



Appraisal Environmental and Social Review Summary

Appraisal Stage

(ESRS Appraisal Stage)

Date Prepared/Updated: 11/04/2022 | Report No: ESRSA02352



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	11/9/2022	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
Total Project Cost	55.00

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



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.

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. 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).

Created under the 1988 constitution, it is the most recent State in Brazil. With an area of 27.74 million hectares and a population of 1.6 million (2021), the demographic density is low (4.98 inhabitants/km²). The rate of urbanization 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 have less than 5,000 inhabitants.

Tocantins is Brazil's 24th economy, representing 0.5% of the national GDP. 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 Human Development Index (HDI) was 0.73 in 2019, below the country's average of 0.76. In October 2021, 90,174 extremely poor families and 25,527 poor – including 2,406 Indigenous Peoples and 976 Quilombola families – benefited from the federal conditional cash transfer program. They comprised ¼ of the state population. Tocantins has seen a large improvement in the access to digital technologies, but the digital gap remains higher in the state than in the country. Access to digital technologies is wide in Brazil, where 89% of the population own a smartphone and 85% have access and use of Internet. In Tocantins, between 2016 and 2019, access to internet raised from 61.9% to 74.6% and ownership of smartphones went from 74.4% to 78.2%. In the state (as well as in the country), the access to these technologies are lower among the elderly, people with low school education and low incomes, and the rural population, but fairly distributed by gender and race.

Tocantins has also 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 years. The state government manages all public high-complexity health care facilities and 93% of the population depends on the public health system. State expenditures on health services peaked during the Covid-19, reaching 14% of the State expenditures in 2021. SEDUC runs 492 schools delivering education services to 151,175 students from primary to upper secondary education. Primary and lower secondary education (1st to 9th grades) enrolls 55% of the students in the state network and 30% of the schools are in rural areas. The logistics of delivering a quality school meal and transportation services is complex and the lack of planning leads to financial and management inefficiencies. Three of each 10 Centers of Reference for Social Assistance – CRAS (the offices responsible for enrolling the deprived population in conditional cash transfer programs) cannot provide essential services to its users.

Personnel expenditures are a serious threat to the State's fiscal sustainability. Tocantins has approximately 50,000 active staff and wages increased 5.4% annually in real terms between 2011 and 2019. About 27% 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% of total personnel expenditures, though it is on a sharp rise, being 10 times higher than in 2011.

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 hosts 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.

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 late stage of implementation and Covid-19 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.

The capacity of the implementing agencies to carry out environmental and social risks management, to work in a coordinated manner under the leadership of SEPLAG, to disseminate information on relevant aspects of the Project to key stakeholders and to receive and facilitate the resolution of concerns and grievances raised by project-affected parties related to the environmental and social performance of the project has been assessed and considered adequate taking the low risk level of Project-supported activities. The PIU will assign a focal point to coordinate and supervise the implementation of the measures and actions for the management of environmental and social risks agreed in the ESCP and the Bank team provide hands-on guidance to this specialist throughout Project implementation.

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II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Low

Environmental Risk Rating

Low

The project will support only Technical Assistance activities including consultancies, studies and the procurement of software and hardware that are aimed at promoting changes in processes and procedures of the whole-of-government functions, strengthening the institutional capacity of state agencies, fostering more efficient and



sustainable use of energy and raw materials, contributing to reduce GHG emissions related with the provision of public services, enhancing information systems, reinforcing the shift towards data-informed and evidence-based management practices and improving the efficiency and the quality of service provision by the state government. The Project will not finance infrastructure and civil works and its activities will be implemented in an office environment. In consequence, the assessment of environmental risks, impacts and downstream effects of Project-supported activities points out that they will not have large-scale, significant, and irreversible adverse direct impacts and/or downstream implications on society and the environment in the state. They are not expected to: affect biodiversity, habitats, and ecosystem services; pose a risk of environmental pollution and degradation of natural resources (air, soil, water); or endanger or depend upon the use of living natural resources for its success. In short: the Project's potential adverse impacts on the environment are likely to be minimal or negligible. The Expedient Environmental and Social Impact Assessment (EESIA) carried out by the Borrower during Project preparation highlights just one aspect: the potential generation of e-waste in consequence of the acquisition of new hardware required to improve the information systems and strengthen the institutional capacity for proper management of the whole-of-government functions and the strategic sectors. This assessment highlights, however, that these impacts tend to be minimal because it is expected they will not generate significantly more e-waste than would be the case in the absence of the Project (the "business as usual" scenario) as the proposal is to augment existing capacity rather than replace old equipment.

