

**INTEGRATED SAFEGUARDS DATASHEET  
APPRAISAL STAGE**

**I. Basic Information**

Date prepared/updated: 02/11/2009

Report No.: AC3933

**1. Basic Project Data**

Country: Brazil	Project ID: P108443	
Project Name: BR-SP Sustainable Rural Development		
Task Team Leader: Laurent Debroux		
Estimated Appraisal Date: February 9, 2009	Estimated Board Date: October 6, 2009	
Managing Unit: LCSAR	Lending Instrument: Specific Investment Loan	
Sector: General agriculture, fishing and forestry sector (70%);Agricultural extension and research (20%);Agricultural marketing and trade (5%);Agro-industry (5%)		
Theme: Land administration and management (P);Participation and civic engagement (P);Rural policies and institutions (P);Rural markets (S);Environmental policies and institutions (S)		
IBRD Amount (US\$m.):	78.00	
IDA Amount (US\$m.):	0.00	
GEF Amount (US\$m.):	0.00	
PCF Amount (US\$m.):	0.00	
Other financing amounts by source:		
Borrower	52.00	
	52.00	
Environmental Category: B - Partial Assessment		
Simplified Processing	Simple <input type="checkbox"/>	Repeater <input checked="" type="checkbox"/>
Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

**2. Project Objectives**

The project development objective is to increase the competitiveness of family agriculture in priority areas of the State of Sao Paulo while improving its environmental sustainability.

This would be achieved by assisting small-scale farmers and other vulnerable rural producers to:

- Increase the productivity of their land and labor, and improve the quality of their products through enhanced production techniques;
- Engage more actively in supply/value chains, where there is a comparative advantage, by undertaking basic processing and marketing techniques and/or strengthening partnerships with larger private operators in these areas;
- Strengthen the organizational and managerial capacity of producers associations, as well as promote the emergence of new associations/cooperatives;

- Mainstream improved land and water management practices tested under the previous operations for more competitive production systems.

Key Indicators are:

- Increase in sales value (unit value x quantity sold) for participating producers' organizations
- Increase in agricultural area where improved land and water management practices are being implemented.

A long-term objective of the project is to increase small farmers' net income, which depends on a combination of factors including quantity, quality and costs of production, and marketing efficiency. The project will aim to make progress towards that long-term objective by helping small farmers improve their production, associative, and marketing techniques. It would also improve the public physical and institutional infrastructures to the extent needed to support the project development objective (i.e., economic monitoring, extension services, environmental management, and rural roads).

### **3. Project Description**

The proposed lending instrument is a Specific Investment Loan of US\$78.0 million over a five-year period. The total project cost is estimated to be US\$130.0 million, including US\$52.0 million of counterpart funding from the State of Sao Paulo.

Component 1, Supporting Small Farmers' Business Initiatives: This component will provide support to small farmers' business initiatives through the following Sub-components:

Sub-component 1.1, Implementing Small Business Investments: This Sub-component will finance selected business initiatives, submitted by producers' organizations, aimed at increasing their competitiveness for products with demonstrated market viability. Direct beneficiaries and contractual partners of the project will be small producers organizations based on geography or products (associations, cooperatives, other forms of organizations). It is envisaged that participating organizations will enter at different levels of managerial capacity, with some receiving initial project support to achieve minimum levels of take-off (through Sub-Component 1.2.), while others will already have the capacity and experience to engage in more complex business undertakings. The project would provide financial support for productive investments only to formally-constituted organizations.

Criteria of eligibility will be used to signal the focus on competitiveness and environmental sustainability. Eligible proposals will have to demonstrate market viability, and preference will be given to initiatives using improved land management techniques (restoring soil fertility, reducing pollution). The selection will be done through a transparent and technically focused process involving representatives of SAA/CATI, SMA, agri-business practitioners, academics, and municipalities.

The project will assist (under Sub-component 1.2) potential beneficiaries to develop their business initiatives, and it would continue to provide technical assistance to beneficiaries (e.g. governance and organizational issues, financial management, technical) during the implementation phase, and it would monitor progress and performance.

This Sub-component will also promote eligible commercial and other (e.g. subsistence agriculture) initiatives developed by indigenous and quilombola organizations, as well as those developed by women and youth organizations.

**Sub-component 1.2, Strengthening Producers' Organizations:** This Sub-component will help create or strengthen the capacity of producers' organizations with regards to organizational management and marketing. This training and assistance will be delivered qualified private service providers contracted by the project and/or by beneficiaries.

First, this Sub-component will finance broad information, training, and exchange programs on agricultural competitiveness in targeted municipalities and micro-catchments across the State in order to stimulate the emergence of business ideas from potential beneficiaries and assist small farmers to identify more profitable opportunities in specific productive chains and/or end-markets. This effort will help small producers identify their comparative advantages on specific products and market niches.

