

INTEGRATED SAFEGUARDS DATA SHEET CONCEPT STAGE

Report No.: AC6388

Date ISDS Prepared/Updated: 29-Sep-2011

I. BASIC INFORMATION

A. Basic Project Data

Country:	Brazil	Project ID:	P126343
Project Name:	Parana Multi-Sector Development Project (P126343)		
Task Team Leader:	Tarsila Ortenzio Velloso		
Estimated Appraisal Date:	08-Feb-2012	Estimated Board Date:	12-Jul-2012
Managing Unit:	LCSPS	Lending Instrument:	Specific Investment Loan
Sector:	Sub-national government administration (40%), General agriculture, fishing and forestry sector (20%), General education sector (20%) , Health (20%)		
Theme:	Managing for development results (40%), Other rural development (20%), Education for all (20%), Health system performance (20%)		
Financing (In USD Million)			
Financing Source			Amount
Borrower			0.00
International Bank for Reconstruction and Development			350.00
Financing Gap			350.00
Total			350.00
Environmental Category:	B - Partial Assessment		
Is this a Repeater project?	No		

B. Project Objectives

The proposed Project Development Objective is to modernize public sector management to improve service delivery and make access to economic and human development opportunities more equitable and environmentally sustainable in the state of Paran

C. Project Description

3. The proposed project would be a US\$350 million Specific Investment Loan (SIL) that uses a sector wide approach (SWAp) to support implementation of the Government's program over a three year period. Two forms of support would be provided through two separate components:

a. Component 1 - Technical Assistance: This component will have a total amount of USD30 million and will provide technical and financial support to the design and initial implementation of key elements of the Government's strategy.

b. Component 2 - Support to the Implementation of Sector Strategies: This component, with a total amount of USD320 million will offer technical and financial support to selected sector programs (Eligible Expenditure Programs - EEPs) that are part of the Government's strategy to foster a more equitable development in the state. As with other SWAp projects in Brazil, this component will partially reimburse government expenditures in selected programs. Reimbursements will be conditional on the achievement of disbursement-linked indicators (DLIs).

4. The preliminary project design supports the government's integrated approach to promote social and economic development in the state with the ultimate goal of improving living conditions of the population. Special attention would be given to the lagging regions of the state. The strategy is organized around three broad axes:

a. Public Sector Management: cross-cutting axis aimed at supporting actions to modernize public sector management in the state, through measures grouped around three goals: fiscal quality, institutional modernization, and more strategic and efficient human resources management.

b. Integrated Development: axis targeted at supporting initiatives to promote green growth in the state, with a focus on reducing regional inequalities and based on social, environmental and economic sustainability.

c. Human Development: axis aimed at supporting the improvement of access and quality of fundamental public services, with a focus on education and health. Prompt support will be given to the state in the development of its social protection program and related monitoring mechanisms.

5. Axis 1: Public Sector Management. While each of the pillars in this axis may be associated with a leading organization, all actions affect the public sector as a whole and are key for the fulfillment of the government strategy. In principle, all activities included in this axis will be supported under the technical assistance component.

6. Pillar 1: Fiscal quality. This pillar would support activities aimed at improving the efficiency of revenue collection, strengthening debt management and administration of fiscal risks. Moreover, it would also support the revision of the expenditure commitment and execution process and the strengthening of the internal control function. Potential activities include: (i) development of a strategic plan for the Finance Secretariat; (ii)

prepare an IT master plan for the Finance Secretariat; (iii) revise and reform the tax collection process; (iv) revise and implement a digital process for administrative recourses on tax fines; (v) assess the functioning of the debt management department and devise an action plan for strengthening procedures and capacity; among others. These potential activities will be further discussed and agreed upon during preparation. As the government is currently discussing with IADB a loan targeted at strengthening IT systems in the Finance Secretariat, it is possible that only a few of the potential activities listed above will be included in the project.

