



# Appraisal Environmental and Social Review Summary

## Appraisal Stage

### **(ESRS Appraisal Stage)**

Date Prepared/Updated: 07/28/2022 | Report No: ESRSA01088



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Project ID	Parent Project ID (if any)
Brazil	LATIN AMERICA AND CARIBBEAN	P172497	
Project Name	Sustainable Multiple Use Landscape Consortia in Brazil		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Agriculture and Food	Investment Project Financing	7/25/2022	10/20/2022
Borrower(s)	Implementing Agency(ies)		
Serviço Nacional de Aprendizagem Rural	Ministério da Agricultura, Pecuária e Abastecimento (MAPA), Ministério do Meio Ambiente (MMA)		

Proposed Development Objective

To increase the area under sustainable landscape management and restoration for beef cattle and soybean value chains in selected landscapes in Brazil.

Financing (in USD Million)	Amount
<b>Total Project Cost</b>	<b>24.58</b>

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

No

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

The proposed US\$24.58 million GEF grant will support the Ministry of Environment (MMA) and the Ministry of Agriculture, Livestock and Food Supply (MAPA) to jointly promote a Sustainable Landscape Management (SLM) approach on areas with highly intensified agriculture and pasture lands that have negative impacts on environmental assets with national and global relevance, such as major freshwater-producing basins and important endemic species. The approach will enhance synergies and capacities for the formulation of a comprehensive land-use planning and



governance for the implementation of on- and off-farm investments. Those anthropized/consolidated productive areas have been historically used mainly for beef cattle production and in a lesser extent for agriculture, conventional practices with low rates of technological adoption, resulting in environmental degradation processes and productivity losses. To tackle those systemic challenges, the project will mobilize key stakeholders (farmers and their representative organizations, state and municipal governments, local financial and technical assistance agencies, NGOs, buyers and investors) and build on existing policies, programs and initiatives at the landscape level that are currently being implemented in an uncoordinated and fragmented fashion to establish a multi-disciplinary coalition of actors (consortiums) to catalyze investments and collectively enable an integrated and transformative business environment. Multiple environmental benefits are expected to result from implementing this strategy in selected productive landscapes, such as: increase productivity on anthropized agricultural and pasture lands; reduce land degradation; increase carbon sequestration and lower GHG emissions; and improved habitat for key biodiversity species.

#### D. Environmental and Social Overview

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

Brazil's Cerrado biome is a mosaic of savanna and other vegetation covering almost one quarter (approximately 204 million ha) of the country. The Cerrado is both a hotspot of land conversion for soybean and beef cattle production and one of the most biodiverse regions in the world. It is considered to be biologically megadiverse, with extreme abundance of endemic species (including 11,627 native plant species) and 199 mammal, 837 bird, 1,200 fish, 180 reptile, and amphibian species. It is a critical source of water and energy, with eight of Brazil's 12 major hydrographic regions receiving water from the Cerrado and half Brazilians estimated to rely on electricity generated by water originating there. The Cerrado's characteristic small trees and shrubs also have deep root systems, sequestering significant amounts of carbon underground (ranging up to 292 tons per ha). Following decades of agricultural expansion, the Cerrado is also an agricultural powerhouse and globally important beef-exporting region and plays a significant role in the Brazilian economy. Agriculture in the Cerrado accounts for about 70 percent of Brazil's agricultural production overall (55 percent of Brazil's beef production – utilizing an area over 26 million ha – and 54 percent of soybean production – utilizing an area of over 18 million ha) and 8.4 percent of the country's Gross Domestic Product. It generates 16.2 percent of total employment and 40 percent of total exports.

The area identified as eligible for project intervention is approximately 47.2 million ha comprised mostly of Cerrado, but also with portions of Pantanal, Caatinga and Atlantic Forest biomes in the central part of Brazil and was categorized into nine Productive Landscapes (PLs). Project's interventions would be deployed in the Tocantins-Araguaia basin as well as its adjacent watersheds Pantanal, Parnaíba/Paraná and São Francisco. The intervention area covers portions of 203 municipalities in six centrally-located states (Goiás, Bahia, Minas Gerais, Mato Grosso do Sul, Mato Grosso, and Distrito Federal). Within this broader area, the project will target for intervention those areas assessed to be most critically degraded, aiming to implement Sustainable Landscape Management (SLM) practices in 578,000 ha (including productive areas and areas identified as highly critical for biodiversity, but not areas already protected) and to restore an additional 50,960 ha of degraded agricultural land, forest and forested land, and grassland and shrubland.

The intervention area was selected through extensive consultations with the public and private sector and utilization of environmental, social and economic criteria including i. a. a high occurrence of land degradation, significance to biodiversity conservation (e.g. presence of endemic species, relevance for habitat connectivity), importance of local



environmental features to regional environmental concerns, land area under pasture, and importance of beef cattle and soybean production (e.g. beef and soybean production levels, post-farmgate processing capacity).

