

INTEGRATED SAFEGUARDS DATASHEET APPRAISAL STAGE

Date prepared/updated: April 2, 2015

I. Basic Information

1. Basic Project Data

Country: Brazil		Project ID: P150892	
		Additional Project ID (if any): no	
Project Name: ProCerrado Project			
Task Team Leader: Bernadete Lange			
Estimated Appraisal Date: January 25, 2015		Estimated Board Date: not applicable	
Managing Unit: GENDR		Lending Instrument: Grant	
Sector: General agriculture, fishing and forestry sector (50%); Public administration, agricultures, fishing and forestry (50%)			
Theme: climate change (50%); land administration and management (35%); biodiversity (15%)			
IBRD Amount (US\$m.): 00			
IDA Amount (US\$m.): 00			
GEF Amount (US\$m.): 00			
PCF Amount (US\$m.): 00			
Other financing amounts by source:			
Grant: 4.30			
Environmental Category: B			
Is this a transferred project	Yes [X]	No []	
Simplified Processing	Simple [x]	Repeater []	
Is this project processed under OP 8.00 (Rapid Response to Crises and Emergencies)		Yes []	No [x]

2. Project Objectives:

The Project is part of the Cerrado Climate Change Mitigation Trust Fund, which is assisting the Government of Brazil (Gob) in climate change mitigation, and improving environmental and natural resources management of the Cerrado Biome through appropriate policies and practices.

The Project development objective is to enhance the capacity of the Ministry of Environment to establish integrated forest fire management and landholding registration in selected rural areas of the Cerrado Biome.

3. Project Description:

The Project, funded by the Brazil Cerrado Climate Change Mitigation Trust Fund (DCTF), is expected to contribute to increase the areas of forest cover in the scope of these components: (i) sustainable use of the Cerrado's natural resources, and (ii) institutional strengthening and implementation of public policies. The Project will act in synergy with other projects and programs, and contribute to fulfilling objectives of both the National Policy on Climate Change and the Plan to Prevent and Control Deforestation and Fires in the Cerrado.

The Project is a technical-assistance project aiming at strengthening environmental agencies to improve environmental and natural resource management in the Cerrado Biome, through appropriate policies and practices.

The Recipient will be a nongovernmental institution that will sign a Grant Agreement with the World Bank. The Fundação Pró-Natureza (Funatura) will manage the Project in close agreement with the primary partners, MMA and ICMBio.

The Project will support the MMA in the national coordination of policies to reduce deforestation and forest fires in the Cerrado, to implement the CAR in targeted municipalities in the Cerrado Biome and to strengthen the capacity of fire prevention and fighting in three Protected Areas. With the environmental regularization of landholdings and the strengthening of the management capacity and operation of the MMA and ICMBio, the Project will contribute to lower greenhouse gases emissions by reducing forest fires and deforestation. In order to achieve these goals, the Project will have the following components:

Component 1: Support for the Action Plan for Prevention and Control of Deforestation and Forest Fires in the Cerrado - PPCerrado - (*Estimated Cost: US\$ 0.16 million*). This component aims at supporting strategies to reduce deforestation and promote environmental compliance of landholders to the Brazilian forest legislation by monitoring and evaluating PPCerrado, considering changes introduced by the Forest Code; and developing governance capacity to implement this Plan. Possible activities to be undertaken in this component are: (i) events with relevant stakeholders at the three levels of the federation, to disseminate the PPCerrado; (ii) technical and scientific seminars to discuss and refine tools for the production of data on deforestation in the Cerrado; (iii) seminars to exchange experiences among States and municipalities on best practices to promote environmental compliance of landholders; (iv) development and implementation of a PPCerrado monitoring and evaluation process; (v) studies to support strategic decision-making on changes in PPCerrado; (vi) development of a tool for landscape analysis in the Cerrado; and (vii) production of PPCerrado communication material. This component would finance workshops and events, training courses, equipment (including software licenses, hardware, and servers), studies and communication material.

Component 2: Rural Environmental Cadastre (*Estimated Cost: US\$ 1.42 million*). This component aims at supporting small landholders in the States of Tocantins and Maranhão to comply with the Forest Code (Law 12.651 of 2012) through the CAR registration. Possible activities to be undertaken in this component are: (i) communication campaigns to promote the CAR, mobilize the focus group and institutions that represent the focus group in the target municipalities; (ii) set-up a CAR help desk in targeted municipalities; (iii) geoprocessing activities to register the CAR for small landholdings in targeted municipalities; and (iv) development of the Degraded and Changed Land Recovery Project (*Projeto de Recuperação de Áreas Degradadas e Alteradas – PRADAs*) for small landholdings not in compliance with the Forest Code. The Component would finance communications consultants, communication material such as brochures, booklets, posters and banners, radio spots, videos, "airtime" to advertisers, events, follow-up visits, travel, computers and equipment, operational infrastructure such tents, stands, and furniture, small civil works, wireless service, special customized vehicles, training event services, consultants, geoprocessing services, and travel.