7. Pillar 2: Institutional Modernization. One of the main objectives of the government strategy is to increase the effectiveness and efficiency of the state's public administration. As part of this strategy, the government intends to undertake a functional review, identifying the key roles of its agencies and promoting a discussion on alternative service delivery modes. A first initiative under this pillar is to review the role and administrative structure of government entities. While a review of three selected secretariats has already taken place, the government intends to undertake a more comprehensive functional review, in line with the initiatives to redefine the role of each sectoral set of entities. This work would also serve as the basis for work to be carried out under the third pillar regarding the staffing needs for each sector.

8. Modernization efforts would also focus on the revision of administrative procedures and processes, with the aim of reducing red tape and increase efficiency. Besides the clear need to review the expenditure commitment processes, as to identify areas for simplification and strengthened controls, another area that would be subject to simplification efforts is environmental licensing. Unlike other states, Parana has not yet been able to modernize its procedures and reduce the time needed to issue environmental authorizations. This is an area of interest for government, citizens and business, and therefore, has high priority in being modernized. Another area for process revision and simplification is with regards to administrative services provided to citizens.

9. Improving the environmental management processes in the state would be a key concern. The Environment Secretariat (SEMA), in partnership with the AguasParan IAP, and Policia Militar, will develop and implement a Integrated Environmental Compliance System (Sistema Integrado de Conformidade Ambiental -SICA/PR) to address rural environmental cadastre, environmental licensing procedures, water rights, strategic enforcement, monitoring, and land use regulatory requirements. The project will support assessments to define protocols and procedural flow, design procedural flow charts, IT system design, and technical assistance during the implementation. It will also include activities to provide appropriate training for operational and managerial staff in the various state agencies which will help to ensure sustainability of the subcomponent's impacts after implementation.

10. Strengthening planning capacity, monitoring, evaluation and policy making will also be supported under this pillar. The new administration has already initiated efforts to revamp its planning capacity and use the multi-year plan (PPA) as an actual tool for expressing the government's policy intentions, as per the available fiscal space. These efforts have made clear that some sectors will need additional help in clarifying their key goals and strategies, as well as defining intermediate and results indicators. Activities to strengthen the budgeting procedures and to allow for strategic allocation of resources to policy priorities will also be supported. Furthermore, it would be advisable to undertake a review of existing IT systems and their functionalities, in order to devise a plan for actual system integration. Finally, support will be given to the introduction of performance agreements by the government.

11. Pillar 3: More Strategic and Efficient Human Resources Management. A more effective and efficient government will require strengthening the State's workforce more strategically by focusing on attracting and retaining professional personnel, in particular in the center-of-government institutions. Parana's goal should be to move gradually from a pyramidal to a diamond-shaped staff structure, increasing quality of personnel expenditures. Professionalization efforts will require, in turn, putting in place adequate controls over the state's payroll to create the fiscal space needed.

12. Potential activities to be supported under this pillar are expected to include: (i) payroll audits for education, health and civil service careers in the central government, as well as in the decentralized administration; (ii) modernization of payroll for the health sector; (iii) preparation of an strategic workforce plan with long-term vision and a short-term action plan; (iv) development of a planning, budgeting and management career; (v) preparation of operational manuals for center-of-government secretariats; (vi) technical assistance for aligning the state's pay policy and HRM to the state's objectives; (vii) align the state's school of government programs to the objective of strengthening key management functions and developing performance management; and (viii) a communications strategy for the planning and implementation of HRM reforms.

13. Axis 2: Integrated Development. Sector 1: Sustainable Rural Development. The project would support the government's rural development strategy through: (a) the Proterritorio Program, which aims at improving the competitiveness of small family farmers in the 8 territories of the lagging Central Region; and (b) supporting selected activities of the Proesas Program, which aims at fostering sustainable agriculture in those micro-catchment areas most susceptible to environmental degradation. Specific activities would include the following:

14. Under the Proterritorio Program, (i) capacity building of approximately 20,000 small rural producers in the Central Region, including vulnerable groups such as indigenous people and quilombolas; (ii) strengthening public support services and infrastructure, and (iii) support for sustainable business initiatives of groups of small producers to foster their greater integration with remunerative value-chains. Under the Proesas Program, (i) modernization of SEAB and EMATER's tools and approaches for the management of the rural space, (ii) environmental education, and (iii) the promotion of the adoption of sustainable agricultural and natural resource management practices by small rural producers. Approximately 40,000 rural families are expected to benefit from those activities.