Second, this Sub-component will assist interested organizations in the preparation of business proposals for funding under Sub-component 1.1. It will assist small farmers' organizations with the identification of possible business opportunities; help carry out market analysis, feasibility assessments, and other financial and technical analysis; assist in negotiations with business partners; and advice on legal issues. It will also help existing informal producers' groups to create legal organizations, establish basic management structures, and formulate business proposals for possible support through Sub-Component 1.1.

Third, this Sub-component will continue to provide beneficiaries with technical assistance on organizational, financial, or technical issues throughout the implementation phase (at least two years) and it would monitor progress and performance.

**Component 2, Strengthening Public Institutions and Infrastructures:** This Component will support a set of public functions and investments that are critical to increasing the competitiveness and sustainability of small farming.

**Sub-component 2.1, Policy Framework, Market Monitoring, and Rural Extension:** This Sub-component will help mainstream competitive small-scale agriculture within the policy, regulatory, and planning frameworks at state and municipal levels. It will finance studies and workshops to improve regulation and incentives systems (i.e. labeling systems). It will also carry out studies and assessments relevant to state-level agricultural competitiveness (i.e. analysis of specific supply-chains) and set up an online agri-

business information center. This Sub-component will help identify opportunities in productive chains and end-markets, and adjust the project strategy on a regular basis.

This Sub-component will also strengthen CATI's capacity to advise small farmers on production technologies, marketing, organizational management and other areas critical to competitiveness. It would accompany CATI's modernization process to gradually include management and marketing as part of the extension package, in addition to production techniques. This would include training and assessment of skills mix and future staffing strategy. It would also support partnerships with local research centers and business organizations.

Sub-component 2.2, Rural Infrastructure: This Sub-component will aim to facilitate small farmers' physical access to markets. It would focus on the maintenance and rehabilitation of unpaved rural roads, under the responsibility of municipalities. It would assist priority municipalities to prepare simple rural roads management programs, devise joint financing arrangements, and strengthen partnerships with private service providers. It would also help assess various implementation modalities (joint acquisition of equipment, direct execution of works, various types of outsourcing) based on local conditions, capacity, and sustainability. Where minimum levels of technical, institutional and financial sustainability are met, the project would financially contribute to the rehabilitation and maintenance of priority sections ('critical points') identified in the roads management programs so as to ensure year-round transit. The project may also support other rural investments identified in municipal development plans when they complement investments undertaken by small farmers' organizations (e.g. increase of supply of energy and water to enhance production systems).

Sub-component 2.3, Environmental Sustainability: This Sub-component would help strengthen small farmer's competitiveness over the long-term by ensuring the sustainable management of their productive resource-base (land and water). It would support the implementation of the State's licensing system, combined with environmental awareness-raising. It will promote sustainable agricultural practices through pilot projects at farm-level. This Sub-component will also help extend the application of Sao Paulo's new program of payments for environmental services to agricultural areas, thus providing a new source of income for small farmers who adopt agricultural practices that generate off-site environmental benefits (quality of water, storage of carbon) and increasing their competitiveness. This will also help ensure that new agricultural practices do not result in adverse environmental impacts. The project would help design and implement pilot programs to monitor the impact of improved agricultural practices on water quality, and design appropriate payment mechanisms to farmers.

Component 3, Project Management: This component will finance the institutional structures, equipment, and personnel required to manage the project activities. It will support the executive, deliberative, and consultative functions involved in project implementation at the central and municipal levels. It will ensure the fiduciary functions (procurement, accounting, financial management), as well as the technical planning and monitoring and evaluation of the project, including the implementation of the social and

environmental safeguards instruments. It will disseminate project results and implement a pro-active communication strategy.

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

An estimated 30,000 small farming families would be reached by the project through their own producer organizations (estimated 200-300 organizations with potential for direct involvement in the project). This target population also includes an estimated 1,000 indigenous families and 500 quilombola families. These small farming families are located primarily in 15 priority regions consisting of 212 municipalities covering 7.8 million hectares, or a third of the total State area, primarily congregated in the western part of the State. The project would also benefit public institutions such as the Coordenadoria de Assistencia Tecnica Integral (CATI, the Rural Extension Agency for the State Secretariat of Agriculture and Supply), SMA, and municipalities to the extent that is needed to support the small farming competitiveness agenda. Beyond the number of families that would benefit directly, the project is also envisioned to provide a demonstration effect to the overall small farming sector in the State by better engaging family agriculture in strengthened agricultural organizations and allowing better access to markets.

