

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: ISDSC5260

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I. BASIC INFORMATION

A. Basic Project Data

Country:	Brazil	Project ID:	P143492
Project Name:	BR DGM for Indigenous People (P143492)		
Task Team Leader:	Alberto Coelho Gomes Cost		
Estimated Appraisal Date:		Estimated Board Date:	20-Nov-2014
Managing Unit:	LCSAR	Lending Instrument:	Specific Investment Loan
Sector(s):	General agriculture, fishing and forestry sector (50%), Forestry (50%)		
Theme(s):	Social Inclusion (40%), Other environment and natural resources management (30%), Climate change (30%)		
Financing (In USD Million)			
Total Project Cost:	6.50	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source			Amount
Borrower			0.00
Strategic Climate Fund Grant			6.50
Total			6.50
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

10. To enhance the capacity of Indigenous Peoples and Local Communities in Brazil, with focus on the Cerrado biome, to engage in FIP and other REDD+ processes and activities at the local, national and global levels in order to improve the effective sustainable management of natural/forest resources.

C. Project Description

2. The proposed project is part of a global program - the Dedicated Grant Mechanism for Indigenous Peoples and Local Communities (DGM) - which has allocated \$6.5 million in grant resources to Brazil. The DGM was designed to promote the inclusion of communities reliant on forests in policy formulation and initiatives that seek to reduce deforestation and degradation.

3. The Brazil DGM is based on (a) the Design Proposal for the global DGM – which was developed by the Global IPLC Working Group – and (b) the FIP Grant Mechanism for Indigenous Peoples and Local Communities Project Concept Note (P128748). It follows the framework guidelines and set of activities covered under the components designed for the global DGM.

4. The project will support capacity building and finance the demand-driven provision of grants to community organizations of IPLCs in Brazil in order to strengthen their participation in FIP and other REDD+ processes at the local, national and global levels. To foster synergies with the Brazil Forest Investment Plan and address the challenges posed by the geographical dispersion of Indigenous Peoples and Local Communities (IPLCs), the Brazil DGM will also prioritize its actions in the Cerrado biome. Nevertheless, capacity building and training activities will have a national scope.

5. Drawing from lessons learned in previous operations, the proposed project intends: (a) to promote a strong sense of ownership and social accountability among the grant beneficiaries and key stakeholders convened at the NSC; (b) to strengthen the institutional capacity of indigenous and local organizations by means of in situ training events on managerial issues for grant beneficiaries and by encouraging a diversity of partnerships with governmental and civil society organizations; (c) designing adequate, flexible, and efficient, administrative and financial arrangements that will enable easy, streamlined and fast-track access to grants by grassroots IPLCs, and facilitating adequate financial flows and management of project resources to diverse communities; (d) carrying out preliminary assessments of the economic, environmental and social feasibility of community proposals; and, (e) providing culturally adequate technical assistance to design, develop and implement community subprojects.

6. The proposed components of the project which are under consultation with IPLCs are as follows:

a. Component 1: Institutional Strengthening (approximately \$1.2 million). This component will finance activities aimed at: (i) strengthening IPLCs' capacity for investment-preparedness, including support for registration, preparing proposals, and financial management skills for traditional forest investments as well as Payment for Environmental Services and carbon payments; and (ii) improving access to forest financing and investments. Activities may include informational workshops on public policies and access to credit lines; training on new technologies to be applied on land surveillance; ethno-mapping studies; capacity building on methodologies for: participatory Land or Territorial Management Plans, fire management and control of forest fires; inter-regional workshops, organizational strengthening and youth leadership; and cultural strengthening among other topics proposed by IPLCs.

b. Component 2: Sustainable Initiatives (approximately \$4.3 million). This component will finance the provision of micro grants for eligible community based organizations of IPLCs to undertake small-scale activities for sustainable development and natural resources management that fall under predetermined themes. Based on ongoing consultations, some potentially eligible areas activities would include: REDD+ related livelihood and resilience activities; integrating indigenous knowledge and cultural practices with modern technologies to enhance climate adaptation and mitigation; food security activities; production and storage of native seeds; small agro-processing units; production and commercialization of artisanal products; agro-ecological production and ecotourism; surveys of native species of flora and fauna; land/territorial management plans; recovery of degraded areas and protection of water springs; and fire management plans.

c. Component 3: Communication, Monitoring and Evaluation (approximately \$ 1.0 million). This component will finance activities aimed at the institutional support and capacity development for Project management, implementation, monitoring and evaluation, including: (i) reaching out to target groups to provide them necessary information on the DGM, (ii) facilitating a process of bottom-up self-selection to identify beneficiary communities, (iii) supporting the preparation of proposals, and (iv) supervising sub-projects implementation and results assessments.