Within the intervention area, several special land areas – encompassing eight Indigenous Lands, 15 Quilombola Communities, 116 Protected Areas (including federal, state and municipal sustainable use protected areas occupied by traditional communities) and 765 Archaeological Sites – are located. They are by nature fragile and shelter disadvantaged and vulnerable social groups whose livelihood relies on species of fauna and flora (biodiversity) including endemic species of great importance; historical socio-cultural elements, among others. The Project will primarily act within these soybean and beef cattle production chains that are responsible for important economic results for the Cerrado region, but which expansion has often been associated with some adverse social and environmental impacts. Thus, Project interventions will target 2,500 medium and large size farmers and will not act within or nearby these special areas, also respecting their buffer zones defined by law.

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

Historically, Brazil has committed to a strong policy framework to foster together sustainable agriculture and conservation measures, including: the National Policy on Climate Change – NPCC (Law 12,187/2009) to guide the country to fulfil with the national voluntary commitment to reduce GHG emissions; the Ministry of Agriculture, Livestock and Food Supply's (MAPA) "Sector Plan for Mitigation and Adaptation to Climate Change for the Consolidation of a Low Carbon Emissions Agriculture Economy", also known as the ABC Plan (Decree No. 7,390/9/2010), which is expected to reduce pressure on forests by increasing agricultural productivity and promoting sustainable management practices; and the Law for Protection of Native Vegetation (Law 12,651/2012, also known as the Forest Code), which requires that all privately owned rural landholdings maintain a certain percentage of native vegetation known as Legal Reserves (Reservas Legais, RLs), mandates that Areas of Permanent Preservation (Áreas de Preservação Permanente, APPs) such as riparian forests along watercourses, steep slopes, mountaintops etc. also be maintained by landowners and obliges landholders to register their landholdings in the Rural Environmental Cadaster System.

The Project's implementing agency National Rural Learning Service (Serviço Nacional de Aprendizagem Rural) - SENAR has developed some experience with World Bank safeguard policies during the implementation of the Sustainable Production in Areas Previously Converted to Agricultural Use Project (P143184). This project also promoted the adoption of sustainable and low carbon agricultural technologies - advocated by the national Low Carbon Agriculture policy (Plan ABC) among medium-sized producers in the Cerrado region. SENAR has also a subsidiary agreement with GIZ to implement the proposed Sustainable Landscape Management in the Cerrado Project (P164602). This project is under implementation, supported by the Strategic Climate Fund - Forest Investment Program (SCF/FIP).

An Environmental and Social Risk Management Unit has been established within SENAR's Central Office. This unit was responsible for coordinating the preparation of the E&S management instruments of the proposed project: an Environmental and Social Impact Assessment (ESIA), an Environmental and Social Management Framework (ESMF), a Stakeholder Engagement Plan (SEP), a Framework for Consultation of Traditional Communities (that takes the place of an Indigenous Peoples Policy Framework as the project may consult and benefit more than one Indigenous Peoples as well as other population groups) and the Project's Labor Management Procedures (LMP). An external consultant was hired to prepare these latter two instruments.

The Project Implementation Unit (PIU) will be established through a technical cooperation agreement among the Ministry of Environment (MMA), the Ministry of Agriculture, Livestock and Food Supply (MAPA) and the National Rural Learning Service (SENAR). The PIU will be the Bank's main liaison during project implementation and responsible for carrying out project M&E (including environmental and social aspects) and producing project progress reports. The PIU will include one environmental and social risk management specialist. Additionally, SENAR Central Office will be responsible for monitoring the Project's performance with regards to environmental and social risk management. At



landholding level, the field technicians and technical supervisors of SENAR regional offices will collect monthly data on overall performance and activities on environmental and social risk management. Finally, MMA will provide technical leadership to supervise the field implementation of the project’s socioenvironmental dimensions and will coordinate state and municipal environment bodies, hydrographic basin committees, and other relevant institutions and partners at all levels to compose and participate in the Regional Consortia.

The Bank provided ESF training and close support to SENAR, MMA and MAPA technical staff working on project preparation, and is working with SENAR and EMBRAPA to incorporate complementary environmental and social aspects into training materials and course contents, which will be applied in training events to be held along implementation for field technicians and producers. EMBRAPA, the Brazilian Agriculture Research Corporation connected to MAPA, will provide technical support to the Project and contribute to training events coordinated by SENAR. Additional, periodic training on the ESF will be provided by the Bank to the Project team periodically throughout implementation, as needed.