Component 3: Preventing and Fighting Forest Fires (*Estimated Cost: US\$ 1.90 million*). The aim of this component is to strengthen the capacity to prevent and fight forest fires and promote alternatives to the use of fire in Cerrado Biome and especially in the Project's targeted Protected Areas. This component will have two subcomponents:

Subcomponent 3.1. The National Policy for Prevention and Control of Forest Fires. This component aims at supporting the design of a national policy to prevent and fight forest fires, by building a strategy and an operational plan to implement it through coordination among the three federal agencies. Possible activities to be undertaken in this component are: (i) consultancy to develop the National Policy; (ii) seminars to discuss the fighting and prevention of forest fires with key stakeholders; (iii) workshops to debate the policy's action plan with States and civil society; (iv) capacity building for key stakeholders who will implement the Policy; (v) communication strategy and promotional material.

Subcomponent 3.2. Support actions to prevent and fight forest fires in Federal PAs. This sub-component will contribute to the structuring and strengthening three federal PAs to prevent and fight forest fires. Possible activities to be performed in this component are: (i) implementation and training of volunteer brigades in three Federal PAs; (ii) consultancy to draft Protection Plans for three Federal PAs; (iii) training and environmental education in the three Federal PAs' communities and neighboring areas; (iv) acquisition of equipment for strengthening actions to prevent and fight forest fires in the three Federal PAs. This Component would finance workshops and training courses, firefighting equipment, communication, studies, and communications material. The Component also includes studies and field analyses, geoprocessing services, technical assistance, acquisition of computers and equipment, operational infrastructure, vehicles, and travel expenses.

Component 4: Project Management and Administration (*Estimated Cost: US\$ 0.82 million*). This component aims to ensure proper and ongoing procedures to implement the Project including financial management, procurement, accounting and audits in accordance with World Bank rules. This component will include activities such as project coordination, monitoring and reporting; adequate financial management and procurement; external audits; and financial and technical activities for project closure. This Component would finance, *inter alia*, studies, technical assistance, computers, training, audits and operating costs.

4. Project Location and salient physical characteristics relevant to the safeguard analysis:

The Cerrado Biome, located in central Brazil, covers nearly one quarter, or 2.04 million km², of the country, with a mosaic of 23 types of vegetation composed of tropical savannas, woodlands, grasslands and forests¹. It covers a large area with significant carbon stocks, water resources and substantial biodiversity.

Twenty two percent of Brazil's population (42.7 million²) lives in the Cerrado but only 14 percent of the population resides in the rural areas. Distributed over 11 Federative Units (Goiás, Tocantins, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Bahia, Maranhão,

¹ Conservation International considers the Cerrado Biome one of the world's 34 biodiversity hotspots.

² Brazilian Census 2010, IBGE.

Piauí, São Paulo, and Paraná States, and the Federal District), the Cerrado Biome is mostly occupied by private landholdings.

Some 78 percent of about 1 million landholdings in the biome are small landholdings (up to 4 fiscal modules)³ but they occupy only 15 percent of the area of all landholdings; 22 percent of the larger landholdings occupy 85 percent of the area.⁴ Protected Areas represent 8.2 percent of the Cerrado Biome, while Indigenous Lands occupy 4.3 percent of the area.

The structural diversity of vegetation types in the Cerrado involves a wide spectrum of total biomass amounts. Total biomass (the sum of biomass above and below ground up to 2 meters deep) in Central Brazil varies from 21.8 Mg/ha in the *campo sujo* (parkland) to 77.8 Mg/ha in dense Cerrado (dry forest) (Castro e Kauffman, 1998). The root/shoot ratio in all Cerrado vegetation types shows values above 1, ranging from 2.6 in the open Cerrado (woodland) to 7.7 in *campo limpo* (grassland) (Castro and Kauffman, 1998⁵). Organic matter in the soil represents the most substantial carbon stock in the Cerrado's ecosystems as shown by Abdala (1993) in his study of carbon stocks in different segments of a typical Cerrado area. The total estimated carbon stock amounts to 265 Mg/ha, with soil organic matter comprising 70 percent (185 Mg/ha), when considering the vegetation and the soil up to 1m depth.

A carbon uptake of 0.14 Mg C ha/year is estimated for the tropical savannas, including the Cerrado. This carbon uptake contributes to a total of 0.39 Gt C/year, representing up to 15 percent of all carbon fixed by vegetation in the world. Measurements of Seasonal flows of CO₂ in a typical Cerrado indicate that this ecosystem is a CO₂ sink during the rainy season, as well as being a source of CO₂ for a brief period at the end of the dry season⁶.