Social Risk Rating

Low

The social risk rating is low. An assessment of social risks, impacts and downstream effects that could be associated with the proposed changes to be introduced in the five whole-of-government functions (under Component 1) and in the three strategic sectors (under Component 2) was carried out by the Borrower as part of the EESIA and focused on six core issues. Considering Component 1, the assessment evaluated whether or not the activities to be carried out under: • Sub-components 1.1 and 1.2 could have adverse impacts and downstream effects in the rights and interests of state government employees, retirees and pensioners. It concluded that this risk is low or negligible, because the proposed changes will not affect the rights of this cohort of public servants and will contribute for more efficiency and sustainability of the pensions system in the long-term. • Under Sub-components 1.3 and 1.4 could have on the "business environment" leading to opposition from the existing roster of private providers of goods and services to the state government. It concluded that this risk is low or negligible, because the proposed changes will increase the transparency of procurement, investments and budgeting. • Under Sub-component 1.5 could have a potential adverse downstream effect related with land acquisition, restrictions on land use and involuntary resettlement and concluded this risk is negligible because the proposed activities aim to rationalize the management of vacant properties, renting them out or selling them rather than taking measures to retake their possession. Considering Component 2, the assessment has taken particular attention to potential adverse impacts on vulnerable and disadvantaged social groups – amongst which there are dozens of Indigenous Peoples, quilombola (Afro-Brazilian descendants of runaway slaves) and traditional communities as well as thousands of poor urban families. It pays special attention to the potential risk of exclusion or discrimination against of these disadvantaged and vulnerable social groups from the benefits of the project because of the increased use of information and communication technologies by state secretariats and the existence of "digital gaps". This risk was rated low because the access of users of health, education and social assistance services will not be limited to digital platforms or online channels. The assessment has also considered potential risks faced by Project Workers (direct and contracted workers) with regards to labor and working conditions, including occupational health and safety, discrimination, moral and sexual harassment, and sexual exploitation and abuse. It was concluded that this risk is minor because the works related to core functions of the program will not be performed in hardly to supervise areas, no physical and/or occupational

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health risk activities are foreseen among the tasks to be carried out by Project Workers and the Brazilian labor legislation already contains robust provisions related with terms and conditions of work, protection of the labor force, and occupational health and safety, which are highly consistent with the principles and requirements of ESS 2 – Labor and Working conditions. Finally, the assessment pointed out the overall risk that the proposed measures face some antagonism and opposition from key stakeholders and other interested parties because of misunderstandings or lack of adequate information about their reasons, nature and goals is low, preventable and minimized by the communication and stakeholder engagement strategy that has been incorporated in the design of the Project and reinforced through the commitments incorporated in the Project’s Environmental and Social Commitment Plan that are consistent with the principles and requirements of ESS 10.

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 investments with a focus on institutional capacity building for improvement of the governance capacity – 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.

Project activities are expected to bring minimal or no environmental and social risks or adverse impacts and downstream effects as there will be no construction works and the focus is and no support for feasibility studies for future infrastructure investments.

The Borrower has carried out an Expedient Environmental and Social Impact Assessment (EESIA) of the potential environmental and social risks, impacts and downstream effects – though the activities that may cause the later are outside of the scope of the Project – that could associated with the supported technical assistance activities, paying special attention to potential distributive impacts in disadvantaged and vulnerable social groups (such as Indigenous Peoples, traditional and quilombola communities) and gender issues.

On the environmental side, there is a minimal risk of generating e-waste, which is largely outshone by the potential for environmental gains and climate co-benefits arising from lower consumption of paper and energy and reduced travel for effective public management. It shall be highlighted the activities that have been incorporated in Project design aiming to mainstream environmental sustainability in the activities proposed under the Project – such as: the development of a sustainable procurement strategy, which addresses environmental, climate and gender equality considerations as relevant, and an implementation plan to help embed sustainable procurement across the State's purchases (under Sub-Component 1.3), the 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 and the energy audits based on CCB methodology for selected government properties, focused on reducing energy consumption (under Sub-Component 1.5) and the design and implementation of a student's transport system (under Sub-component 2.2).

