increased 5.4 percent annually in real terms between 2011 and 2019. About 27 percent of the public servants' workforce is under non-permanent contracts and the State has 0.38 retirees or pensioners for each active employee. The inactive payroll represents 8.6 percent of total personnel expenditures, though it is on a sharp rise, being 10 times higher than in 2011.

Up to 87% of the state territory is located in the Cerrado biome (87% of the state). The remaining area is within the Amazon transition forest. More than half of the territory of Tocantins (50.25%) are natural habits, including 4.2 million hectares of legally protected areas (15% of state). A total of 2.58 million hectares are Indigenous Lands (13 Indigenous Lands), where 9 ethnic groups, counting for about 10,000 people scattered across the state.

#### D. 2. Borrower's Institutional Capacity

Brazil and Tocantins have an adequate environmental legal framework, institutional capacity, the expertise required, and commitment to manage project-related risks. Tocantins has a robust mechanism to facilitate the resolution of



concerns and complaints raised by its citizens, operated by the State General Comptroller Office (CGE) that host the State General Ombudsman Office.

SEPLAN will lead project implementation, which will leverage its experience in managing externally financed operations, including the Tocantins Integrated Sustainable Regional Development Project (P121495) – aimed to foster improved effectiveness of road transport and enhanced efficiency of selected public services and closed on December 2021, It contributed to improving the quality of environmental management and enforcement in Tocantins as SEMARH and its operational affiliate (Naturatins) increased their performance as a result of the Project implementation. This project also supported the elaboration of the State Plan for Ecological-Economic Zoning of Tocantins.

During the implementation of P121495 the Borrower maintained adequate safeguards arrangements and was on track to full compliance with safeguard policies, having substantially strengthened its institutional capacity to manage E&S risks related with civil works. However, changes in Government in the final years of implementation and the Covid-19 pandemic significantly undermined the schedule of the road works and led to their incomplete status at the project closing date, impacting the final safeguards performance. A Post-Closure Social Safeguards Action Plan was agreed and set out the actions that the Borrower shall carry out to address the outstanding issues under the Project. It was signed on December 23, 2021 and establishes a 12 months period to be completed in a satisfactory manner to the World Bank. To date, its implementation face a few shortcomings and a few actions may not be completed on the agreed timeline, but are ongoing.

SEPLAN and the other implementing agencies have no experience with project implementation under the World Bank’s Environmental and Social Standards. To avoid potential issues related with unequal understanding of the requirements of the ESSs among the implementing agencies and based on lessons from the implementation of P121495, SEPLAN will be in charge of E&S risk management, broadly disseminate the Project’s ESCP among the implementing agencies and carry out workshops on E&S risk management and the ESSs for the technical staff directly involved in project implementation.

SEPLAN, SECAD and SEFAZ will implement Component 1. SEPLAN will also be in charge of Component 3. The State Secretariats of Social Assistance, Health, and Education will implement sub-components under Component 2. Project-specific implementing arrangements include: a Steering Committee, a Project Management Unit (PMU), and interagency agreements for implementation.

Under Component 3, SEPLAN will create a Project Management Unity (PMU) by decree. The primary responsibility of the PMU will be the coordination with the participating secretariats and the oversight of Project implementation, ensuring operational compliance with project operating procedures and World Bank policies, including the environmental and social risk management.

During project preparation the Bank team will assess (a) the capacity of the implementing agencies to carry out environmental and social risks management and (b) the capacity of the implementing agency to work in a coordinated manner under the leadership of SEPLAG. The Bank team will also agree with the Borrower on a capacity building plan, which will be proportionate to the negligible project-related environmental and social risks and impacts and the needs of the implementing agencies and the institutional arrangement designed for Project implementation. This capacity building plan will be included in the ESCP.