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

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

Moderate

**Environmental Risk Rating**

Moderate

The project will address challenges posed to the environment by the expansion of agriculture and ranching and contribute to reduce the negative environmental impacts from soybean agriculture and beef cattle raising in the Cerrado biome, while promoting landscape connectivity. The three areas of intervention were selected based on hydrographic, edaphic, agricultural, and land use typologies criteria. These areas face systemic environmental and social challenges that are worsened by the growing demand for food commodities, which lead to vested interests in the commodity value chain that remains indifferent to the environmental impacts (soil loss, reduced water availability, illegal and/or unplanned deforestation, loss of vegetation cover, environmental services and biodiversity, etc.) accumulated along the production chains, and the dislocation of natural areas. The project is expected to yield environmental benefits, encompassing: increased productivity on agricultural and pasturelands through restoration of degraded pastures and expansion of productive landscapes under sustainable land management; reduced land degradation through the adoption and scaling up of improved land use practices and restoration activities; increased carbon sequestration and reduced greenhouse gas emissions; improved habitat for key biodiversity species through restoration of forest areas within rural properties and reconnection of fragmented habitats; increased sustainability and resilience of the agricultural value chain; and the promotion of responsible supply of commodities as well as enhanced sustainable market linkages. The supported environmentally-friendly practices for soybean and beef cattle production still keep the use of significant amounts of agricultural chemicals, which represent the most relevant environmental risk of the Project, and directives consistent with ESS3 are clearly described in the project’s Environmental and Social Management Framework and will be delivered in the training of rural technical assistants working under the project to ensure that adequate guidance reach beneficiary producers. Project activities are unlikely to result in further conversion of natural habitats in the significantly altered targeted landscapes; rather, through actions under Components 3 and 2, the project will support environmental conservation and restoration in a subset of target properties, as well as adjustments to comply with socioenvironmental traceability standards of certification programs objectives. The quality and content of the training events carried out under the project by SENAR and EMBRAPA will be key to form an environmentally-aware group of rural technical assistants that will be responsible for engaging rural producers in project activities, assess the context of their properties and production

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practices and deliver technical assistance to improve sustainability of production and the environmental quality of the property, as well as ensure proper implementation of the supported practices, further mitigating the low risk of generating local negative impacts on soil, water or natural habitats through Project activities. Both agencies already deliver high quality training that is mostly compatible with the ESF, requiring stronger emphasis on the advantages of reducing dependence on the use of agricultural chemicals to comply with ESS3. Nevertheless, to reduce the risks of inadequate or excessive use of chemicals, habitat conversion and inadequate adoption of prescribed production practices, the project will further enhance training contents and materials to better integrate and highlight the environmental sustainability aspects of ESS1, ESS3 and ESS6. In preparation for implementation, SENAR is at an advanced stage of designing a monitoring system to track indicators of performance and compliance in relation with environmental sustainability goals, which is expected to be operable by Project effectiveness.

**Social Risk Rating**

Moderate

The social risks and impacts are currently considered as Moderate. The Project will primarily act within the soybean and beef cattle production chains that are responsible for important economic results for the Cerrado region, but which expansion has often been associated with some adverse social impacts. The project is expected to make direct and indirect contributions to revert these adverse social impacts by contributing to raise awareness and championship around a Sustainable Landscape Management approach, to promote a social coalition among the stakeholders within the selected landscapes and to foster the adoption of a production system with environmentally friendly technologies and the respect for the Permanent Preservation Areas. The main social risks that may compromise the achievement of Project’s development outcomes are: (a) potential conflict of interests and development views between different stakeholders; (b) disregard of the views and concerns of different social groups – particularly the most disadvantaged and vulnerable ones (including traditional communities and indigenous peoples) – in the comprehensive studies to understand the current characteristics of the 9 selected PLs; (c) the potential initial reluctance of rural producers to adopt the low carbon / climate-smart agriculture technologies or commit with natural resources restoration practices as these technologies and practices are not always profitable for the commercial sector; and (d) a potential low participation of women due to obstacles created by traditional cultural norms and, consequently, the disregard of their views in the proposed consortia. Context-related risks associated with COVID-19 have also to be considered as they may hamper needed face-to-face interaction between the Project’s rural extension technical staff and farmers as well as consultation activities. The Project will mitigate these risks by: (i) fostering the consultation with all interested parties (including traditional communities) during the studies of the PLs envisaged under the first component and citizen’s engagement, and communication and outreach strategy envisaged under the fourth component, (ii) relying on virtual channels for carrying out all needed communication and mobilization activities; (iii) carrying out strong awareness raising campaigns to (a) introduce and mobilize key stakeholders support to the SLM approach within landscape consortiums (b) promote innovative and sustainable agricultural practices on-farms involved with soybean and beef cattle production chains and (c) foster the adoption of natural habitats recovery practices; and (iv) ensuring that women producers are not left behind. For mitigating the risks described above, the Project will rely on: (a) a socially inclusive approach for carrying out the landscape studies, allowing that all relevant stakeholders that have an interest on environmental protection within the selected landscapes are heard and their views are taken into consideration; (b) a robust communication, awareness raising and outreach campaign for mobilizing and engaging stakeholders, creation and strengthening of the landscape consortia; (c) the selection of rural producers to pilot on-farm low-carbon agriculture practices as well as to conduct restoration practices on a volunteered basis and participatory methodologies for the development of studies of the landscapes; (d) the understanding of gender gaps and barriers that could hamper women producers participation in landscape consortia; and (e) the adoption of adequate protocols for preventing the spread of COVID-19 as an unwanted