15. Sector 2: Infrastructure/Transport. Although the government plans to progressively rebalance its transport matrix over the long term, in the short and medium terms its strategy is to focus on the road network. Therefore, the proposed approach is to develop interventions aimed at contributing to (i) improve the efficiency of logistics in supporting the economic development of the state and (ii) to improve accessibility, both in terms of quality and safety, to services, markets and jobs for people, particularly in the poorest areas of the state.

16. In line with the Government strategy, this Project component would aim at improving the efficiency of the transport sector, mainly through the introduction of cutting edge practices of performance based rehabilitation and maintenance contracts (CREMA) on some of the State main trunk logistics corridors. Some of the envisioned corridors would contribute to ease access to the State's main centers of production and consumption and to the State's central-poor area. Additionally, this Project component could be completed by supporting the State's program of improving local feeder road conditions. This potential supplementary activity would aim at eliminating critical spots on local feeder roads, mainly municipal, and/or carry out limited paving works for linking 3 remote municipalities to the paved network.

17. Sector 3: Disaster Risk Management. Activities in this sector would focus on prevention, disaster preparedness, and mitigation, as an integral component of integrated development strategy. They would combine, through a management perspective, the concept of prevention,

mitigation and preparedness with response, as well as reconstruction. An inter-institutional group, led by SEMA and Civil Defense and including SIMEPAR, MINIROPAR and Instituto de Aguas, will establish a new disaster risk management system. The new system will include plans for natural and technological events, an involuntary resettlement framework for immitigable risk, and a methodology for quantifying disaster-related damages and losses. The project would support the structuring of the monitoring and alert system for high rainfall events in critical areas, as well as by developing a more systematic approach to disaster risk reduction. The activities would entail purchase of equipment (radars, computers, etc.) to implement the physical and software structure needed, as well as consultancies to develop protocols, contingency plans and train the agencies involved in their application. While the key government agencies are starting to better coordinate amongst themselves, considerable work will still be needed to enable effective coordination with municipalities.

18. Axis 3: Human development. Sector 4: Education. The government's overall objective for the education sector is to ensure that all children in Parana have access to good quality education. Among the key challenges identified are to increase access and retention in basic education, reduce over-age students and improve student learning outcomes. Therefore, the government has identified six main objectives grouped in four main programs which include inter-alia: (i) education quality through the improvement of learning and teaching standards and practices as well as a longer school-day; (ii) education access through the expansion of service delivery as well as the rehabilitation and repair of school facilities; (iii) professional development through training of teachers and greater appreciation for the teacher profession; and, (iv) modernization of education management through the development of education partnership with municipal Governments and a better integration of schools within their community.

19. This component would support the following activities:

a. Setting-up of a state-level student evaluation system: The project would support the establishment of a student evaluation system in order to carry out standardized evaluation of learning outcomes of students in the last grades of fundamental and secondary education. Progressively the standardized evaluations will cover all the grades of the second cycle of fundamental and secondary education. The main objective is to regularly provide feedback to schools on student achievements and quickly measure the impact of new pedagogical interventions, independently of the national standardized evaluation conducted by INEP every two years

b. Professional development for teachers: The project would support a new strategy of in-service training developed at local level (i.e.: cluster of schools) with groups of 40 teachers (oficinas). The Education Secretariat (SEED) Regional Education Nucleus will be responsible for working directly with the schools in order to develop training proposals on teaching pedagogical reinforcement needs identified by teachers in subject matters of the fundamental and secondary education curriculum (teachers will use the SEED web site #Dia-a-Dia# to register for training). In addition, the project will enforce stricter rules and set forth improved requirements for the preparation of Education Development Program by teachers on sabbatical leave who have spent a year at university for further training.