## II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

### A. Environmental and Social Risk Classification (ESRC)

Low



### Environmental Risk Rating

Low

The environmental risk rating is low. The project will support only technical assistance (TA) activities to improve the whole-of-government management systems as well as management services in the Health, Education and Social Assistance. Project investments are not aimed at financing infrastructure works or other on-the-ground activities with potential environmental impacts and risks that need to be managed. No future construction of physical infrastructure investments, spatial plans, and natural resources management regulations is expected due to technical assistance activities supported by the project. Overall, the proposed activities do not present environmental complexity. Project activities will be implemented in an office environment and are not expected to endanger living natural resources. The project is not expected to pose a risk of environmental pollution and degradation of natural resources (air, soil, water). On the contrary, some of the technical activities will contribute for a more sustainable use of energy and raw materials and to reduce GHG emissions. It is not expected to affect biodiversity or habitats, either positively or negatively, directly or indirectly, or depend upon biodiversity for its success. The initial environmental risks and impacts assessment indicates that this technical assistance operation will not have large-scale, significant, and irreversible adverse direct impacts and/or downstream implications on society and the environment in the state. During the project preparation, the TA activities will be delineated more clearly and will be screened for potential impacts and downstream effects of these activities and of the boundaries of the project. Although the project will support the acquisition of energy efficiency hardware and software, there is no indication that quantities of electrical and electronic equipment waste (e-waste) will experience an increase due to project activities. Brazil adopts policies and regulations concerning the disposal, recycling and generally management of e-waste. The e-waste potential negative environmental impacts are expected to be preventable through planned measures. On the contrary, the project is expected to have a positive impact on the environment by strengthening Tocantins State's institutional capacity on: (i) the development and implementation of a sustainable public procurement strategy; (ii) accounting for climate issues in long term planning for government activities; (iii) fostering reductions in consumables, travel time and energy consumption through the digitalization of public administration services; (iv) the development and implementation of a comprehensive public asset management system that includes a climate risk assessment of real estate assets; (iii) energy audits based on CCB methodology for selected government properties, focused on reducing energy consumption or GHG emissions.

### Social Risk Rating

Low

Project activities are not expected to have adverse social impacts. They will not adversely affect vulnerable and disadvantaged social groups (including Indigenous Peoples). On the contrary, the expected increased efficiency on public services in the different sectors may mostly bring co-benefits to vulnerable/disadvantaged social groups, families and individuals – those at the bottom of the income scale – who heavily rely on public services to have access to health and education. Thus, the implementation of a hospital management system in the high complexity facilities (regional and referral hospitals) would improve planning, budgeting, health services management, and support evidence-based decision making, leading to an improvement on public health service delivery. Furthermore, the implementation of management systems that support the optimization of school routines could significantly improve efficiency in school transport, record keeping, and movable property. The efficiency savings can increase time spent on pedagogical activities and be reinvested to improve teachers' working conditions and training, leading to better outcomes on learning achievements. These improvements in the managerial systems of the Government of Tocantins would neither require nor lead to downstream effects related with land acquisition and restrictions on land use. They are not expected to adversely affect the vested interests of existing public servants and would increase the sustainability of the state pension system. Indeed, the improvements on the whole-of-government management





systems (envisaged under Component 1) are expected to have positive outcomes at the state level in the medium and long run, including among others: reduced state fiscal deficit; increased fiscal transparency; improved delivery of good quality public services; and improved enabling environment for doing business. The social risks, adverse and positive impacts and downstream implications of project-supported activities will be further assessed during preparation. Opportunities to promote gender equity in the roster of state public servants as well as to foster transparency, stakeholder/citizen engagement and social accountability in public management will be explored and included in project design. Thus: Subcomponents 1.1 and 1.4 will include periodic staff surveys to assess reform implementation and support change management; Subcomponents 1.1, 1.2, 1.5, 2.1, 2.2, 2.3 and 3.1 will also include communications and capacity building activities to support the rollout and implementation of new tools. Finally Subcomponent 1.3 will promote the incorporation of a gender-sensitive lens and aim to contribute to gender equity in public services.