The rapid expansion of agriculture in the Cerrado Biome has caused natural vegetation to be converted to alternative land uses and has also increased the use of slash-and-burn as an agricultural practice. According to the latest data available on deforestation, in 2010 the Cerrado lost about 6,469 km² of natural vegetation cover, similar to what was observed in the Amazon, but this still represents a far higher percentage in relative terms: 0.32 percent in the Cerrado versus 0.15 percent in the Amazon.

Studies indicate that the clearing and burning of native vegetation, followed by cultivation of the soil in the process in conversion of the Cerrado's agricultural areas,

³ The fiscal module (*módulo fiscal*) is a land unit established by the National Institute of Colonization and Agrarian Reform (*Instituto Nacional de Colonização e Reforma Agrária*, INCRA) mainly for rural real estate taxation according to Federal Decree N° 8.485/1980 and INCRA NI° 20/1980. The fiscal module in Cerrado municipalities varies from 0.04 to 0.1 km², with an average of 0.46 km² (46 ha).

⁴ Statistics for the biome were derived from 2006 agricultural census data for municipalities that are located partially or wholly in the Cerrado. Absolute numbers (1,066,000 landholdings over 1.5 km²) overstate the total number of landholdings and area actually in the Cerrado Biome.

⁵ Castro, EA, & Kauffman, JB. 1998. Ecosystem structure in the Brazilian Cerrado: a vegetation gradient of aboveground biomass, root mass and consumption by fire. *Journal of Tropical Ecology*, vol. 14, no. 3, pp. 263–283.

⁶ Miranda, HS, Rocha e Silva, EP, & Miranda, AC. 1996, Comportamento do fogo em queimadas de campo sujo, in Miranda, HS, Saito, CH, & Dias, BFS, *Impactos de queimadas em áreas de cerrado e restinga*, Universidade de Brasília. p. 1-10, Brasília, Brasil.

results in a reducing of carbon stocks in the soil and an increase in greenhouse gas (GHG) emissions into the atmosphere.⁷

Between 2003 and 2008, emissions from deforestation and burning (including CH₄ and N₂O emissions) of Cerrado areas resulted in the emission of 1450 Mt CO₂eq. Of this total, conversion to pastures corresponds to approximately 820 Mt CO₂ eq (Bustamante et al. 20128). Moreover, according to the Brazilian Greenhouse Gases Inventory (Brasil, 2010), carbon emissions due to deforestation in the Cerrado increased from 0.05 Pg C yr⁻¹ (1988 to 1994) to 0.06 Pg C yr⁻¹ (2002 to 2008).

Although fire is considered one of the determinants of the Cerrado vegetation, the rapid occupation of the Cerrado Biome has changed the natural fire regime (season and frequency of burning), with consequences for the vegetation structure and composition, and resulted in large losses of biomass, as well as carbon emissions. In 2010 alone, 74,120 hotspots detected in the Cerrado Biome. Therefore, the potential for reduction of greenhouse gas emissions offered by the Cerrado forest land use change and forest is very high and might constitute an important opportunity for emissions mitigation.

The Project is expected to have an overall impact in the Cerrado Biome, including a total of eleven Federative Units: Goiás, Tocantins, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Maranhão, Paraná, Bahia, Piauí, and São Paulo States; and the Federal District, in relation to actions supporting PPCerrado and the forest fire policy and regulations.

The Project's implementation strategy is to register small landholdings in six selected municipalities, while CAR communication actions will be implemented in 58 municipalities. The following criteria were used to select the municipalities: (i) Decree 97/2012, which lists 52 municipalities deemed priorities under the Action Plan to Prevent and Control Deforestation and Fires in the Cerrado Biome (PPCerrado); (ii) municipalities surrounding the Protected Areas that are focus of the Project; and (iii) municipalities that were nominated by the States during the CAR consultations held during the preparation of the Environmental Regularization of Rural Lands in the Cerrado of Brazil Project, under the Forest Investment Program: Brazil Investment Plan⁹. The selected Municipalities for registration work are located in the States of Tocantins (*Natividade* and *Pium*) and Maranhão (*Alto Parnaíba*, *Balsas*, *Riachão*, and *São João do Soter*).

Additionally, three federal Protected Areas (PAs) were selected among PAs most affected by forest fires in Brazil and in the Biome. They are: (i) the Serra da Canasta National Park had 41.92% (82,930 ha) of its area affected by fires in 2010, 14.36% (28,404 ha) in 2011 and 44.67% (86 144 ha) in 2012; (ii) the Chapada das Mesas National Park, in turn, had 30.60% (48,944 ha) of its area affected by fires in 2010, 16.01% (25,594 ha) in 2011

⁷ Franchini et al., 2007; Smith et al., 2008

⁸ Bustamante, MC, Nobre, C, Smeraldi, R, Aguiar, APD, Barioni, LG, Ferreira LG, Longo, K, May, P, Pinto, AS, Ometto, JPHB. 2012. Estimating Greenhouse Gas Emissions from Cattle Raising in Brazil, *Climatic Change*.