c. Upgrading of school facilities: Around 60 percent of state schools are in need of renovation or repair, with problems varying from lack of water and electricity to physical dilapidation. 1,500 schools were identified by the Civil Defense as being potentially dangerous. The project will support the rehabilitation, repairs and in some cases expansion of existing state schools. In addition, the project will finance new school furniture and some equipment. One implementation modality considered will be to support the expansion of the school rotating fund that provides small grants to schools to cover urgent maintenance and minor repairs in addition to their budget for operating expenses.

20. The Project would also provide technical assistance to: (i) plan the design of the new state student evaluation system; (ii) set up an information system on educational infrastructure in order to obtain real on-time information on needs for new rehabilitation, repairs and maintenance; (iii) carry out a diagnostic on staffing needs in the Education Secretariat and design an information system on human resource management; (iv) undertake an impact evaluation of the Education Development Program; (v) design and pilot the Municipal Education Quality Index to capture information on school performance.

21. Sector 5: Health. In light of the main challenges faced by Parana in the health area, the government designed a strategy to improve the quality of service provision and insure adequate access to specialized treatment in the state. The strategy aims to introduce changes in the healthcare mode by integrating the state health system through the implementation of Healthcare Networks in the 22 health administrative regions of the state. The ultimate goal is to improve basic healthcare provided in all of the 399 municipalities, but with a focus in improving child and maternal care, as well as structuring specialized Urgency and Emergency healthcare. These objectives would be supported through three government programs (Eligible Expenditure Programs):

a. HOSP SUS Program: designed to increase the efficiency, effectiveness and equity of the health system. The program establishes guidelines and standards for improving access to hospital beds, skilled in accordance with the priority healthcare networks defined in the Plan of Government.

b. M Paranaense Network: aimed at improving primary healthcare in the state with a special focus on reducing maternal and child mortality indicators.

c. Urgency and Emergency Network: aimed at establishing adequate access to urgency and emergency healthcare in all of the state. The strategy includes the development of capacity for pre-hospital urgency and emergency care in all of the 22 health administrative regions of the state through the SAMUs. It is also based on (i) insuring availability of beds in emergency and operating rooms and in intensive care units (ICUs); (ii) adoption of protocols grounded on scientific evidence; and (iii) investment in providing the different regions of the state with the adequate service provision according to the morbidity profile.

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

22. The project will support activities to improve services delivery in all municipalities of the Parana State. Considering the activities proposed for the Sustainable Rural Development sector, the target area will be the Central Region which includes the State's eight poorest territories encompassing 127 municipalities with about 40% of their population living in poverty.

23. Considering that it would incorporate into its Integrated Regional Development axis the previously prepared and appraised Parana Regional Development Project also known as Proterritorio (P097305), the safeguards policies highlighted below would be triggered. While environmental and social assessments had been carried out for the activities previously included in the Parana Regional Development Project and satisfactory safeguards frameworks already prepared, consulted and disseminated (Environmental Management Framework, Indigenous Peoples Framework, Resettlement Policy Framework - for rural roads rehabilitation, and Pest Management Plan); in light of changing circumstance and expanded scope of the new project, additional environmental and social assessments will have to be carried out and the safeguard frameworks revised accordingly. The new activities will include rehabilitation of schools, road maintenance and potentially paving, as well as support to the strengthening of health networks in the state for which the locations are not yet known. While no additional safeguards are expected to be

triggered, the potential locations and impacts of the project activities will have to be assessed in further detail and determined during project preparation.