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outcome of project activities. Meaningful consultations, citizen engagement, gender-oriented activities, and a communication and outreach strategy have been embedded in project design. The SEA/SH Risk Screening Tool was filled by the task team and the risk level was low (6).

## 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 Standard is relevant. The project focuses on the Cerrado region, given its high agricultural potential and the need to conserve its natural areas and resources. The technologies recommended by the ABC Plan and supported under this project will intensify sustainable land use in already intervened areas and reduce greenhouse gas emissions, reducing pressure for deforestation of new native forest areas to convert them for agricultural use.

The Client prepared an Environmental and Social Impact Analysis (ESIA) and an Environmental and Social Management Framework (ESMF) according to the World Bank's Environmental and Social Standard (ESS) 1.

The ESIA comparatively assessed the environmental and social impacts of the current and the proposed production practices. The ESIA identified that the historical land conversion for beef cattle and soybean production in the Cerrado, a mismatch between livestock density and the capacity of the pasture to recover from grazing and trampling, and reliance by most producers on technologies that are not friendly to the environment (including: inadequate soil management, the indiscriminate use of pesticides, and the advancement over Permanent Preservation Areas / environmentally fragile areas) have had significant environmental, social and economic impacts. The rapid land-cover changes lead to habitat and biodiversity losses and natural resource degradation. The Cerrado has lost half of its biome, including approximately 45 percent of its native vegetation cover. The high rate of pastureland degradation (nearly 40 percent – or 18 million ha – of pasture land is currently degraded due to soil erosion and nutrients depletion) further contributes to natural resource degradation through soil erosion, vegetation loss, release of carbon from organic matter deposits, reduction in biodiversity, and impaired water cycles. Depending on how they have advanced on the landscape, the expansion of soybean and beef cattle productive chains also had heavy social costs. These cost may include: land concentration and land conflicts, including the expulsion and marginalization of small farmers; inadequate and poor working conditions on the agrobusiness sector; community health and safety-related threats associated to the inadequate use of pesticides; and pressures on natural habitats upon which the livelihood, physical and cultural survival of small farmers and traditional communities (including Indigenous Peoples) traditionally rely. Finally, agriculture productivity losses are shown to be increasing in some areas of the Cerrado due to environmental degradation.

The ESIA also defined preventative and mitigation measures to be implemented by the client according to the ESMF. These measures highlight the importance of adequately transmitting the sustainability concepts supported by the Project through its training, communication and technical assistance activities, as well as the need for proper implementation of the supported sustainable production practices. The need to discourage the opening of new areas by highlighting the benefits of maintaining and recuperating natural areas within the productive landscape and encouraging the adoption of improved sustainable practices in already altered areas was also pointed out and is in fact part of project design. The ESMF also specifies screening procedures to be applied in the assessment of environmental and social impacts arising from project activities during implementation.



The assessment of social impacts and benefits in the scope of the ESIA highlighted the importance of a strong stakeholder engagement strategy to ensure the achievement of project development objectives and the Project design incorporated a communication and outreach approach to circumvent potential early reluctance of soybean and cattle beef producers to adopt the low carbon /climate smart agriculture practices and the natural resources restoration practices as well as to convene all relevant stakeholders and increase their awareness with regards to the SLM approach. A Stakeholder Engagement Plan was prepared to address these needs.

The ESIA also pointed out concerns related with workers and community health and safety issues (particularly in the context of COVID-19); Labor Management Procedures and a COVID-19 Mitigation Strategy was included both in the Project’s LMP and ESMF.

Furthermore, the ESIA identified the presence of eight Indigenous Lands and other traditional communities within the broader intervention area (PLs). These groups will not be affected by the on the ground activities envisaged under components 2 and 3 – which will focus their activities on-farms – but their views must be considered on the comprehensive studies of the selected landscapes envisaged under component 1. A standalone Framework for Consultation of Traditional Communities was prepared and its elements will be incorporated on the Terms of Reference for the associated consultancies.