⁹ The Environmental Regularization of Rural Lands in the Cerrado of Brazil Project's core area will include a total of nine Federative Units: Goiás, Tocantins, Mato Grosso, Mato Grosso do Sul, Minas Gerais, Maranhão, Paraná and São Paulo States; and the Federal District, as well as 47 selected municipalities. For more information see <http://www.mma.gov.br/desenvolvimento-rural/cadastro-ambiental-rural/projeto-de-regularizacao-ambiental-de-imoveis-rurais-no-cerrado-car-fip>.

and 10.60% (16,956 ha) in 2012; and (iii) the Veredas do Oeste Baiano Wildlife Refuge had 48.96% (62,697 ha) of its area affected by fires in 2011 (data from 2010 and 2012 are being validated).

The Serra da Canasta National Park houses several Cerrado Biome physiognomies, predominantly grassland, dirty field and rocky field. One of the most striking features of this region is the dense drainage network with numerous tributaries and hundreds of springs that feed one of the most important watersheds in the country: the São Francisco River Basin, critical to water supply in the country's drought-prone Northeast region.

The Chapada das Mesas National Park (PNCM) was created mainly because it is an area of pristine Cerrado threatened by the recent expansion of agriculture and steel industries in the State of Maranhão. In addition, the CU protects over 400 sources of important waterways and is located in a region with recognized tourism potential. Aside from the numerous tabular sandstone plateaus (some with inscriptions), the Chapada das Mesas is famous for its numerous crystal clear waterfalls and pleasant water temperature. The characteristic vegetation of the Chapada das Mesas National Park is typical of the Cerrado Biome, where several types of plant cover can be found, such as Cerrado *stricto sensu*; dirty fields, grasslands, and areas of dense woodland and *vereda* springs with *buriti* trees.

The Veredas do Oeste Baiano Wildlife Refuge, besides its importance to assure conditions for the existence and reproduction of wild species stands out for its protection of the headwaters of the Pratudinho and Pratudão rivers, which are fundamental for water supply in communities and rural holdings in the west of Bahia.

The three selected Protected Areas have Management Plans under implementation and the Projects proposed activities are fully in line with these Management Plans.

5. Environmental and Social Safeguards Specialists on the Team:

Ms Bernadete Lange (Senior Environmental Specialist, GENDR)

Mr. Alberto Costa (Senior Social Development Specialist, GRUDR)

6. Safeguard Policies Triggered (<i>please explain why</i>)	Yes	No	OP/BP 4.00
Environmental Assessment (OP/BP 4.01)	x		
Natural Habitats (OP/BP 4.04)	x		
Forests (OP/BP 4.36)	x		
Pest Management (OP 4.09)		X	
Physical Cultural Resources (OP/BP 4.11)		X	
Indigenous Peoples (OP/BP 4.10)		X	
Involuntary Resettlement (OP/BP 4.12)		X	
Safety of Dams (OP/BP 4.37)		X	
Projects on International Waterways (OP/BP 7.50)		X	N/A ¹⁰
Projects in Disputed Areas (OP/BP 7.60)		X	N/A

¹⁰ OP/BP 7.50 and OP/BP 7.60 are not eligible for piloting under OP 4.00

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project.

Identify and describe any potential large scale, significant and/or irreversible impacts:

The Project is a technical assistance. For the purposes of this Project two types of technical assistance are expected: *Type 2*: Assisting in formulation of policies, programs, plans, strategies or legal frameworks etc.; and *Type 3*: Land use planning and natural resources management (NRM)¹¹.

Environmental Assessment (OP/BP 4.01). The Project is a natural resources conservation project. The environmental benefits of the Project would be: (i) reduced deforestation, relative to a scenario without intervention, and thus reduced carbon emissions land use change; (ii) reduced carbon emission from pasture burning and wildfires; (iii) increased carbon storage from restoration of cleared forest reserves; and, (iv) enhanced biodiversity conservation through reduced loss of native vegetation cover.

Notwithstanding these positive impacts, the Project will be working in some sensitive biodiversity and dry forest areas. Thus, it is rated as Category B.

The Environment Ministry prepared an Environmental and Social Framework (ESMF) that serves as a guide for addressing issues arising during Project implementation.