## **B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered**

### **B.1. General Assessment**

#### **ESS1 Assessment and Management of Environmental and Social Risks and Impacts**

##### ***Overview of the relevance of the Standard for the Project:***

The project will only finance technical assistance (TA) activities, including digital systems, digitalization, government process and procedures formulation, modeling of performance systems, and other studies focused on addressing fiscal imbalances, enhancing expenditure efficiency, and improving services delivery in the education, health and social protection sectors. The project focus is on institutional capacity building, artificial intelligence and electronic systems for improvement of the governance efficiency.

These types of TA do not easily lend themselves to detailed upfront environmental and social analysis during project preparation, as detailed planning is carried out as part of the TA itself during implementation. However, they are expected to bring minimal or no environmental and social risks or adverse impacts as there will be neither support for feasibility studies for future infrastructure investments, nor construction works.

The technology and information systems proposed under the project are well-established and understood and are expected to favor energy-efficient equipment. The expected improvement of a comprehensive procurement system by the Tocantins State would help to reduce procurement processing time, paper consumption, identify suppliers and establish verification procedures to evaluate compliance with environment regulations for sustainable management of natural resources by the primary suppliers. The expansion of the existing digital government platforms and electronic systems may generate e-waste and consume finite natural resources, but the amount of e-waste generated with the Project will not be significantly larger than without it. There is a potential for environmental gain and climate co-benefits arising from lower consumption of paper, energy and reduced travel for effective public management.

These benefits will be further analyzed during project preparation, when the Borrower will carry out an Expedient Environmental and Social Assessment (EESA) of the potential environmental and social risks associated with these TA activities. The EESA will pay special attention to potential downstream effects of Project activities in disadvantaged and vulnerable social groups (such as the Indigenous Peoples and traditional and quilombola communities) and will inform the subsequent Project's E&S risk classification. It is worth to highlight that downstream activities are outside of the scope of the Project. The EESA will explore opportunities to promote gender equity in the roster of state



public servants and foster transparency, stakeholder/citizen engagement and social accountability in public management. It will also consider the labor and working conditions required for carrying out the TA.

The main social risks seem to refer to potential exclusion of disadvantaged and vulnerable peoples from the planning processes, potential breaches of personal data in the digitalized services and potential antagonism and opposition by some key stakeholders. These risks are minimized by the adoption of measures disclosure of information and stakeholder engagement and in consequence of Brazil's robust legislation on access to information, on protection and defense of rights of users of public services, on the provision of ombudsman services, on Cyber Crimes, and on the privacy of medical records.

The Project's Environmental and Social Commitment Plan (ESCP) will encompass provisions requiring that – when designing and hiring the TA activities – the Borrower: (a) applies E&S risk management measures as relevant and appropriate to the nature of the envisaged risks and impacts of the activities, (b) promotes broad stakeholder engagement and participation in a manner proportionate to the direct, diffuse and induced E&S impacts and downstream implications; (c) ensures that the terms of reference, work plans or other documents defining the scope and outputs of these activities are drafted so that the final products of the TA are consistent with the World Bank Environmental and Social Standards 1-10 and the relevant documents will be aligned with the Standards; (d) ensures that these terms of reference include resources efficiency and e-waste management considerations throughout the project life cycle and (e) take in consideration the opportunities to promote gender equity in the roster of state public servants and to foster transparency, stakeholder/citizen engagement and social accountability in public management.

It is relevant to highlight that (a) the Borrower has shown a strong commitment to applying national and international best practices with the potential to mainstream environmental sustainability in the activities proposed under the Progestão, (b) the Borrower has an updated socioeconomic diagnostic and a proposed Ecological-Economic zoning of the state; and (c) Sub-Components 1.3 and 1.4 will support the development and implementation of tools to support environmental and climate change risk assessment and project screening, improving the state capacity for the assessment and management of environmental and social risks related to its own activities.