7. Additionally the Brazil DGM will benefit from the global component on knowledge sharing and networking on REDD+.

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

8. To foster synergies with the Brazil Forest Investment Plan and address the challenges posed by the geographical dispersion of IPLCs, the Brazil DGM will also prioritize its actions in the Cerrado biome. Nevertheless, capacity building and training activities will have a national scope.

9. The main beneficiaries of Brazil DGM are Indigenous Peoples and traditional communities – social groups who self-assert a distinctive cultural identity and keep distinctive forms of social organization and culture, occupy traditional lands and territories and hold traditional knowledge and practices, rely on distinctive productive systems and low impact natural resource management strategies for their livelihood - which have a population of approximately 5 million people and occupy 25% of the country's total land area. Among them, Indigenous people account for 0.42% of Brazil's population, but comprise 238 different ethnicities (plus an estimated 77 isolated indigenous groups living in remote areas), which speak 180 different languages.

10. Indigenous peoples live in about 670 Indigenous Lands, which comprise almost 13% of the Brazilian territory. While about 60% of the Indigenous Peoples live in the Amazon, the Cerrado is home to 38 Indigenous Peoples, comprising the following ethnicities: Apinayé, Atikum, Avá, Ava-Canoeiro, Bakairi, Barbados, Bororo, Cinta Larga, Enauwenê-Nawê, Guajá, Guajajara, Guarani-Kaiowá, Halotesu, Irantxe, Javaé, Kadiwéu, Kanela, Karajá, Kaxixó, Kinikináo, Kiriri, Krahô, Krahô-Kanela, Menku, Nambikwara, Ofayê, Pankararu, Paresi, Tapirapé, Tapuia, Terena, Timbira, Tuxá, Wasusu, Xakriabá, Xavante e Xerente.

11. They live in 98 Indigenous Lands, occupying 8.9 million hectares – 4.35% of the Cerrado. These indigenous lands are concentrated in the states of Mato Grosso, Tocantins and Maranhão and about 79% of them have their land tenure rights secured.

12. Traditional communities included are represented, in the Cerrado, by quilombolas (African descendants), geraizeiros (who live in the drier areas), ribeirinhos (who live along rivers), babaqueiras (whose livelihoods are based on the babassu palm), vazanteiros (who live on floodplains), and indigenous peoples, among others. These communities live throughout the region and possess extensive traditional knowledge on the richness and uses of the Cerrado's biodiversity, comprising valuable social and cultural Brazilian heritage.

13. Throughout Brazil, indigenous and other territories inhabited by traditional communities record very low or zero deforestation rates and play an important role in the protection of biodiversity, but continue to face land use conflicts, which have depleted their natural resources, endangered their health and security as well as their ability to maintain traditional lifestyles and more sustainable livelihoods.

14. Settlers, ranchers, wildcat miners, loggers, fishermen and hunters have caused considerable environmental damage to Indigenous Lands and traditional communities. Deleterious impacts occur by both seizing and restricting territories traditionally occupied and exploited by IPLCs or by resources exploitation and land-use in areas surrounding Indigenous Lands (ILs) and traditional communities.

E. Borrowers Institutional Capacity for Safeguard Policies

15. The specific non-government organization which will implement the project (the National Executing Agency - NEA) will be selected during preparation in a competitive basis and is not yet decided at this stage. Selection criteria have been discussed with Indigenous Peoples, Traditional Communities and Governmental partners.

16. To be eligible, the Non-Governmental Organization may have at least two years of operation, legal constitution and registration; it may also demonstrate previous and highly qualified experience on: the financial management of projects and programs targeting IPLCs, the implementation of projects and activities in the Cerrado biome; the provision of capacity building activities on socio-environmental subjects to IPLCs; monitoring and evaluation of socio-environmental activities implemented at Indigenous Lands and Traditional Communities; and on the implementation of projects financed by Multilateral and International Agencies.

17. Selection criteria of sub-grants activities will ensure that no land is acquired nor any restriction of access to natural resources will occur. Similarly, the activities will not be in areas of environmental importance (e.g. protected areas). The physical investments would be mostly small scale, and are not expected to have major environmental or social safeguards issues. The nature of these investments will determine the choice of locations for physical investment.

18. Brazil has substantial experience with grants for environmental management programs in indigenous lands and local communities. The Indigenous Lands Program (PPTAL), the Demonstration Programs (PDA), and a number of other programs within the context of the Pilot Program for the Protection of the Tropical Forests of Brazil (PPG7) have contributed significantly to building expertise related to territorial environmental management of other population groups and landscapes in addition to the Indigenous Lands. In consequence, Brazil has built large institutional capacity for dealing with Safeguard Policies.