Environmental Issues:

24. ParanState, with a surface area of about 200.000 km², is formed by different phytogeographical regions resulting from geomorphological and climate peculiarities of each region. The floristic composition is composed by the Atlantic Forest biome, which corresponds to different ecosystems, such as ombrophilous dense atlantic forest (araucaria forest), mixed ombrophilous forest, semideciduous seasonal forest, steppe (fields), herbaceous vegetation, mangroves, #vzea# and rupestrian vegetation. There is also a remnant of the #cerrado# with savanna vegetation.

25. The Atlantic Forest biome originally corresponded to 97% of the State's territory. Currently this threatened biome it has been reduced to 18% of its original area (well-preserved native areas comprise less than 3-5% of Paran. Of special interest is the critically endangered Araucaria Forest, which once covered more than one third of the State's territory, and the coastal Atlantic Rainforest, Brazil's most threatened forest ecosystem.

26. The climatic conditions in Paranrange from tropical to sub-tropical and temperate zones, with temperatures ranging from 30 to 80. The sub-tropical and temperate zones in Paranget frost in the winter season (June-September).

27. The state is well supplied by hydrological resources. A well-distributed river basin network, makes Paranone of the country's main hydroelectric supplier. Parana's topography consists of a narrow coastal plain separated from the interior of the state by an abrupt wall: the Serra do Mar mountain range to the west of which are 3 successive plateaus. More than half of the state is above 2000 feet in altitude.

28. Historically, land use in the State of Paranhas been agricultural based a ctivities. The traditional crops have been corn, soy, sugar cane, wheat cultivars and pasture areas. The intensive use of land for these crops contributed to soil and forest degradation. This unsustainable land use, especially along riparian forests have affectednot only ecosystems but also led to the loss of biodiversity, increased carbon emissions and others ecological and socioeconomic impacts.

29. The soils are generally fertile, although prone to erosion. Expansion of the agricultural frontier over the past decades has reduced the native vegetation. Poor management of fragile soils has led to their degradation and threatens farm productivity, especially in the rugged Central Region where steep slopes have been continuously cultivated.

30. Bank-supported projects (Land Management Project, 1989-1997, Rural Poverty Alleviation and Natural Resources Management Project, 1998-2006; GEF grant for biodiversity 2003-2008) helped introduce environmentally sound agricultural practices and promote environmental awareness. Nevertheless, the natural resource-base, especially in the Central Region (target area for the Sustainable Rural Development), remains fragile with the need for continued mainstreaming of sound land and water management practices into agricultural systems and for protection of remnant natural vegetation.

31. The Project will support a State wide improvement of the Health Care Network which has environmental implications given the potential increase in health care waste (HCW) generated by these improved facilities. The Project will work with the Safeguard focal point in assessing the in house capacity for proper Health Care Waste Management (HCWM) and that they comply with Brazilian Legislation (ANVISA) with regard to the proper disposal of HCW. Where weaknesses are identified, capacity building will be pursued in order to bring the identified health care facility up to speed.

Social Issues:

32. Paranstate has a history of recent colonization. In the 16th century, during the beginnings of Brazilian colonization, population centres were restricted to just Parana's coast and the region where the state capital sits today. The population is comprised of various ethnic groups: Polish, Italian, German, Ukrainian, Dutch, Spanish, Japanese, and Portuguese, and by migrants coming mostly from the states of Rio Grande do Sul, Santa Catarina, S Paulo, and Minas Gerais (source: www.ipards.gov.br).

33. Since this project will have an overall impact on the effectiveness and efficiency of Parans public sector, the state's population overall is expected to benefit from project implementation. Considering the specific project sectors and activities, the main stakeholders are the following: (i) employees at all government secretariats and agencies involved, as activities may affect procedures and practices, as well as human resource policies; (ii) secondary school students and their parents; (iii) teachers, teachers' union and schools' administrative staff, since the project will support changes in schools; (iv) health sector professionals; (v) users of the public health system and people that currently do not have adequate access to health services; (vi) an estimated 30,000 rural families living in the central region of Paran which the project would reach through their own producer's organizations; (vii) transport sector employees and population and businesses that use the state road network. Employees at the beneficiary secretariats are likely to support the project, as there is great ownership over the activities supported. While there may be initial resistance to some of the proposed public sector reforms in some areas, ultimately it is expected that government staff supports the reforms, since they would contribute to increased efficiency and effectiveness.