Given the proposed timeline for Project preparation, the restrictions imposed by the electoral legislation on the use of official governmental websites during the electoral period (July-October 2022) are a risk for the readiness of the EESA and ESCP. Thus, the proposed approach is to ensure disclosure of these instruments prior to Appraisal and consultation of the EESA and disclosure of its final version within 30 days after Effectiveness.

During project implementation, the Borrower will undertake due diligence of the potential downstream implications of the project's outputs on E&S risk management, on disadvantaged and vulnerable social groups (including Indigenous Peoples), and gender-related concerns. It will also consider the labor and working conditions required for carrying out the TA activities themselves.

**Areas where “Use of Borrower Framework” is being considered:**

The Project is not considering the use of Borrower Framework in replacement of any of the relevant Environmental and Social Standards.

**ESS10 Stakeholder Engagement and Information Disclosure**

This standard is relevant.

The key stakeholders of project activities are the state public servants whose conditions of work will be improved with the Technical Assistance and institutional capacity building provided with Project support. Other interested parties – as they will indirectly benefit from improvements made for the provision of state public services in key



sectors – are the civil society and, particularly, the lowest income people and most disadvantaged and vulnerable social groups as they rely the most in the public service provision to get access to health and education. Considering the scope of project-supported activities and low level of social and environmental risk, the client will incorporate relevant commitments related to ESS 10 in the Environmental and Social Commitment Plan (ESCP). Thus, the ESCP will set commitments related with a) consultation with relevant stakeholders; b) the disclosure of project information to allow stakeholders to understand the purpose, nature, and scale of project activities, their duration, their potential downstream environmental and social implications; c) the operation of channels for receiving stakeholders feedback and for facilitating the resolution of concerns and grievances related to project activities that holds all the functionalities required under ESS 10 – including, inter alia: i) different ways in which users can submit their grievances (anonymously or not), ii) accessibility by disadvantaged and vulnerable social groups, iii) a log where grievances are registered in writing and maintained as a database and iv) transparency and publicly advertised procedures, setting out the length of time users can expect to wait for acknowledgment, response, and resolution of their grievances; and d) semiannually reporting to the Bank on the operation of the GRM and the stakeholder engagement activities carried out.

These engagement strategies and the procedures for operating the Grievance Mechanism will be further detailed in the Project Operation Manual.

During project preparation, the Bank team will assess the existing and operating mechanism within the structure of the State Government (the Ombudsman Office under the State General Comptroller) to check if it holds the above functionalities and is suitable to be used as the Project’s GM, ideally so as to avoid the unnecessary duplication of structures. The available information is that the State Ombudsman Office: (i) counts on several channels through which citizens can raise concerns and complaints, including anonymously – namely, the ombudsman website that is integrated to the federal online platform Fala.BR, a toll-free phone line (162), phone lines, WhatsApp, and e-mail; (ii) has a good track-record (timely response rates above 85% and average time for response equal to 9.9 days); and (iv) reports publicly in its performance through quarterly reports disclosed in the ombudsman website and daily through an online Monitoring Panel ([https://www.transparencia.to.gov.br/#!painel\\_de\\_monitoramento\\_de\\_ouvidoria](https://www.transparencia.to.gov.br/#!painel_de_monitoramento_de_ouvidoria)). The GRM will also be able to record incidents of sexual harassment and abuse and how they have been redressed through the available referral services.

## B.2. Specific Risks and Impacts

**A brief description of the potential environmental and social risks and impacts relevant to the Project.**

### ESS2 Labor and Working Conditions

This standard is relevant.