On the social side, the social risks of the Project are low and far exceeded by its positive impacts and downstream effects. Hence, Sub-Component 1.1 is expected to have the downstream effect of increasing opportunities to overcome gender and race biases on career promotion and assignment of leadership positions that have been detrimental to women and Afro-Brazilians in the state government as the improved system will generate information



on ethnicity, race and gender (that can be used to inform public employment policies) and improve transparency. Sub-Component 1.3 and 1.4 may potentially lead to an enhancement in terms of equity, insofar as Women-owned business' (that currently are successfully in just a small-share – 20.5% – of the public procurement bids because of barriers related with the lack of information about the State procurement process and the inexistence of specific bids for women-owned businesses) may gain more opportunities to participate and be successful in these bids. With regards to Component 2, the expected increased efficiency and quality of public services provided in the strategic sectors will directly and indirectly benefit all those who are at the bottom of the income scale and heavily rely on public services to have access to health, education and social protection.

To address the main social risk identified (namely: the overall risk that the proposed measures face some antagonism and opposition from key stakeholders and other interested parties because of misunderstandings or lack of adequate information), the Project design has incorporated (a) the carrying out of periodic staff surveys to assess reform implementation and support change management, (b) the implementation of communication and capacity-building activities to support (i) the rollout and implementation of new tools and (ii) project management functions, and (c) the use – with a few enhancements – of SEPLAN's Ombudsman Office as the Project's grievance redress mechanism, in coordination with the General Ombudsman Office under the State Comptroller General Office (CGE).

Based on the assessment of environmental and social risks, impacts and potential downstream effects, additional provisions have been incorporated by the Project's ESCP to ensure that: (a) the principles and requirements of the national legislation on labor and working conditions and the ESS 2 are consistently complied with by all contractors; (b) incidents and accidents are promptly reported to the Bank and measures are taken to address them and prevent their recurrence; (c) the principles and requirements of ESS 3 related with the efficient and sustainable use of resources and e-waste management are include – whenever adequate and financially and technically feasible – in the Terms of Reference of such activities; and (d) 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 technical assistance activities are consistent with the World Bank Environmental and Social Standards 1-10.

The Project's ESCP will be disclosed before Appraisal. The draft EESIA will be publicly consulted and its final version (incorporating the relevant feedback from the consultation process) disclosed in the Project's dedicated website no later than 30 days after the date of Effectiveness.

During project implementation, the Borrower will undertake due diligence of the potential downstream implications of the project's outputs on environmental and social risk management, on disadvantaged and vulnerable social groups and on gender gaps.

ESS10 Stakeholder Engagement and Information Disclosure

This standard is relevant.

The key stakeholders of the Project are: the nearly 50,000 state employees, whose conditions of work will be improved; retired public servants and pensioners; citizens and amongst them the socially disadvantaged and vulnerable social groups might be the most benefited by the Project, as they are the ones that mostly rely on public services to have access to health, education and social protection programs; businesses and firms, which will benefit from increased public sector productivity and improvements in government transparency and procurement processes. Other interested parties include civil society organizations and academics, which may benefit from access to better quality and more timely information that can be used for research and influence on policy decision-making purposes.



Considering the scope of project-supported activities and low level of social and environmental risk, the key elements of a Stakeholder Engagement Plan (or Framework) have been included in both the Project design and as part of the Environmental and Social Commitment Plan (ESCP).

Thus, several stakeholder and citizen engagement activities have been embedded in Project design:

- Subcomponents 1.1 on Human Resources Management and 1.4 on Public Investment Management and Budgeting will carry out periodic staff surveys to assess reform implementation and support change management.
- Sub-component 1.3 on Public Procurement encompasses a Technical Assistance activity for the 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.
- Sub-Component 3.1 allocates resources for the 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.
- Communications and capacity building efforts to support project management functions and to support the rollout and implementation of new tools will be financed under Sub-Components 1.1, 3.1 and 3.2.