As a preventive measure, Project's approach will include an outreach communication strategy to mobilize and inform all landholders and landholder associations, local governments and other key stakeholders in the targeted municipalities. Additionally, the ESMF assesses potential benefits identified for small farmers (e.g access to credit, environmental compliance, and technical assistance) and other stakeholders. The ESMF also proposes measures designed to avoid social conflicts that could result from Project implementation.

Compliance by landholders with these requirements is at the heart of the efforts by the Federal and State Environmental Agencies to monitor and control deforestation and to secure CAR registration of APP and RL in private holdings. This objective is also the main focus of the Project, registering APP and RL by each landholding in the CAR system. It should be noted that public land cannot be registered in the CAR.

The ESMF report is disclosed in Brazil via the MMA and Fundação Pro-Natureza (Funatura) websites during Project implementation. This report contains a detailed description of the potential environmental impacts of Project activities; identify preventive/corrective measures, including the training and capacity-building of firefighters and the use of adequate equipment.

Natural Habitats (OP/BP 4.04). Activities under Project components should lead to positive impacts on natural habitats, such as their conservation and recovery. Given that

¹¹ See: interim guidelines on the application of safeguard policies to technical assistance activities in Bank Financed Projects and Trust Funds administered by the Bank.

OP 4.04 is triggered and therefore all planning activities must follow World Bank policies, identifying monitoring and management activities to prevent or mitigate any possible negative impacts.

Since 1965 the Brazilian law requires that: (i) all private rural landholdings maintain a percentage of native vegetation as Legal Reserves (*Reservas Legais*, RLs)¹²; and (ii) Areas of Permanent Preservation (*Áreas de Preservação Permanente*, APPs), such as riparian forests along watercourses, steep slopes, mountain tops, etc., also be maintained intact by landholders. Nevertheless, the process to register APPs and RLs in the past was complex and in many instances expensive for the landholders, and the Government did not have the necessary tools to monitor the compliance of rural landholdings.

Thus, the rural environmental cadaster (CAR) was introduced by the Law for the Protection of Native Vegetation (Forest Code, Law 12.651/2012) as an additional tool to place environmental information on rural properties and holdings into a database to control and monitor environmental and economic planning and to fight deforestation. The law requires all landholdings in Brazil to be registered in the CAR, and restricts the granting of agricultural credit by financial institutions to rural landowners registered in the CAR.

Moreover, Federal Decrees 7,830 of 2012 and 8,235 of 2014 require the federal and State governments to implement Environmental Regularization Programs (PRAs). PRAs can only be used to regularize Areas of Permanent Preservation (*Áreas de Preservação Permanente*, APPs), Legal Reserves (RLs) and restricted use areas, whether this be done through restoration, regeneration or offsetting measures – the latter applicable to RLs only. Under the new Forest Code, landholders with environmental liabilities may only apply for PRAs after enrollment in the CAR registry.

Thus, the rural environmental cadastre procedures will comply with: (i) the Brazilian Forest Code (Law 12.651 of 2012); (ii) Brazilian legislation on protected areas (SNUC - Law 9985 of 2000, Decree 4340 of 2002 and Decree 5758 of 2006; (iii) national, State, and local laws on natural habitats; and (iv) the principle of refusing to register rural landholdings that impinge on public lands, as officially-demarcated restricted Protected Areas and Indigenous Lands.

The Project will also promote conservation by preventing forest fires and by controlling burning and strengthening the fire-fighting capacity especially in the three selected Protected Areas.

The ESMF considers the criteria, impacts, and management measures for controlled burning as well as fire suppression activities.

Forests (OP/BP 4.36). This Project will contribute to the conservation and natural restoration of the Cerrado Biome. It is expected to have a positive impact by avoiding illegal deforestation and maintenance of natural vegetation in parts of private rural holdings (all land on steep slopes, along water courses up to a given distance from the margin) or in the vicinity of springs, protecting environmental services and values of natural vegetation. These areas are ‘Areas of Permanent Preservation’ (APPs).

¹²The percentage to be considered as Legal Reserves varies from 80 percent in the Amazon and 35 percent in the Cerrado encompassed by the Legal Amazon, to 20 percent in the rest of Brazil.

The Project will also contribute to conserve and design the Degraded and Changed Land Recovery Project (*Projeto de Recuperação de Áreas Degradadas e Alteradas – PRADAs*) for the small landholdings that are not in compliance with the Forest Code.

The ESMF considers the requirements of OB/BP4.36 whenever plans of forest restoration and plantation are prepared.

The Forest Code determines that Federal, State and Municipal Governments need to prepare and keep updated contingency plans to combat forest fires, whereas the Federal Government needs to develop the National Fire Management Policy, which includes the use of controlled burning, as well as the combat and prevention of forest fires.

The Project will assist the MMA in its efforts to design a national policy to prevent and combat forest fires, through the construction of a strategy and operational plan to implement it in coordination between the three federal agencies.