Some core functions of the project will be executed by civil servants and will also require the hiring of full-time, part-time or temporary consultants, trainers, and others. The project is not expected to engage primary supply or community workers. Civil servants will remain subject to the terms and conditions of their existing public sector employment agreements, which is fully able to achieve outcomes consistent with the principles of ESS 2 and is based on principles of non-discrimination and equal opportunity, no-harassment, freedom of association, safety and health at the work place, avoidance of child labor and forced labor, as well as the provision to workers of accessible means to raise workplace concerns without retaliation. The Brazilian labor legislation has strong rules related with layoffs and payment of labor rights according to the time of service and five-months unemployment insurance. ESS2 will not



apply to them, with the exception of the provisions related to the Protection of the Work Force and Occupational Health and Safety. ESS 2 will fully apply to contracted workers.

Project workers are not expected to be exposed to occupational health and safety issues as they will perform the core functions within governmental facilities easily supervised.

The ESCP will include the following provisions that are core elements of Labor Management Procedures (LMP) that shall apply to project workers according to ESS 2:

- Assurance that project workers directly engaged by the state government or through third-parties to work specifically in relation to the project and/or perform work related to core functions of the project (direct and contracted workers) will be hired based on principles of non-discrimination and equal opportunity, no-harassment, and freedom of association.
- Assurance of adoption of appropriate occupational safety and health measures at the working places, considering an assessment of the potential risks associated with the tasks to be carried out and including special bio-safety protocols for protection against COVID-19 transmission as issued by the Ministry of Health, Secretariat of Labor and Employment Inspection (under the Ministry of Economy), the State Secretariat of Health, WHO, and the World Bank.
- Development and adoption of a Code of Conduct for project workers (direct and contracted) including provisions related with the no acceptance of discriminatory behavior, disrespect for distinct cultural values and traditions, sexual harassment and sexual abuse and exploitation, among others. The specifications of the code of conduct will be expressed in the Project Operation Manual.
- Prohibition of child labor as well as forced labor.
- Establishment and operation of a responsive GM to allow workers to quickly inform management of labor issues and raise workplace concerns and labor-related matters without retaliation. This mechanism may use the same uptake channels of the project's overall GM, but shall remain independent from the Project's GM, following separate avenues for the resolution of labor-related complaints.

### **ESS3 Resource Efficiency and Pollution Prevention and Management**

This standard is relevant. It is not expected that the activities supported by the proposed TA IPF operation will pose a risk of environmental pollution and/or degradation of natural resources (air, soil, water), or generation of significant volumes of waste including e-waste.

The proposed activities will not involve construction works/service operations that may lead to adverse impacts related to pollution and resource efficiency. There will be activities related to the procurement of some ICT software and hardware to increase the existing performance of the government services system. Still, it is not expected to generate significantly more e-waste than it would be the case in the absence of the project.

Project-related air emissions are not likely to be significant. Therefore, GHG accounting is not required in this case. However, as Sub-Component 1.6 will support “energy audits based on CCB methodology for selected government properties, focused on reducing energy consumption or GHG emissions,” the Bank will support the estimate of gross GHG emissions during implementation in addition to the requirement - should the borrower like to pursue this. The National Policy on Solid Waste (NPSW) established by Federal Law No. 12,305/2010 establishes that solid waste management (including e-waste) must be carried out in a sustainable manner that considers environmental and social dimensions involved in solid waste management at the national level. NPSW established the obligation of manufacturers, importers, distributors and traders of electronic products and their components, to structure and implement a process for managing post-consumer electronics independent of the public management of solid waste.



Furthermore, the designations under Federal Law No. 12,305/2010 are expanded within the scope of the federal decree no. 9,373 of May 11, 2018, which provides further instructions for the appropriate collection, transportation, recycling, and treatment of solid waste in the context of national and sub-national public administration. In 2019, the implementation of NPSW advanced through signing of a sectoral agreement for reverse logistics of electronics. Finally, further provisions on the handling of e-waste are made through Federal Decree No. 10.240 of Feb 12, 2020, which requires sub-national governments to apply the principle of "reverse logistics" to promote the management of e-waste by putting in place processes that enable planning, implementation and controlling of the backward flow of e-waste and raw materials to manufacturing and distributing companies. In line with the federal regulations, the State of Tocantins has established its own Solid Waste Law in 2019 (Law 3614 of 2019). Under the National and State approaches, producers, importers and retail companies are co-responsible for developing and implementing a Reverse Logistic model, independent from the public waste management system.