Finally, the ESIA included an initial assessment of gender gaps based on regional evidences available through secondary sources, leading to the preparation of a Gender Action Plan (GAP). The GAP aims to foster participation of women producers and representative organizations in the landscape consortia, capacity building and rural extension activities envisaged under components 2 and 3 and include as an early action an in depth diagnostic of the local factors that may constrain such participation. The Project, its aims and activities have been consulted between July and October with key stakeholders (producers groups and organizations; small, medium and large farmers; women groups; institutional agencies and NGOs), as described in the SEP. These consultations helped identify potential environmental and social impacts and risks and shape the E&S risk management tools. These tools will be virtually consulted before Appraisal because of the constraints imposed by Covid-19 and required social distancing measures. These tools will be disclosed at SENAR website and sent to stakeholders by mail. An e-mail address will be provided to receive feedback. This process will be completed before the beginning of the Appraisal mission. The feedback received will be incorporated as appropriate in the final version of these tools. In the unexpected circumstance that this virtual strategy does not yield meaningful outcomes, virtual focus group meetings will be held.

### **ESS10 Stakeholder Engagement and Information Disclosure**

The standard is relevant. Strong stakeholder participation is key to the achievement of the Project Development Objective, the successful creation and strengthening of the landscape consortia, the building of ownership with regards to the SLM approach among key stakeholders, and the adoption of natural resources restoration and conservation practices as well as low-carbon /climate-smart agricultural practices by rural producers involved in the soybean and beef cattle productive chains.

The Client has prepared a Stakeholder Engagement Plan that has as its overall objective the establishment of a process for disclosing information and consulting key stakeholders as well as for effectively responding to requests of information and complaints received throughout the Project cycle. The SEP describes the ongoing process of consultation with key stakeholders and their representative organizations. It includes measures to ensure that: (i) the project activities – as well as the social and environmental risks associated with them and the preventive measures provided for addressing these risks – are communicated clearly and in a timely and culturally adequate manner to all stakeholders (particular attention is given to reach out the most disadvantaged and vulnerable social groups); (ii)



consultation channels, feedback from citizens and workers, and resolution of complaints in activities related to the project are well publicized and operate efficiently; and (iii) the activities proposed for stakeholder engagement are properly monitored and reported to the Bank.

The project will seek to actively involve a wide range of stakeholders and the SEP points out the different channels for such engagement. The range of stakeholders includes: (a) landholders involved with the soybean and beef cattle productive chains and their representative organizations, (b) representative organizations of women producers and rural workers, (c) relevant federal, state and municipal agencies, (d) relevant private sector entities, and (e) non-governmental organizations and representatives of other social groups concerned with sustainable development at the landscape level. The SEP identifies the key stakeholders more directly engaged with each of the Project's components, makes an initial assessment of their views and level of support to the activities envisaged under the components and sets the objectives and methods for their engagement throughout the project life cycle. A communication strategy to reach out to key stakeholders and to facilitate a common understanding of the vision, values and landscape needs through a neutral, nonthreatening and constructive process is part of both the Project's component 4 and the SEP.

The SEP also describes the features of the project's Grievance Redress Mechanism, which will rely on the channels, processes and procedures in place at the implementing agency's Ombudsman Office. The SEP describes in detail the institutional arrangements and procedures of SENAR's Ombudsman office and shows that it holds several channels to receive request: a dedicated website (<https://www.cnabrazil.org.br/fale-conosco/>), three dedicated e-mails ([vertentes@senar.org.br](mailto:vertentes@senar.org.br); [cna@cna.org.br](mailto:cna@cna.org.br); [senar@senar.org.br](mailto:senar@senar.org.br)) and a dedicated WhatsApp number. Claims can be lodged at no cost at all these channels and anonymously through the website. Grievances are registered in writing and maintained as a database and the SENAR Ouvidoria has clear and broadly advertised procedures for managing claims (including a deadline of 30 days to provide response to claims), clear governing structures for processing claims and protecting the identity of claimants. Claims made to SENAR's Ouvidoria do not preclude or prevent access to judicial remedies. The SEP also indicates the alternative channels available at the Ministry of Environment and the MAPA that can be used to request information and lodge complaints related with the Project.

Additionally, a standalone Framework for Consultation of Traditional Communities was developed by the Client. These traditional communities are mapped as key stakeholders to be engaged on project activities under Component 1 by the draft SEP, which also sets the requirement to broadly consult these communities for the preparation of the in-depth landscape diagnostics. The Framework for Consultation of Traditional Communities establishes the proper conditions under which these traditional communities will be consulted and engaged in project activities – as considered under ESS 7.

The draft SEP will be publicly disclosed in SENAR website, remain available for consultation during 30 days before Appraisal. Feedback gathered through consultations will be included - as appropriate - on the final version of the SEP that will be publicly disclosed on the Project's website by effectiveness.

## **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 and the Client has prepared Labor Management Procedures – LMP and will publicly disclose the LMP before appraisal at SENAR website.