Furthermore, the ESCP contains further provisions related with:

- Carrying out stakeholder engagement activities, consistent with ESS10, which shall include measures to, inter alia:
 - o Identify the relevant stakeholders (affected parties and other interested parties) for each one of the Technical Assistance activities supported by the Project (and their potential environmental and social risks and impacts as well as downstream effects);
 - o Provide stakeholders with timely, relevant, understandable and accessible information about the Technical Assistance activities they might be interested in or be affected by the Project; and,
 - o Consult – as necessary and in a proportionate way to the risks, impacts and downstream effects of the Technical Assistance activities – all potentially affected parties, in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination and intimidation.

For these purposes the Borrower will keep a dedicated webpage of the Project within SEPLAN's website (<https://www.to.gov.br/seplan>), where information on the Project has already been disseminated (<https://www.to.gov.br/seplan/noticias/missao-do-banco-mundial-ao-tocantins-prepara-o-programa-progestao-de-olho-na-modernizacao-da-gestao-publica/26yb7b1tsqzc>). This webpage will be the main channel for disclosure of information about Project activities and consultation with the staff of the State Government (who are the main stakeholders). Information disclosure on the Project will be enhanced after the end of the restrictions imposed by the legislation on the use of official government websites (Law 9.504/1997, Law 12.304/2009, Law 13.488/2017, Law 13.877/2019, Law 13.878/2019 and Law 14.211/2021 - http://www.planalto.gov.br/ccivil_03/leis/l9504.htm) during the electoral period, which in the state of Tocantins has ended in October 2, 2022.

The ESCP also states that the Project will rely on the State General Ombudsman Office (OGE – under the State Comptroller General Office) – as the accessible, well-known, and well-regarded channel to receive and facilitate the resolution of concerns and grievances in relation to the Project. OGE – and its 40 sectoral units – integrates the nationwide grievance platform Fala.br (<https://falabr.cgu.gov.br/publico/TO/Manifestacao/RegistrarManifestacao>), which is the channel mostly used to register complaints in the state. OGE holds the functionalities required under ESS 10, including a) several channels through which users can submit their grievances (the digital platform Fala.br, a toll-free three digit phone center – Dial 162, a What's App dedicated phone number (63-999200403), a phone number (63-32182573), a dedicated e-mail (ouvidoriageral@controladoria.to.gov.br), the website (<http://www.to.gov.br/ouvidoria>) and face-to-face service at its headquarters, b) clearly and broadly disseminated



processes and procedures, and c) the alternative to register complaints anonymously. The Public Defender and the Public Prosecutor's Office are open for appealing to which unsatisfied grievance can be referred to when resolution of grievance has not been achieved.

In 2021, OGE facilitate the resolution of 4,516 questions and concerns raised by citizens (21% anonymously registered) and 94.4% of them have been completed.

OGE and the Sector Ombudsmen on SEPLAn will receive guidance on how to identify and report on project-related grievances, considering the list of Project-supported activities as well as relevant environmental and social risks.

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 full-time, part-time or temporary consultants. The Project will engage primary supply workers and community workers to perform works related with its core functions. Civil servants will remain subject to the terms and conditions of their existing public sector employment agreements. 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.

The assessment of the working tasks to be performed in relation with the core functions of the Project carried out as part of the succinct Environmental and Social Impact Assessment has not identified any major risks related with terms and conditions of work as well as occupational health and safety, as these tasks will be fulfilled within the facilities of the State Government. Project workers will neither be working in places hard to supervise, nor carrying out activities that exposes them to occupational risks and/or dangerous conditions.

All the requirements and elements of ESS 2 will apply to contracted workers and have been included in the Project's ESCP, which clearly states 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 shall be hired based on principles of non-discrimination and equal opportunity, no-harassment, and freedom of association.
- Appropriate occupational safety and health measures will be adopted (and continuously monitored) 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 communicable diseases as issued by national and international health authorities.
- Project workers shall comply with provisions related to the no-acceptance of discriminatory behavior, or disrespect for distinct cultural values and traditions, or sexual harassment and sexual abuse and exploitation, among others. practices related to sexual harassment, abuse and exploitation in the labor environment/relationships will be penalized and the referral services available in the state and in the country to respond to such behaviors will be informed to all Project Workers.
- Child labor and forced labor will be completely prohibited.
- All the above-mentioned conditions will be inserted in the bidding documents and contracts to hire the contractors needed to perform the studies, consultancies and other technical assistance activities financed by the Project.