##### Environmental Issues

For the most part, the project is expected to produce positive environmental impacts. According to the final draft Environmental Assessment (EA) and related Environmental Management Framework (EMF), which were reviewed and cleared by the Bank, the most significant positive impacts foreseen include watershed and biodiversity protection, improved soil management and conservation, improved water quality, and restoration of degraded lands. However, some activities carried out in subprojects supported under Component 1 (small business investments) and Component 2 (rehabilitation and maintenance of unpaved roads and other productive infrastructures under municipal responsibility) could generate small negative impacts, mostly temporary and at the local level. No large scale, significant and/or irreversible impacts are foreseen. The impacts of any misdirected support for productive investments could result in soil erosion, water pollution and noise/air pollution, the latter from road rehabilitation works.

As sub-projects cannot be identified a priori because of the demand-driven nature of interventions, specific impacts cannot be anticipated, but all investments under Components 1 and 2 will be subjected to a rigorous screening process to ensure maximum environmental benefits and to prevent or minimize unintended negative environmental impacts. Investments' environmental screening, evaluation, approval, and monitoring procedures have been incorporated into the Project design (i.e. business initiatives and other investments cycle). These procedures, detailed in the EMF report, will be included in the Project's Operational Manual.

The Project would build on the existing EA capacity and institutional arrangements established under the recently closed Sao Paulo Land Management Project and the

ongoing Ecosystem Restoration of Riparian Forests GEF Project. CATI would need to be strengthened to support investments review. The EMF includes provisions for strengthening EA capacity within SMA and CATI at the regional and central levels, as well as local CATI municipal extension officers.

### Social Issues

For the most part, the project is expected to produce positive social impacts. The social assessment documents, provide further evidence of poverty indicators for most of the small family farmers of Sao Paulo, and additional data on some of the most vulnerable rural social groups specifically indigenous people and quilombola (descendants of ex-slaves) communities, as well as consideration of other relevant social differentiation variables such as gender and age. Preparation included six free prior informed consultations with indigenous people, focusing on the formulation of the project's Indigenous Peoples Planning Framework.

CATI also carried out numerous consultations and meetings with a broad cross-section of project stakeholders and beneficiaries between 2005 and 2008, including seven consultations in 2008 two of which were with representatives of quilombola communities. Stakeholders consulted included rural producers, leaders of associations and cooperatives, technicians from partner institutions, representatives of non-governmental organizations, among others. Key concerns expressed focused on improving agricultural productivity with a strong emphasis on commercialization, better delivery of technical assistance, and improved coordination among public agencies and programs, all of which have been reflected in project design. The project design includes specific targeting of indigenous communities, prioritization of quilombola communities, and includes participatory processes to improve participation of women and youth.

Lastly, because road maintenance activities supported under Subcomponent 2.4 could result in the acquisition of new land, particularly in ROWs (right-of-ways), a Resettlement Policy Framework (RPF) was prepared.

### **5. Environmental and Social Safeguards Specialists**

Ms Judith M. Lisansky (LCSSO)

Ms Katia Lucia Medeiros (ACTRT-HIS)

Ms Estela Maria Souza Costa Neves (LCSAR)

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

## **II. Key Safeguard Policy Issues and Their Management**

### ***A. Summary of Key Safeguard Issues***

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts: OP/BP 4.01 – Environmental Assessment. The Project is classified as Category B, the appropriate classification for projects whose potential adverse environmental impacts on human populations or environmentally important areas are site-specific, reversible and can be readily mitigated (OP 4.01, paragraph 8). In accordance with this classification, an Environmental Assessment (EA) and related Environmental Management Framework (EMF) have been prepared. As mentioned above, the EA/EMF specifies the criteria and procedures that would be used during project implementation to avoid or minimize potentially adverse environmental impacts. Key aspects regarding Bank’s safeguards included in the EA/EMF are described below.

OP/BP 4.04 - Natural Habitats. The project would not support or lead to the conversion of natural habitats. In fact, it would help rehabilitate, restore, and protect degraded riparian forests which are important to preserve local biodiversity and the quality of water resources. On-farm investments are expected to take place in areas that have been traditionally dedicated to crop and livestock farming and would not therefore involve conversion of natural habitats. Instead, the proposed project would support natural habitat conservation since (i) increased agricultural productivity will be a result of sound environmentally practices, (ii) it would help restore and protect degraded riparian forests which are important to preserve biodiversity and the quality of water resources, and (iii) the project would support conservation practices and improved land use planning and management leading to a more sustainable use of agricultural lands, conservation of natural habitats, and the rehabilitation of degraded natural habitats. The EMF explicitly forbids any project activities in areas supporting critical natural habitats or inducing significant conversion or degradation of critical natural habitats. It also ensures that any activity in the buffer zone of a protected area would be designed to help reduce pressure on the protected area itself. Moreover, the EMF provides clear guidance regarding unintended impacts on natural habitats.