At the state level, Tocantins State is responsible for monitoring the implementation of State Police on Solid Waste thought the on implementation is available publicly through the Sate Information System on Solid Waste Management (SIGERS/TO) in an integrated way with the National Information System on Solid Waste Management (SINIR).

The EESA will include project environmental and social management procedures and principles of sustainability. The EESA will also determine the relevance of the adoption of measures for the efficient use of energy and evaluate the potential negative impact of e-waste and propose measures for the management of e-waste (including reuse, recycling and recovery of e-waste in a manner that is safe for human health and the environment) that shall be consistent with ESS 3. Furthermore, the EESA will confirm whether or not the development of an E-Waste Management Plan is necessary. The necessary provisions related with the efficient use of energy and the management of e-waste will be specified in the ESCP, and adopted throughout Project implementation.

The project climate and disaster risk screening identified no risks for the project's outcome. Although Project activities might contribute to the reduction of GHG emissions related with the provision of public services, this reduction is not expected to be significant. During project implementation, the Bank may provide assistance to the Borrower to develop the estimate of GHG emissions that can be attributed as a direct, indirect or downstream effect of Project-supported TA.

#### **ESS4 Community Health and Safety**

This standard is not currently relevant.

The project will only support technical assistance activities and is neither expected to involve activities that may lead to direct or indirect adverse impacts on community health and safety from both routine and non-routine circumstances, nor to community exposure to project-related traffic and road safety risks, disasters and hazardous materials.

The project will not require the retaining of direct or contracted workers to provide security to safeguard its personnel and property.

The project will not involve the construction of new dams and does not rely on the performance of any existing dams or dams under construction.

Aiming to address potential downstream effects of the "implementation of a student's transport system envisaged under Subcomponent 2.2 in a manner consistent with the requirements of ESS 4, anticipate and minimize risks and impacts that the provision of these services to community may have community health and safety, the design process will include reference to relevant environmental and social risks that would need to be considered in its



implementation. This school transportation system consists of an information management system that optimizes variables such as school location, student addresses, travel time, road conditions, and type of transportation to organize routes in which students arrive at school on time, stay as little time as possible in the transportation, and are served safely according to the requirements of the Brazilian legislation on the issue (which include universal accessibility). The system also allows greater control in terms of quantity/quality and fleet maintenance, accountability of the state transfer to the municipalities. The ESCP will also incorporate requirements related with the adoption of the universal accessibility principle and technically and financially feasible traffic and road safety measures.

The improvements to be made in the information systems are not expected to cause breaches on personal data security and privacy because Brazil has a robust legal framework concerning the protection of the fundamental rights of freedom and privacy of a natural or a legal person under public or private law in the processing of personal data, including in digital media (Law 12,527/2011, Law 12,737/2012 and Law 13,709/2018), which set that the treatment of personal information must be done transparently and with respect to the privacy, honor, and image of people, as well as individual freedoms and guarantees and define the invasion of computer devices, connected or not to a computer network in order to obtain, tamper with or destroy data or information without the express or tacit authorization of the device's holder as a criminal felony, penalized with 3 months up to one year of detention. Finally, the confidentiality of medical records is strictly ruled by the Code of Medical Ethics (Federal Council of Medicine Resolutions 2217/2018, 2222/2018 and 2226/2019, Chapters IX and X, <https://portal.cfm.org.br/images/PDF/cem2019.pdf>).

During project implementation, the terms of reference, work plans or other documents defining the scope and outputs of technical assistance activities related to the electronic system of a student's transport system will incorporate the community health and safety measures needed to ensure consistency with the principles and requirements of ESS 4.