- A responsive Grievance Mechanism will be established no later than 30 days after the Project’s Effectiveness Date and, thereafter, be widely disseminated and kept operational 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 follow separate avenues for the resolution of labor-related complaints.

ESS3 Resource Efficiency and Pollution Prevention and Management

This standard is relevant.

Based on the Environmental and Social Assessment, it is neither 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), nor expected to generate significantly more e-waste than would be the case in its absence (the “business as usual” scenario).

The proposed activities will not involve construction works/service operations that may lead to adverse impacts related to pollution and resource efficiency. Although, there will be some activities related to the procurement of ICT softwares and hardwares to increase the existing performance of the government services system, they are not expected to generate significantly more e-waste than 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 1.5 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 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. 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. 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.

At the national level, the Brazilian Ministry of Environment (MMA) is responsible for monitoring the implementation of the National Policy on Solid Waste, and information on progress and compliance on implementation is available publicly through the National Information System on Solid Waste Management (SINIR).

It is worth to highlight that the Project incorporates activities that are expected to bring positive impacts in terms of resource efficiency and pollution prevention and management – such as: (a) the procurement of energy efficient hardware to support the deployment of new systems and/or the rollout and implementation of new tools that is considered under Sub-components 1.1, 1.2, 1.3 and 2.1; (b) the development of a sustainable procurement strategy, which addresses environmental, climate and gender equality considerations as relevant, and an implementation plan to help embed sustainable procurement across the State's purchases (included under Sub-component 1.3);(c) the 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 and



the energy audits based on CCB methodology for selected government properties, focused on reducing energy consumption (included under Sub-component 1.5); and (d) the design and implementation of a student's transport system (included under Sub-Component 2.1), which is expected to significantly improve efficiency in school transport, leading to the potential reduction of GHG emissions.

Additionally, the Project's ESCP clearly sets the Borrower's commitments to (a) implement good practices of recycle and recovery of E-Waste according to the requirements of the national legislation and ESS 3, as appropriate and throughout Project's implementation, (b) 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 Environmental and Social Standards, and, thereafter, (c) ensure that the outputs of such activities comply with the terms of reference.

ESS4 Community Health and Safety

This standard is not currently relevant.

The project will only support technical assistance activities. It does not involve the design, construction, operation or decommissioning of structural elements. It is not expected to have direct impacts on ecosystem services that may result in adverse impacts on community health and safety. It will not lead to the influx of laborers and followers in small communities and it is not expected to expose communities to diseases. It will not expose communities to hazardous materials and substances and will not require the retaining of direct or contracted workers to provide security to safeguard its personnel and property. It neither involves the construction of new dams, nor relies on the performance of any existing dams or dams under construction.

The implementation of the student transport system – which 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 – may lead to downstream effects that are out of the scope of the Project, but may be relevant with regards to the requirements of ESS 4 related with safety of services. Thus, it has been agreed that the Term of Reference for the “implementation of a student’s transport system” envisaged under Subcomponent 2.2 shall take into consideration measures aimed at (a) ensuring road and traffic safety and (b) abidance to the principle of universal accessibility (as already required by the national legislation). 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>).



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 that may have adverse impacts related to involuntary resettlement. These activities are not expected to have downstream implications leading to such adverse impacts. Activities under Subcomponent 1.5 Asset Management related to public buildings only comprise improvements to the system of registry of real-estate assets and maintenance expenditures. During project implementation, the team will monitor if these improvements may or not have implications for eventual informal users of these buildings, and will ensure that the principles of ESS5 are reflected in the Project's technical assistance.

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 is not anticipated to lead to any negative impact on living natural resources, including native or non-native species. On the contrary, by using resources (like paper, energy, and public offices) more efficiently, the project may directly contribute to the sustainable management of living natural resources.

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

This standard is relevant. The Project is not expected to have any adverse impact on Indigenous Peoples. On the contrary, It is expected these Indigenous Peoples will benefit from more efficiency in the provision of state services on the Health, Education and Social Protection sectors.