The project will rely on:



- Public servants from SENAR and other partner agencies, that will manage project activities. The contingent of public servants to be involved in the project has been estimated in 13 workers.
- Contracted workers – to carry out landscape studies, mobilize the participants of the landscape consortia, provide training and technical assistance envisaged under components 1 and 2 – have been estimated in 120 professionals.

The Project will not finance community workers.

Public servants will not be subject to ESS2 except for its provisions related to workplace safety.

The LMP sets the rules that apply to direct, contracted and primary supply workers according to the principles established by ESS 2 – namely: fair treatment, nondiscrimination, non-harassment and equal opportunity of project workers; protection of project workers as appropriate and promotion of occupational health and safety according to an assessment of the risks that may be faced by project workers as part of their attributions; freedom of association and collective bargaining in a manner consistent with national law; prevention of the use of all forms of forced labor and child labor; and provision to project workers with accessible means to raise workplace concerns without fear of retaliation.

The LMP includes a code of conduct for interactions with project beneficiaries.

The Project's LMP also include a COVID-19 Mitigation Strategy. Following the guidelines and recommendation of the World Bank, GEF, World Health Organization (WHO) and the contingency plans prepared by the Federal and state governments in Brazil, this strategy sets the following actions to be implemented during the implementation of the Project: (i) carry out an assessment of the risk of all envisaged activities for project workers and beneficiaries, which will be periodically updated according to changes in the epidemiological scenario; (ii) as the epidemiological scenario may change throughout the project life cycle, SENAR will periodically carry out assessments of the circumstances and evaluate the safety to carry out in face-to-face meetings and training activities or the need to continue using only virtual channels to carry out such activities; (iii) based on this assessment and the guidelines, the Project will develop and adopt a protocol to be followed by project workers, which will include, inter alia, the use of personal protective equipment, the adoption of hygiene practices in the places of work, the conveyance only of information issued by authorized sources, and the restriction of entrance in rural landholdings only to the strictly necessary personnel and on a must-need basis – any project worker feeling the symptoms associated with COVID-19 will be tested, quarantined and receive orientation for proper medical treatment; (iv) well-designed and user-friendly communication materials already developed by SENAR will be used to disseminate information on measures to prevent COVID-19 among project workers, local stakeholders and rural landowners and workers; and (v) during field activities and meetings, extension workers will only disseminate information and guidelines on what is COVID-19, its symptoms, ways of contagion and what must be done if some symptoms are felt that are issued by authorized sources.

SENAR's Ombudsman Office will also be in charge of receiving complaints related with working conditions and labor terms by project workers. These complaints will be forwarded to the SENAR's Human Resources sector, which is the sector responsible for investigating this type of complaint. Additionally, the Federal Government has a specific service channel for labor related complaints. The personal data informed when registering a complaint are confidential and will not be disclosed in the course of a possible inspection (<https://www.gov.br/pt-br/servicos/realizar-denuncia-trabalistico>). Both SENAR's and the Federal Government channels will be referred to in all contracts signed with contracted and primary supply workers.

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



The standard is relevant. Proposed activities of dissemination and scaling up the adoption of climate-smart / low carbon agriculture are expected to have a positive impact, reducing GHG emissions, erosion and soil/fertility loss. SLM may also contribute to protect freshwater-producing basins and ecosystem services, particularly through vegetation recuperation actions supported under Component 3. The project will finance consultants to carry out the GHG emissions estimate, using the EX-ACT carbon balance tool which was developed by the Food and Agriculture Organization of the United Nations (FAO) in 2010 to assess the impact of agricultural and rural development investment lending on GHG emission and carbon sequestration. Emissions will be estimated by FAO consultants to monitor Project emissions along implementation, which will also inform the Project's GHG indicator. The initial GHG emissions estimate carried out during preparation was included in the PAD's economic analysis.

Although the activities to be promoted by the project are focused on the recovery of degraded pastures and of natural areas, the implementation of livestock–forestry integration systems, among other practices that are more environmentally sustainable than conventional soy and beef production practices, these activities will still involve the use of agricultural chemicals. The technical assistance provided by the project will ensure that all pesticides used will be manufactured, formulated, packaged, labeled, handled, stored, disposed of, and applied according to relevant international standards and codes of conduct, and their use reduced where possible.

The ESMF includes the elements of a Pest Management Plan, giving preference to Integrated Pest Management approaches, and provides adequate guidance to rural technical assistants working under the project to ensure that guidelines focusing on the reduction of dependence on agricultural chemicals and proper use and disposal of these substances reach beneficiary producers. This instrument also includes screening procedures to identify any adverse risks, as well as measures to promote careful management and use of agricultural chemicals in all situations where appropriate under the project.