#### **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

This standard is not currently relevant.

The technical assistance activities supported by the project will not require land acquisition or lead to restrictions on land use or land rights that may have adverse impacts related to involuntary resettlement. These activities are not expected to have downstream implications leading to such adverse impacts. The Asset Management sub-component refers exclusively to gather data on the real estate properties of the State Government, the development and implementation of a data system on real estate properties, energy audits and mapping of costs of information and communication technology - with no further on the ground actions related with downstream refurbishment of the public buildings.

#### **ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

This standard is not currently relevant. The project will neither negatively, directly or indirectly affect biodiversity or natural habitats, nor depend upon the management of living natural resources for its success. The project does not intend to invest in the forest sector; it will not support any forest related activities or purchasing natural resources commodities (including food, timber, and fibers) that are known to originate from areas where there is a risk of significant conversion or significant degradation of natural or critical habitats.



The project is not anticipated to lead any negative impact on living natural resources, including native or non-native species, but using resources (like paper, energy and public offices) more efficiently, the Project may have some indirect benefits to living natural resources.

The expected establishment of a comprehensive procurement system by Government of Tocantins would help to reduce procurement processing time, paper consumption, identify suppliers and establish verification procedures to evaluate compliance with environment regulations for sustainable management of natural resources by the primary suppliers.

However, the type of support to be provided to the Borrower to develop a portfolio of implementation-ready investment projects will be clarified during project preparation, and as needed the ESCP will specify requirements for relevant E&S assessments of such investments, including the requirements of this standard.

### **ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

This standard is relevant as nine Indigenous Peoples possessing the four characteristics referred in ESS 7 are present in the State of Tocantins and may benefit for more efficiency in the provision of state services on the Health, Education and Social Protection sectors. As previously mentioned, these Indigenous Peoples count for a population of about 10,000 people and comprise the Apinayé, the Ava-Canoeiro, the Javaé, the Karajá, the Krahô, the Krahô Canela, the Tapirapé, the Xambioá, and the Xerente peoples. A total of 2.58 million hectares are under Indigenous lands, and Indigenous Peoples live scattered across 82 villages.

The expeditious assessment of potential environmental and social risks and impacts associated with project activities, to be conducted during project preparation, will pay special attention to distributive impacts over disadvantaged and vulnerable social groups (including Indigenous Peoples) and propose measures to avoid or reduce adverse impacts as well as to ensure their equitable access to project benefits.

The terms of reference, work plans or other documents defining the scope and outputs of technical assistance activities will be drafted so that the advice and other support provided is consistent this Standard, to ensure that the relevant documents will be aligned with its principles and requirements.

### **ESS8 Cultural Heritage**

This standard is relevant.

The project is not expected to include site-specific activities and technical activities to be supported are not expected to include, directly or indirectly, excavations, demolition, movement of earth, flooding, or other changes in the physical environment.

However, as component 1 will support an asset management survey of state office buildings, the TOR for the building survey and measures to be included in the Environmental and Social Commitment Plan, the potential impacts of the survey and use strategy to be developed by the proposed technical assistance activities on any public buildings of cultural or historical value should be determined and mitigated.

The Borrower will implement documentation and protection of historical, architectural assets in compliance with the requirements of this standard and in compliance with the guidelines defined by the National Institute for Historical and Cultural Heritage (IPHAN).

The terms of reference, work plans or other documents defining the scope and outputs of technical assistance activities will be drafted so that the advice and other support provided is consistent with ESSs 1-10, to ensure that the relevant documents will be aligned with the Standards.



**ESS9 Financial Intermediaries**

This standard is not relevant.

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways** No

**OP 7.60 Projects in Disputed Areas** No

**III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE**

**A. Is a common approach being considered?** No

**Financing Partners**

There are no financing partners.