In Tocantins, the latest available official data (<https://www.ibge.gov.br/geociencias/organizacao-do-territorio/tipologias-do-territorio/27480-base-de-informacoes-sobre-os-povos-indigenas-e-quilombolas.html?edicao=27481&t=acesso-ao-produto>) estimate that Indigenous Peoples account for 0.83% of the state population. The Indigenous population equals 12,994 people, scattered over 212 places, but mostly living within the 13 Indigenous Lands (10,573 people or 81.4%) found in the state. These Indigenous Lands cover 2.58 million hectares (9.3% of the state territory). The main Indigenous Peoples are the Apinayé, the Ava-Canoeiro, the Javaé, the Karajá, the Krahô, the Krahô Canela, the Tapirapé, the Xambioá, and the Xerente peoples.

In terms of health, Indigenous Peoples are primarily attended by the Tocantins Indigenous Special Health Districts (DSEI) – coordinated by the Special Secretariat for Indigenous Health of the Ministry of Health – which comprises 32 Primary Health Units. According to Law 9.836/99, the participation of indigenous peoples in the definition of Indigenous Health Policies and DSEI is guaranteed through Local Indigenous Health Councils (CLSI), District Indigenous Health Councils (CONDISI) and the Forum of Presidents of District Indigenous Health Councils (FPCONDISI). The CLSI is a permanent and consultative body composed of indigenous representatives, with the competence to manifest and monitor the actions and services for Indigenous Health care in the communities. Each DSEI comprises a District



Indigenous Health Council (CONDISI) responsible for inspecting, debating, and presenting policies to strengthen health in their regions and 50% of its representatives are elected by the respective indigenous communities in the area covered by the DSEI. FPCONDISI has a consultative and advisory role to SESAI and is composed by the 34 CONDISI presidents.

With regards to education, the last available data shows that there are 95 indigenous schools and 33 standalone indigenous classrooms in the state. They enroll more than 6,000 indigenous students. Indigenous Peoples are represented in the State Council of Indigenous School Education - CEEI/TO (created by State Decree 2.367/2005 and amplified by State Decree 6,425/2022) as a consultative and deliberative advisory body of the State Secretariat for Education (SEDUC), with the objective of promoting indigenous participation in the actions and programs concerning the indigenous schools in the state of Tocantins. The collegiate is made up of eight representatives of Indigenous Peoples (Apinajé, Ava-Canoeiro, Javaé, Karajá, Krahô, Krahô-Kanela, Xambioá and Xerente), representatives of entities of indigenous school teachers and students, universities, NGOs, the State Council for Education, SEDUC and FUNAI (the Indigenist National Foundation - the federal government indigenist agency that has the attribution of protecting and promoting the rights of Indigenous Peoples). [<https://www.to.gov.br/seduc/noticias/dia-do-indio-conselho-estadual-de-educacao-indigena-do-tocantins-empossa-novos-membros-e-realiza-eleicao-para-nova-presidencia/1vk3lzuwbklr>].

With regards to the relevance of the Social Protection for Indigenous Peoples in the state of Tocantins, it is worth to highlight that, in October 2021, 2,406 indigenous families benefitted from the federal conditional cash transfer program

(https://www.mds.gov.br/webarquivos/sala_de_imprensa/boletins/boletim_senarc/2021/Boletim%20Bolsa%20Fam%C3%ADlia%20Cadastro%20Unico%20N%20%2077_NOVEMBRO_2021.pdf).

During implementation, the Borrower will determine the scope and scale of potential downstream effects of the technical assistance activities (particularly under Component 2) and the terms of reference, work plans or other documents defining the scope and outputs of these activities will be drafted so that the advice and other support provided is consistent with this Standard and take into consideration the views of Indigenous Peoples.

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, activities supported under Sub-Component 1.5 will support an asset management survey of state office buildings and this survey may identify public buildings of cultural and historical value. Hence, the Government of Tocantins shall implement documentation and protection of these historical and 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), which are consistent with this ESS.

ESS9 Financial Intermediaries

This standard is not relevant.



C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways

No

Not triggered

OP 7.60 Projects in Disputed Areas

No

Not Triggered

B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts

Is this project being prepared for use of Borrower Framework?

No

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.

IV. CONTACT POINTS

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Borrower/Client/Recipient

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Implementing Agency(ies)

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

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Practice Manager (ENR/Social)	Genevieve Connors Cleared on 20-Oct-2022 at 13:08:39 GMT-04:00