The technologies to be adopted under the Project (integrated crop-livestock-forestry systems – ILPF) improve soil and water quality, reduce diseases and weeds, and lower methane emissions per kilogram of meat. The selected productive landscapes – PLs are important soybean and beef cattle production, and are located in major freshwater producing basins, featuring mainly the Cerrado biome, but also parts of the Pantanal, Caatinga and Atlantic Forest biomes. These areas are characterized by an arid climate spectrum, ecological transition hotspots, ecotones, and the occurrence of important endemic species. There is no evidence of water availability issues in the selected PLs. During technical assistance, teams will collect data on environmental indicators (biodiversity, animal welfare, water use and soil health), in addition to economic indicators (farm income, profitability and productivity) and social indicators (disaggregated by gender, where appropriate).

### ESS4 Community Health and Safety

The standard is relevant. Project activities are expected to have a positive impact on ecosystem services and beneficiary communities by promoting reforestation, pasture recovery and conservation of natural habitats. Project activities are neither expected to require a significant influx of laborers and followers in the remote communities, nor lead to potential traffic and road safety risks. Project activities will not support the design and construction of new dams, roads, construction works, or any other infrastructure. SENAR will provide training and personal safety equipment as relevant to their work to safeguard all workers (including community workers).

Additionally and as previously mentioned, the Project's Labor Management Procedures includes a COVID-19 Mitigation Strategy that follows the guidelines and recommendation of the World Bank, GEF, World Health Organization (WHO) and the contingency plans prepared by the Federal and state governments in Brazil. This strategy will be followed by all project workers and requires the use of personal protective equipment, the adoption of



hygiene practices in the places of work, the conveyance only of information issued by authorized sources, and the restriction of entrance in rural landholdings only to the strictly necessary personnel and on a must-need basis. Well-designed and user-friendly communication materials already developed by SENAR will be used to disseminate information on measures to prevent COVID-19 among project workers, local stakeholders and rural landowners and workers. During field activities and meetings, extension workers will only disseminate information and guidelines on what is COVID-19, its symptoms, ways of contagion and what must be done if some symptoms are felt that are issued by authorized sources.

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

The standard is not relevant. Activities envisaged under the project will neither directly require land acquisition, nor impose restrictions to land use or require involuntary resettlement. All activities related with the adoption of practices of low carbon / climate-smart agriculture practices and/or conservation and restoration of natural habitats and mainstreaming biodiversity will be carried out exclusively on-farms whose owners volunteer, are willing to share their experiences with neighbors and other landowners and sign Participant Adherent Agreements with SENAR to establish roles and responsibilities.

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

The standard is relevant. Activities to be supported should lead to positive impacts on natural habitats and production areas, such as their conservation and recovery. The project would contribute to reducing the environmental impact of small and medium scale agriculture and livestock production through components 1 and 2, and improving the conservation of the Cerrado Biome through restoration activities and biodiversity monitoring under component 3.

Component 3 is expected to have a positive impact by avoiding deforestation and maintaining natural vegetation in parts of privately owned rural landholdings (all lands on steep slopes, along watercourses up to a given distance from the margin, or in the vicinity of springs, which are considered Permanent Protection Areas - APPs), thus protecting the environmental services and values of natural vegetation. It would also contribute toward conserving and/or restoring Private Reserves of the Natural Heritage - RPPNS, which are areas set aside for preservation at the request of the owner and registered in the property deed, and other ecologically relevant areas within properties, particularly those that are important to maintain or create connectivity in the landscape. Under component 3, the project will also map key fauna species in the target productive landscapes, with engagement of producers, and carry out studies to assess ecosystem services such as pollination, water regulation, gene bank, carbon sink, among others.

The ESMF includes procedures to identify, monitor and manage activities to prevent or mitigate any possible negative impacts on natural habitats and includes screening criteria to ensure that project activities identify, avoid and/or mitigate potential adverse impacts on forest resources. The ESMF also includes screening procedures to identify any adverse risks, as well as measures to promote careful management and use of agricultural chemicals in all situations where appropriate under the project.

The rural environmental regularization procedures will also comply with the Brazilian Forest Code; Brazilian legislation on protected areas (SNUC—Law 9.985 of 2000, Decree 4.340 of 2002 and Decree 5.758 of 2006); and national, state, and local laws on natural habitats.



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

This standard is relevant because of technical assistance activities (namely, the comprehensive studies to understand the current characteristics of the 9 selected PLs) envisaged under Component 1 - Development of Sustainable Landscape Management Approaches.