**B. Proposed Measures, Actions and Timing (Borrower’s commitments)**

**Actions to be completed prior to Bank Board Approval:**

Considering the nature of the proposed project activities, the team recommends the following actions to be considered:

- The Borrower will carry out an Expedient Environmental and Social Assessment (EESA) of risks and impacts potentially associated with the proposed project activities during the preparation. The draft version of the ESSA will be disclosed prior to Appraisal. Consultations on the ESSA may start before Appraisal as far as allowed by the project timeline and the restrictions imposed by the Brazilian legislation on the electoral period (which ends October 30, 2022) on disclosure of information in governmental websites and public consultations. The assessment will be proportional to the anticipated low environmental and social risks of the project and adequate to the Project’s Technical Assistance nature. This assessment would include any relevant environmental and social issues and concerns, pay special attention to disadvantaged and vulnerable social groups, gender gaps among state public servants, stakeholder and citizen engagement aspects.
- An Environmental and Social Commitment Plan (ESCP) will be agreed between the Bank and the Borrower and disclosed for key stakeholders prior to Appraisal. This ESCP will define specific measures and actions to address potential environmental and social risks and impacts associated with the proposed Technical Assistance activities, a timeframe and the institutional responsibilities for ensuring the implementation of these provisions. The draft version of the ESCP will be disclosed prior to and as a condition for Appraisal.

**Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):**

The ESCP shall incorporate the Borrower’s following commitments:

- The establishment of a Project Management Unit, including the designation of one staff member in the Project Management Unit who will be responsible for overall accountability with regards to the environmental and

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social performance of the project throughout its implementation. This staff member shall be designated within 30 days of project effectiveness and will be responsible to report to the Bank on all relevant Environmental and Social aspects (including timely reporting on incidents, accidents and fatalities that can be associated with the execution of project-related activities).

- Ensure that the consultancies, studies, capacity building, training and any other technical assistance activities under the Project are carried out in accordance with terms of reference reviewed and found acceptable to the Bank, that incorporate the relevant requirements of the ESSs.
- The consultation of the EESA, its review based on the feedback received through the consultation process and the disclosure of its final version within 30 days of project effectiveness.
- The submission to the Bank of regular monitoring reports on the on the environmental, social, health and safety (ESHS) performance of the Project.
- Prompt notification of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, inter alia, cases of sexual exploitation and abuse (SEA), sexual harassment (SH), and accidents that result in death, serious or multiple injury.
- The core elements and principles for adequate stakeholder engagement and information disclosure set in ESS 10, including the operationalization of a grievance mechanism within 30 days after project Effectiveness.
- The core elements and principles for adequate management of project (direct and contracted) workers set in ESS 2, that will apply to all direct and contracted workers engaged to perform work related to the core functions of the project (including grievance redressing procedures).
- The core elements and principles for implementing good practices of recycle and recovery of E-Waste according to the requirements of the national legislation and ESS 3.
- The Borrower shall monitor and carry out mid-term/final evaluations of the results/impacts of the operation with a gender-sensitive lens.

**C. Timing**

**Tentative target date for preparing the Appraisal Stage ESRS**

07-Nov-2022

**IV. CONTACT POINTS**

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**Borrower/Client/Recipient**

Borrower: State Secretariat of Planning (SEPLAN)

**Implementing Agency(ies)**

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Implementing Agency: SEPLAN - Secretaria de Planejamento de Modernização da Gestão Pública

Implementing Agency: UGP

#### V. FOR MORE INFORMATION CONTACT

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#### VI. APPROVAL

Task Team Leader(s):	Carolina Luisa Vaira, Kjetil Hansen
Practice Manager (ENR/Social)	Paul Jonathan Martin Recommended on 20-Sept-2022 at 21:46:9 GMT-04:00
Safeguards Advisor ESSA	Angela Nyawira Khaminwa (SAESSA) Cleared on 04-Oct-2022 at 09:13:23 GMT-04:00