In addition, the Project prevention activities, promotes training and capacity buildings activities and focus on wild fire prevention in the three selected Protected Areas.

Pest Management (OP 4.09). The Project does not intend to invest in the forest sector and will not support plantations or any forest related activities therefore the policy should not be triggered at this time. All activities and technical assistance must follow World Bank policies.

Physical Cultural Resources (OP/BP 4.11). It is not expected that the implementation of Project activities would have any negative impact on archeological or physical cultural resources. This policy is not being triggered at this time.

Involuntary Resettlement (OP/BP 4.12). Involuntary physical or economic displacement and/or negative impacts on livelihoods due to the creation of new protected areas are not envisaged. In accordance with the Bank's OP 4.12 the Involuntary Resettlement policy is not triggered because: (i) no person would be displaced or relocated from his/her landholding; (ii) the Rural Environmental Cadastre (CAR) focuses on regulating natural resources management on a national and State level; (iii) the Project would not restrict the use and management of natural resources; and, (iv) the Project will not register in the CAR system any land which is the subject of disputes between private parties.

The land use restrictions of Permanent Preservation Areas (APP) and Legal Reserves (RL) have been applied to private landholdings since 1965 and impose no access restrictions to natural resources. This Project will not affect the rights or welfare of landholders nor their dependence on, or interaction with, the forest. The enforcement of restrictions will not affect access to natural resources in protected areas. The Project will not cause physical resettlement or economic displacement.

Indigenous Peoples (OP/BP 4.10). In the Cerrado Biome, nearly one hundred Indigenous Lands are located; they cover approximately 4.1 percent of the area of the biome and house 41 Indigenous Peoples. There are also hundreds of Quilombola Communities and other traditional communities of small farmers and extractive groups, which hold different consuetudinary systems for collective land tenure and use. All these groups rely on livelihoods that are mostly based on forest and natural resources and are

key stakeholders of policies related with the prevention and the control of deforestation and forest fires.

Nevertheless, the Indigenous Peoples policy is not triggered because the policies, action plans and activities to be supported by this Technical Assistance Project will not directly interfere with Indigenous Peoples, positively or negatively. On the one hand, activities envisaged under Component 2 are exclusively focused on privately owned landholdings and activities envisaged under Subcomponent 3.2 will be restricted to three Protected Areas without the presence of Indigenous Peoples. On the other, envisaged activities for assisting in the preparation of policies or programs or plans under Component 1 and Subcomponent 3.1 will be carried out in compliance with the Brazilian Forest Code (Law 12,651/2012), which, while forbidding the use of fire in vegetation clearing, gives an exceptional treatment to the practices to prevent and combat fires and the practices of subsistence agriculture that are practiced by traditional populations and indigenous peoples.

The ESMF : (i) identifies the Indigenous Peoples, Quilombola Communities and other traditional communities within the Cerrado Biome; (ii) assesses the reliance of their livelihoods in forest and natural resources and how much they are impacted by deforestation and forest fires as well as their traditional knowledge and uses of fire; and, (iii) describes the institutional arrangements (involving FUNAI, ICMBio and IBAMA) and the agreed procedures and protocols already in place that are followed when fires occur inside Indigenous Lands.

Safety of Dams (OP 4.37). The Project will neither support the construction or rehabilitation of dams nor will it support other investments which rely on services of existing dams.

International Waterways (O.P750). The Project will not affect international waterways.

Project in Disputed Areas (OP7.60). The Project will not be implemented in disputed areas.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The implementation of a rural environmental cadastre and strengthening the ICMBio' capacity to prevent and control forest fires should lead to improved environmental performance, including better and more consistent legal compliance and environmental safeguard policies.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts:

Not applicable

4. For those safeguards to be addressed through OP/BP 4.00, characterize in general terms the extent to which borrower systems are equivalent to the Objectives and Operational Principles of OP 4.00, Table A1. For those safeguards to be addressed

through conventional OP/BPs, identify the reason for the decision to not apply OP 4.00 (e.g. absence of equivalence and/or acceptability report).

Not applicable

5. Describe measures taken by the borrower to address safeguard policy issues to identify any significant gap-filling measures necessary to fulfill the conditions for application of OP 4.00. Provide an assessment of borrower capacity to plan and implement the measures described:

Project implementation arrangements will build on the lessons learned from past operations in the Cerrado Biome and implemented by MMA. The MMA, *inter alia*, will articulate the cooperation among the parties and monitor and oversee the progress of work and production of outputs. The MMA will be also responsible for coordinating this Project's implementation (planning, supervision, preparation of terms of reference, Project M&E and reporting).

The grant recipient will be Fundação Pro-Natureza (Funatura).

The MMA has substantial experience working with Safeguard policies from their implementation of the previous Bank-supported projects. The Safeguard Policies compliance will be under the general coordination of the MMA.