This component aims to identify and support local multi-disciplinary coalition of actors (consortiums) in the 9 selected PLs to better understand landscapes' existing actions and remaining development needs as well as to strengthen local governance, planning, and management capacity to apply SLM approaches. To this end, the component will: (i) identify local and relevant stakeholders, (ii) carry out communication campaigns to inform and engage stakeholders about the project's goals, scope and rules; (iii) strengthen key stakeholders' SLM capacities and governance to actively participate in the consortiums, through training and technical assistance provision; (iv) carry out preliminary studies; (v) identify potential on- and off-farm investment needs; (vi) identify market players and opportunities; and (vii) carry out environmental and social assessments. The component will initiate by carrying out comprehensive studies to understand the current characteristics of the 9 selected PLs, including: levels of agricultural production and productivity; location and degree of land degradation; environmental (water and soil) and biodiversity conditions; socioeconomic characteristics of rural producers and local communities; existing local market actors and outlets; and mapping of relevant stakeholders. Those results will guide landscape stakeholder engagement strategy, which will be based on communication campaigns and in loco meetings to explain the project's purposes. During project lifetime, the component will carry out annual workshops to continue engaging with stakeholders. The comprehensive studies of selected landscapes will gather information and feedback from multi-stakeholders, including disadvantaged and vulnerable social groups such as: traditional communities (indigenous peoples, quilombola communities, other communities which livelihoods rely on their traditional attachment and knowledge of specific natural habitats) and rural workers and their representative organizations.

The Environmental and Social Impact Assessment has identified 8 indigenous lands and 15 quilombola territories within these nine productive landscapes (PLs) . They include indigenous lands inhabited by the Bororo, Karajá do Sul, Xakriabá and Xavante people.

Subsequently, following what is envisaged under ESS 7 when Indigenous Peoples are not the sole beneficiaries of project activities and considering these studies have the nature of a technical assistance activity, the Client has prepared a Framework for Consultation of Traditional Communities. This framework takes the place of an Indigenous Peoples Policy Framework as the project may consult and benefit more than one Indigenous Peoples as well as other population groups. The framework will be disclosed and consulted before appraisal. Due to the context of spreading of Covid-19 and needed social distancing measures, this consultation will be carried out virtually as is the case of all environmental and social risk management tools. It will be disclosed at SENAR website and directly mailed to key stakeholders (such as FUNAI, INCRA and Fundação Palmares). The elements of this framework will be incorporated on the Terms of Reference for hiring the consultancies responsible for the refinement studies about the three selected landscapes.

This strategy includes an overview social assessment of these Indigenous Peoples and traditional communities as well as all the elements required to carry out meaningful consultations with these social groups in a culturally adequate way, including:

- (a) An initial social assessment of these groups based on reliable secondary sources and consultation with responsible federal and state agencies (including the National Indigenous Foundation, the Palmares Foundation, the National Institute of Colonization and Agrarian Reform and the Ministry of Environment);
- (b) the planning of consultation activities in a culturally adequate way;
- (c) the use of native languages whenever needed in all contacts and communications with these groups;



- (d) the agreement about who needs to be in the consultation: traditional leaderships, community organizations, other representative organizations of traditional communities and indigenous peoples in the Cerrado biome and other stakeholders;
- (e) the adequacy of the rounds of consultation with the calendar of economic and ritual activities of each group;
- (f) the rigorous documentation of the process; and
- (g) the reporting back to those who have been consulted.

**ESS8 Cultural Heritage**

The standard is relevant. Project activities do not include excavations, demolition, flooding or other environmental changes, and are not located in, or in the vicinity of, known cultural heritage sites. Thus, project implementation activities are not expected to have any negative impact on tangible or intangible cultural heritage (legally protected cultural heritage areas, archeological sites and artifacts, built heritage, natural features with cultural significance or movable cultural heritage). Nevertheless, the ESIA identified eight Indigenous Lands, 15 Quilombola Communities and 765 Archaeological Sites within the 9 landscapes targeted by the project. The Project adopted as a core principle that it will not work within or nearby these areas, respecting Brazilian legal rules that define a buffer zone of 10 kilometers around these special areas.

The project does not intend to use cultural heritage of affected parties for commercial purposes. Although these are unlikely to happen, given that on-the-ground activities will occur within private properties that have been productive for very long, the ESMF includes procedures to deal with “chance findings” of archeological artifacts as well as the possibility of impacts on intangible cultural heritage as part of agricultural practices or the access to traditional communities during project implementation.

**ESS9 Financial Intermediaries**

This standard is currently not relevant.

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways** No

**OP 7.60 Projects in Disputed Areas** No

**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:**

None.

Public Disclosure



**IV. CONTACT POINTS**

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**Borrower/Client/Recipient**

Borrower: Serviço Nacional de Aprendizagem Rural

**Implementing Agency(ies)**

Implementing Agency: Ministério da Agricultura, Pecuária e Abastecimento (MAPA)

Implementing Agency: Ministério do Meio Ambiente (MMA)

**V. FOR MORE INFORMATION CONTACT**

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**VI. APPROVAL**

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Practice Manager (ENR/Social) Valerie Hickey Cleared on 01-Feb-2021 at 19:11:50 GMT-05:00