34. The target population for the Sustainable Rural Development sector, previously identified for the ParanRegional Development Project also known as Proterritorio (being incorporated in this operation) as mentioned above, would consist of an estimated 30,000 poor rural families, living in the Central Region and including vulnerable groups such as women, youth and indigenous people (approximately 7,440 Kaingang, Guarani and XetlP) which the project would reach through their own producers' associations. The project would also benefit public institutions (extension service, municipal councils) to the extent that is needed to support the overall objective of rural competitiveness.

35. The social assessment with non-indigenous peoples for Proterritorio carried out during preparation of the sustainable rural development activities documented the significant social inequalities in the Central Region, with 35 percent of families classified as poor or extremely poor. The poor are characterized by low per capita incomes, high rates of illiteracy, high infant mortality rates, small and insecure landholdings, and high rates of child labor, among other indicators. There is significant outmigration from the region by young people seeking opportunities, and more young women than men leave due to multiple factors including lack of inheritance possibilities. The most vulnerable populations in Central Region with the most acute indicators, including hunger and food insecurity, are the inhabitants of traditional rural communities, specifically about 37 quilombola communities (not all of which are officially recognized yet), 16 indigenous communities, and traditional faxinal communities which refers to their cultural patterns of using land resources collectively, as well as 145 rural colonizations implemented by INCRA (National Agrarian Reform

Institute).

36. The social assessment and consultations carried out with indigenous peoples in the Central Region for Proterritorio documented a population of about 7,440 indigenous people of which 80.4 percent are Kaingang, 19.5 percent are Guarani and 0.4 percent are Xet They are located in 13 regularized indigenous lands plus one land overlapping (10 of which are regularized and one in process of being demarcated) which in total comprise 61,000 hectares. In addition, the State Land Institute (ITCG) has identified 4 other indigenous lands. The majority of indigenous people in the Central Region live in small lands that make nonviable their traditional subsistence systems, and are in a situation of extreme poverty. The Borrower previously provided a satisfactory Indigenous Peoples Planning Framework (IPPF) on January 14, 2010, which was publicly disseminated on January 15, 2010. The Borrower also previously provided a satisfactory Resettlement Policy Framework (RPF) for the subcomponent on rural road maintenance and erosion control on January 14, 2010, which was publicly disseminated on January 15, 2010.

37. As the content, locations and potential impacts of the new project are identified, additional social assessments, preparation of subsidiary frameworks, consultations and public dissemination will be carried out for the new operation, as needed.

E. Borrowers Institutional Capacity for Safeguard Policies

38. The Secretariat of Planning and General Coordination (SEPL), State Secretariat of Agriculture and Supply (SEAB), and the Environmental Institute of Parana have 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 Secretariat of Planning and General Coordination - through a Project Management Unit (PCU). Moreover, it is intended that each sector for which safeguards are triggered has a safeguards focal point. This person would be in charge of oversight of compliance with the relevant safeguards framework. Considering the activities proposed for the Sustainable Rural Development and given that a Project Implementation Unit (PIU) had already been created under SEAB, this PIU will be responsible for monitoring and oversight of compliance with the frameworks in this sector.

39. Therefore, the focal points in each sector, the PIU in SEAB and the PCU in SEPL would be jointly responsible for implementing the Safeguards policies and will include training/measures to ensure that Safeguards performance will be upgraded and standardized at the field level. These arrangements will be further detailed during project preparation.

40. The State has in one of its Federal Teaching Hospitals (Hospital das Clinicas) an exemplary Health Care Waste Management system which was recently showcased to a Vietnamese and Indian delegation visiting Brazil on a South-South Knowledge exchange tour. This in State capacity will be used to facilitate the capacity building where needed.