The ESMF includes a specific action plan to ensure adequate staffing and resources for the implementation and enforcement of any safeguard issues.

6. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, including the Safeguard Diagnostic Review (SDR) with an emphasis on potentially affected people:

Project Beneficiaries are: (i) small landholders in the targeted municipalities, who will be registered in the CAR; (ii) all other landholders who may benefit from the CAR help-desks and communication campaigns; (iii) the ICMBio, whose capacity to fight and prevent forest fires in three PAs will be strengthened; and (iv) the MMA itself, which will gain a better coordination and monitoring system for the PPCerrado.

Considering the specific activities, the main stakeholders are the federal and state agencies involved – namely: (i) The Ministry of Environment (MMA), (ii) ICMBio, because of the forest fire management policies and plans that will be prepared; and (iii) the Tocantins and Maranhão OEMAs, because activities to cadaster landholdings.

Consultations have been carried out with regards to each activity envisaged for being supported by the Project. The consultation process included four different approaches that were considered as better-fits for the activities supported by the project.

(a) With regards to PPCerrado - which is one of the National Policy of Climate Change's instruments and aims to promote sustained reduction in the rate of deforestation and forest degradation, as well as in the incidence of fires and forest fires in this biome - a broad consultation process has been carried out in 2009 and 2010. The PPCerrado planning timeline is 2020 and implementation and updating

of the PPCerrado (PPCerrado phase 2) has required intense collaboration with federal government institutions as well as extensive discussion and stakeholder consultations on priorities of governmental action in the Cerrado Biome. The PPCerrado phase 2 focus on the 2014-2015 period. In addition, it will guide the design of the next Brazilian Plural Annual Plan (PPA).

(b) Rural Environmental Cadastre. A Rural Environmental Cadastre's consultation process has been held in Brazil focusing on the Law 12.651 of 2012 and its regulations. MMA held a wide consultation process to discuss the Rural Environmental Cadastre's concept and procedures. Preparatory meetings were took place in 2013 and 2014 in Brasília with representatives from the states in the Cerrado Biome. The Consultation process comprised four information and four consultation workshops. Participative methodologies were applied for the design and survey of demands of each federation unit, taking into account aspects such as technical and institutional capacity, infrastructure and logistics:

- The first workshop took place in Palmas, Tocantins, on December 12, 2012, and was attended by representatives of the Governments of the States of Maranhão, Mato Grosso, Mato Grosso do Sul and Tocantins, as well as representatives of MMA.
- The second workshop was held in Brasília on January 24, 2013. There were representatives of the Federation of Farmers of Goiás; the National Confederation of Agriculture (Confederação Nacional da Agricultura, CNA); the National Rural Learning Service (Serviço Nacional de Aprendizagem Rural, SENAR); the Organization of Brazilian Cooperatives (Organização das Cooperativas Brasileiras, OCB); the Banco do Brasil; the Ministry of Agriculture, Livestock and Supply (Ministério da Agricultura, Pecuária e Abastecimento, MAPA); the Ministry of Science, Technology and Innovation (Ministério da Ciência, Tecnologia e Inovação, MCTI); the Brazilian Agricultural Research Corporation (Empresa Brasileira de Pesquisa Agropecuária, EMBRAPA); and the CAR Steering Group of the Federal District and Bahia, among other stakeholders.
- The third workshop was held on January 30, 2013, in Brasília with representative bodies of family farmers and traditional populations, NGOs and research institutions. Representatives of MMA, MAPA and INCRA have also taken part in this event.
- The fourth workshop, held on January 31, 2013, in Brasília, was a public consultation with state environmental agencies, agricultural and rural technical assistance, land reform, environmental police and municipalities. There were also representatives of the Governments of the States of Goiás, Minas Gerais, São Paulo, Piauí, Mato Grosso do Sul, Maranhão and the Federal District.

The activities proposed to implement CAR have received broad support by OEMAs, producers, community organizations based on consultations with representatives thereof. No major issues were raised.

- (c) **Protected Areas.** The MMA held meetings with ICMBio to select the Protected Areas. The following criteria were used to select the PAs: (i) PAs most affected by forest fire in Brazil and in the Cerrado Biome; (ii) PAs with Management Plan approved and under implementation; and, (iii) PAs with Advisory Committee established. The proposed activities will include the preparation of the Fire Protection Plan for each selected PA. Meetings will be held in the target municipalities related with the Protected Areas and with Advisory Committees to discuss the possibility of environmental and social issues arising during implementation.
- (d) **National Policy for Prevention and Control of Forest Fires.** The *Sub-component 3.1.* aims at supporting the design of a national policy to prevent and fight forest fires, by building a strategy and an operational plan to implement it through coordination among the three federal agencies. The Project activities will include a consultation process to develop the National Policy, including workshops to debate the policy's action plan with States and civil society and communication strategy.