F. Environmental and Social Safeguards Specialists on the Team

Alberto Coelho Gomes Costa (LCSSO)

Maria Bernadete Ribas Lange (LCSEN)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/ BP 4.01	Yes	<p>The proposed Project is a conservation Project, and it is proposed to be rated as Category B. The proposed Project is expected to have a positive impact on the environment as it seeks to promote sustainable development and natural resources management in Indigenous Lands and for the traditional communities whose livelihoods depend on the biome's natural resources.</p> <p>The nature and scale of the proposed investments will not have significant adverse impacts. Notwithstanding these positive impacts, the proposed Project will be working in some sensitive biodiversity and dry forest areas. For the purpose of clarifying the parameters</p>

		under which the Brazil DGM sub-grants will be carried out, a Programmatic Environmental and Social Management Framework (PESMF) has been prepared for the global DGM to be reviewed during preparation for any country-level specificities. The PESMF guidelines will be included in the project level Operations Manual along with fiduciary and procurement rules also to be applied. This PESMF identifies the main impacts to be expected and indicate the process to screen these environmental risks and mitigate or compensate them. The PESMF also addresses the possible capacity shortcomings with the main stakeholders as well as the monitoring requirements and procedures.
Natural Habitats OP/BP 4.04	Yes	Activities under proposed Project should lead to positive impacts on natural habitats, such as their conservation and recovery. Given that OP 4.04 is triggered and all planning activities must follow World Bank policies, the project will identify monitoring and management activities to prevent or mitigate any possible negative impacts on natural habitats.
Forests OP/BP 4.36	Yes	The Project will contribute to the conservation of the Cerrado biome. It is expected to have a positive impact by avoiding deforestation and maintaining natural vegetation, along water courses or in the vicinity of springs, protecting environmental services and values of natural vegetation. The ESMF to be prepared will consider the requirements of OB/BP4.36 whenever restoration and plantation activities are being planned.
Pest Management OP 4.09	Yes	The project would not finance any pesticides or other chemical amendments that would trigger OP 4.09. Nevertheless, minor amounts of pesticides would probably to be used in the short term by a small portion of targeted small producers. The need to use pesticides or herbicides should be indicated in each sub-grant, as well as the IPM measures to be adopted. When the use of pesticides or herbicides is justified, an analysis of potential negative impacts resulting from the use of these chemicals and the risks associated with the inappropriate handling or storing of their containers should be conducted. The sub-grants

		should also include measures to reduce those risks, in compliance with Law No. 7802/89. A pest management framework will be prepared as part of the PESMF. It would make use of the World Health Organization's Recommended Classification of Pesticides by Hazard and Guidelines to Classification (Geneva: WHO 1994-95).
Physical Cultural Resources OP/BP 4.11	TBD	It is not expected that Project implementation activities would have any negative impact on archeological or physical cultural resources. During project preparation, the determination of whether this Policy is triggered or not will be made and also whether specific Physical and Cultural Resources Management Plans will have to be prepared before approval of the project.
Indigenous Peoples OP/BP 4.10	Yes	Since the project specifically covers indigenous communities and will be implemented in known locations of Indigenous Peoples in forest lands, OP4.10 applies. As Indigenous Peoples will be the overwhelming majority of direct project beneficiaries, as project preparation will be carried out in a broadly participatory way including an intensive process of consultation with Indigenous Peoples, and as ruled by this Safeguard Policy (OP 4.10, paragraph 12), no separate Indigenous People Policy Framework (IPPF) or Indigenous Peoples Plan (IPP) is required. Meanwhile, the elements of an IPP/ IPPF will be included in the overall project design and the Project Appraisal Document (PAD) will include a brief summary of how the project complies with OP 4.10.
Involuntary Resettlement OP/BP 4.12	No	One of the principles covered in the grant mechanism is avoiding relocation and displacement of Indigenous Peoples and traditional communities occupying forest lands. The criteria for selection of activities will ensure that no relocation or restriction of access to resources takes place.
Safety of Dams OP/BP 4.37	No	The proposed Project will neither support the construction or rehabilitation of dams nor will it support other investments related with services of existing dams.
Projects on International Waterways OP/BP 7.50	No	The proposed Project will not affect international waterways.

Projects in Disputed Areas OP/BP 7.60	No	The proposed Project will not be implemented in disputed areas.
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III. SAFEGUARD PREPARATION PLAN

- A. Tentative target date for preparing the PAD Stage ISDS:** 12-Feb-2014
- B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:**
- A Programmatic Environmental and Social Management Framework (ESMF) has been prepared for the Global DGM to be reviewed during preparation for any country level specificities.

IV. APPROVALS

Task Team Leader:	Name: Alberto Coelho Gomes Cost	
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name: Glenn S. Morgan (RSA)	Date: 06-Jun-2014
Sector Manager:	Name: Laurent Msellati (SM)	Date: 11-Jun-2014

¹ Reminder: The Bank's Disclosure Policy requires that safeguard-related documents be disclosed before appraisal (i) at the InfoShop and (ii) in country, at publicly accessible locations and in a form and language that are accessible to potentially affected persons.