F. Environmental and Social Safeguards Specialists on the Team

Judith M. Lisansky (LCSSO)

Gunars H. Platais (LCSEN)

Maria Bernadete Ribas Lange (LCSEN)

II. SAFEGUARD POLICIES THAT MIGHT APPLY

Safeguard Policies Triggered	Yes	No	TBD	Explanation
Environmental Assessment OP/BP 4.01	X			<p>This project is expected be classified as environmental category B. Despite the positive or neutral impacts foreseen, some small-scale investments could potentially have adverse environmental impacts. Illustrative types of small-scale investments that might include some adverse effects are: (i) rehabilitation of schools; (ii) rehabilitation or maintenance of municipal feeder roads; (iii) improvements to small producers# farm and off-farm infrastructure; and (iv) improvement of agriculture (and other) production technologies (e.g., product diversification and/or value-added products). Any environmental impacts are expected to be localized and preventable through responsive mitigation measures.</p> <p>While environmental and social assessments had been carried out for the activities previously included in the ParanRegional Development Project (P097305), which is now incorporated under this Project#s Axis 2, and safeguards frameworks prepared (Environmental Management Framework, Indigenous Peoples Framework, Resettlement Policy Framework - for rural roads rehabilitation, and Pest Management Plan) (Report Number: E2347); in light of changing circumstance and expanded scope of the new project, a new environmental and social assessments will have to be carried out and the frameworks will be prepared accordingly, as well as public consultations will be carried out. The new activities will include rehabilitation of schools, road maintenance and potentially paving, as well as support to the strengthening of health networks in the state. While no additional safeguards are expected to be triggered, the potential impact of the project activities will have to be assessed in further detail and determined during project preparation.</p> <p>Given that implementation activities are not yet identified the correct instrument to prepare and/or updated would be an Environmental and Social Management Framework (ESMF). The ESMF will identify potential impacts, develop a methodology to minimize these impacts, and include mitigation measures to be put into effect during the implementation. The ESMF will also include protocols for construction workers; waste disposal measures; construction site management criteria for any school and road rehabilitation works; dust and noise control; and the institutional arrangement for supervision and oversight of environmental and social measures.</p>
Natural Habitats OP/BP 4.04	X			<p>The proposed project would support sustainable agriculture and other rural activities under the Rural Sustainable Development sector. It would promote the use of better land and water management practices including the protection of remnant natural vegetation within rural landscapes. Project activities will not take place in protected areas and are not expected to significantly modify or degrade natural habitats. The ESMF will include screening criteria to ensure that no significant degradation or conversion of critical natural habitats occurs.</p>
Forests OP/BP 4.36	X			<p>The project is not expected to have negative impacts on native forests rather impacts are expected to be positive. The Integrated Regional Development sector is expected to test models of sustainable, non-timber use of remnant native forest areas in small rural properties (less than 50 ha), and these will be carried out in accordance with addendum 2166-67 to Federal Law 4771/65, which allows for sustainable agro-forestry activities in small rural properties as long as they do not change the overall character of the forest cover and do not alter ecosystem functions in the area. The consistency of the legislation and practice in ParanState with the Bank safeguards principles for small-scale and/or community-based forestry will be reviewed in the ESMF.</p>
Pest Management OP 4.09	X			<p>While the activities under proposed Sustainable Rural Development sector will not finance the procurement of any pesticides or other chemical amendments, it should be noted that minor amounts of pesticides would probably continue to be used by some farmers in targeted micro-catchments for which disposal containers may be requested by communities to reduce health and environmental risks associated with pesticide use. The ESMF prepared by the client has</p>