Environmental and Social Management Framework. MMA prepared the Project's Environmental and Social Management Framework (ESMF) to address safeguard compliance and propose actions, where needed, to ensure adequate technical capacity. The ESMF raises the positive and negative impacts of the environmental regulation process, considering the current Forest Law, state laws and Bank safeguards. The ESMF also defines a number of preventive and mitigating actions and seek to present alternatives to prevent or minimize the diagnosed impacts. Such measures do not represent direct actions of the Project; instead they indicate strategies to be adopted in order to complement actions and more effectively achieve the goals set out by the Project. The ESMF also set the principles and guidelines for the preparation of safeguard documents that may be required by specific project's activities during the implementation of the project in compliance with the World Bank's Interim Guidelines for safeguard application in Technical Assistance operations.

The Project's Environmental and Social Management Framework (ESMF) also details the consultation process.

B. Disclosure Requirements Date	
Environmental and Social Management Framework:	
Dates of "in-country" consultation and disclosure	October 1, 2014
Date of submission to InfoShop	October 2, 2014
For category A projects, date of distributing the PID to the Executive Directors	Not applicable
If in-country disclosure of any of the above documents is not expected, please explain why:	

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/4.01 - Environment Assessment			
Does the project require a stand-alone EA (including EMP) report?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>	N/A <input type="checkbox"/>

If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	To be completed by appraisal		
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	No		
OP/BP 4.00 – Piloting the Use of Borrower Systems to Address Environmental and Social Safeguard Issues in Bank-Supported Projects			
Did the Quality Assurance and Compliance Unit (QACU) and the ESSD and International Law Practice Group (LEGEN) review and approve the Safeguard Diagnostic Review report?	Yes [<input type="checkbox"/>]	No [X]	N/A [<input type="checkbox"/>]
OP/BP 4.04 - Natural Habitats			
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [<input type="checkbox"/>]	No [X]	N/A [<input type="checkbox"/>]
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?			
OP 4.09 - Pest Management			
Does the EA adequately address the pest management issues?	Yes [X]	No [<input type="checkbox"/>]	N/A [<input type="checkbox"/>]
Is a separate PMP required?	Yes [<input type="checkbox"/>]	No [X]	N/A [<input type="checkbox"/>]
If yes, has the PMP been reviewed and approved by a safeguards specialist or Sector Manager? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	Not applicable		
OP/BP 4.11 – Physical Cultural Resources			
Does the EA include adequate measures related to physical cultural resources?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	N/A [X]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on physical cultural resources?	Not applicable		
OP/BP 4.10 - Indigenous Peoples			
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	N/A [X]
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?			
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit?			
OP/BP 4.12 - Involuntary Resettlement			
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	N/A [X]
If yes, then did the Regional unit responsible for safeguards or Sector Manager review and approve the plan/policy framework/process framework?			
OP/BP 4.36 – Forests			
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	N/A [X]
Does the project design include satisfactory measures to overcome these constraints?			
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?			
OP/BP 4.37 - Safety of Dams			
Have dam safety plans been prepared?	Yes [<input type="checkbox"/>]	No [<input type="checkbox"/>]	N/A [X]
Have the TORs as well as composition for the independent Panel of Experts (POE) been reviewed and approved by the Bank?			
Has an Emergency Preparedness Plan (EPP) been prepared and arrangements been made for public awareness and training?			
OP 7.50 - Projects on International Waterways			

Have the other riparians been notified of the project?	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
If the project falls under one of the exceptions to the notification requirement, has this been cleared with the Legal Department, and the memo to the RVP prepared and sent?	
What are the reasons for the exception? Please explain:	
Has the RVP approved such an exception?	
OP 7.60 - Projects in Disputed Areas	
Has the memo conveying all pertinent information on the international aspects of the project, including the procedures to be followed, and the recommendations for dealing with the issue, been prepared	Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
Does the PAD/MOP include the standard disclaimer referred to in the OP?	
The World Bank Policy on Disclosure of Information	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> N/A <input type="checkbox"/>
Have costs related to safeguard policy measures been included in the project cost?	No
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes

D. Approvals

<i>Signed and submitted by:</i>	<i>Name</i>	<i>Date</i>
Task Team Leader:	Bernadete Lange	April 2, 2015
Environmental Specialist:	Bernadete Lange	April 2, 2015
Social Development Specialist:	Alberto Costa	April 2, 2015
Additional Environmental and/or Social Development Specialist(s):		
<i>Approved by:</i>		
Regional Safeguards Coordinator:	Glenn Morgan	October 2, 2014
Comments:		
Practice Manager:	Ms Emilia Battaglini	April 3, 2015
Comments:		