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

Safeguard Policies Triggered	Yes	No	TBD	Explanation
				included guidance on pest management following OP4.09 for the safe handling, storage, use and disposal of pesticides as well as for Integrated Pest and Plant Management (IPPM) (Report Number: E2347).
Physical Cultural Resources OP/BP 4.11	X			It is not expected that project implementation activities would have any negative impact on physical cultural resources. Despite this, #chance finds# during implementation activities are a possibility. Under Brazilian legislation provisions for the protection of cultural property are part of the environmental licensing procedures. The National Institute for Historical and Cultural Heritage (IPHAN) is the Brazilian institution responsible for handling archaeological and cultural property issues. Whenever #chance findings# occur it is mandatory, under federal and state law, for Brazilian Government agencies to seek IPHAN#s support to address #chance finding# issues. The state government agencies have proven experience and appropriate procedures to recover #chance find# and these procedures would be in all bidding documents and contracts for civil works.
Indigenous Peoples OP/BP 4.10	X			For the previous Proterritorio Project, the Client confirmed that indigenous communities are present in the target area and will be explicitly targeted to benefit from the project. The total indigenous population in Parais around 12.663, divided into three ethnic groups: Guarani, Kaingang and Xet The vast majority live in some 21 indigenous lands which are too small for traditional livelihood practices. There are approximately 7,440 IP in the Central Region (58 percent of the total IP population of the state), living in 13 regularized indigenous lands plus one land overlapping (10 of which are regularized and one in process of being demarcated) which in total comprise 61,000 hectares. In addition, the State Land Institute (ITCG) has identified 4 other indigenous lands. Of the total IP Population, 80.4 percent are Kaingang, 19.6 percent are Guarani, and 0.4 percent are Xet(living in the Kaingang and Guarani areas). In line with OP 4.10, a social assessment and free, prior informed consultations were carried out that demonstrated strong IP interest in being a beneficiary population in the project. The input from the consultations was then incorporated into a IPPF. A satisfactory draft IPPF was then submitted to the Bank on January 14, 2010 and publicly disseminated on January 15, 2010. Given the broader scope and locations of the new operation and its potential positive and negative impacts on indigenous peoples, additional social assessments, preparation of IPPs for identified investments and an IPPF for investments to be identified under implementation, consultations and public dissemination will be carried out for the new operation.
Involuntary Resettlement OP/BP 4.12	X			For the Proterritorio Project, it was determined that it was unlikely that the project would cause physical resettlement or non-physical displacement, although the previous operation did include financing for the rehabilitation of municipally administered rural feeder roads and TA to develop Municipal Roads Management Plans and the previously prepared satisfactory RPF stipulated that full agreement of all potentially-affected parties would be obtained prior to road rehabilitation and maintenance works. Nonetheless, some potential right-of-way issues may arise, so the state prepared a Resettlement Policy Framework (RPF). A satisfactory RPF was submitted to the Bank on January 14, 2010, and was publicly disseminated on January 15, 2010. Given the broader scope, locations and types of activities to be financed under the new operation and the greater potential of physical and non-physical displacement, the preparation of RAPs for identified investments and an RPF for investments to be identified under implementation, consultations and public dissemination will be carried out for the new operation.
Safety of Dams OP/BP 4.37		X		
Projects on International Waterways OP/BP 7.50		X		
Projects in Disputed Areas OP/BP 7.60		X		

III. SAFEGUARD PREPARATION PLAN

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

A. Tentative target date for preparing the PAD Stage ISDS: 23-Nov-2011

B. Time frame for launching and completing the safeguard-related studies that may be needed. The specific studies and their timing¹ should be specified in the PAD-stage ISDS:

Environmental and social assessment

Launched: August 2011; Completion estimated: October, 2011

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IV. APPROVALS

<i>Signed and submitted by:</i>		
Task Team Leader:	Name: Tarsila Ortenzio Velloso	Date: 21-Sep-2011
<i>Approved By:</i>		
Regional Safeguards Coordinator:	Name: Glenn S. Morgan (RSA)	Date: 05-Dec-2011
Comments:		
Sector Manager:	Name: May Cabilas Olalia (SM)	Date: 22-Nov-2011
Comments: approved on behalf of SM		

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