OP/BP 4.36 - Forests. The requirements of OP 4.36 for this project overlap with those of OP 4.04. The project would support activities that generate positive environmental impacts by promoting the rehabilitation and conservation of degraded native forests (including riparian zones), as well as by contributing to the restoration and maintenance of ecological functions in those areas. The project would also test models of sustainable, non-timber use of such areas in small rural properties. Importantly, this would 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 project would also support the connection of fragmented forest corridors. Despite the positive impacts foreseen through the implementation of these activities, the EMF includes clear guidance regarding direct and indirect impacts on native forests. The EMF contains procedures to ensure that all project activities comply with OP 4.36, and with the national legislation, which establishes a series of measures to protect existing forests. The project would deal with the issue of Areas de Preservacao Permanente and Reserva Legal in a pragmatic manner, helping the farmers to progressively improve the level of environmental compliance.

OP 4.09 - Pest Management. The project would not finance the procurement of any pesticides or other chemical amendments that would trigger OP 4.09. Nevertheless, small amounts of pesticides would probably continue to be used by a small portion of farmers in targeted microcatchments. A Pest Management Plan (PMP) has been included as an Annex to the EMF, and agreed procedures will be incorporated into the Operational Manual in order to provide guidance on how to minimize potential negative environmental impacts and on training in safe pesticide use, handling, storage, and disposal, as well as guidelines for Integrated Pest Management (IPM) and screening procedures against the WHO list of approved products. The need to use pesticides would be assessed on an individual subproject basis, and any approved use should comply with Brazilian Laws 7.802/89 and 9.974/00. Whenever possible, the project will adopt proven IPM and economically and environmentally sustainable measures. The project would support technical assistance for the adoption of IPM practices, in order to reduce input costs and human health risks and minimize adverse environmental impacts through the gradual elimination of pesticide use, without significantly affecting yields. In addition, the project would promote training in good practices and the dissemination of IPM information.

OP/BP 4.10 - Indigenous Peoples. The screening and social assessment estimated that there are approximately 5000 indigenous peoples in the rural areas of the State of Sao Paulo comprised of the following six ethnicities: Guarani Kaiowa, Guarani M'Bya, Guarani Nhandeva, Kaingang, Krenak, and Terena. Consultations demonstrated their strong interest in participating in the project, and indigenous peoples are one of the project's target beneficiary populations. Socio-environmental diagnostics, site-specific sustainable development plans, and the preparation of demand-driven subprojects for financing will be carried out under the project. Hence, the client prepared an Indigenous Peoples Planning Framework.

OP/BP 4.11 - Physical Cultural Resources. The Project would finance small-scale works in already established agricultural zones where the likelihood of disturbing archaeological, paleontological, or other culturally significant sites is small. The project is not expected to have negative impacts on cultural property, including movable or immovable objects, sites, structures, groups of structures or natural features or landscapes with archeological, paleontological, historical, architectural, religious, aesthetic or other cultural significance. The EMF includes a framework for screening project activities in relation to potential negative impacts to cultural property, according to national and state legislation. In any case, such impacts would be avoided through the application of subproject eligibility criteria and the safeguard screening system. The EMF also instructs that “chance find” procedures would be included in the contracts for any subproject involving works, as well as in the Operational Manual, in order to comply with this safeguard and with national and state legislation on cultural property.

OP/BP 4.12 - Involuntary Resettlement. The client has prepared a Resettlement Policy Framework (RPF) that addresses any potential loss of assets issues that might occur during project implementation as the result of rehabilitation of unpaved rural roads. A satisfactory first draft of the RPF, which has already been publicly disseminated, was delivered to the Bank on December 29, 2008. It will be further evaluated during appraisal after which a final draft will be submitted to the Bank for a “no objection.” Subsequently, the RPF will be publicly disseminated by the Client and the Bank.

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

No significant indirect or long-term or cumulative impacts are foreseen under the Project. Initiatives to be supported under Components 1 and 2 will be subjected to a rigorous screening process to ensure that maximum socioeconomic and environmental benefits are accrued and that any unintended negative environmental impacts are avoided or minimized, including those eventually associated to secondary or indirect and long-term effects.

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

Not Relevant.

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described. The Borrower’s institutional capacity for safeguard policies is relatively good at the state level, but tends to be uneven and mostly weak at the municipal level. The State Secretariat of Agriculture and Supply (SAA) would manage the project at the central level. Implementation responsibilities would be carried out through CATI, where the Project Management Unit (PMU) would be located, and the SMA would act as co-manager and provide support where appropriate. These institutions have substantial experience in working with safeguard policies through implementation of the Sao Paulo Land Management Project and the ongoing Ecosystem Restoration of Riparian Forests GEF Project. To strengthen safeguard capacity, particularly at the local level, specific

capacity-building activities would be carried out, especially with respect to working with indigenous populations since there is little prior experience in working with these populations. In addition, a cooperation agreement would be signed with the national Indian agency (FUNAI), and collaborative linkages would be sought with other state, federal, and non-governmental organizations already working with indigenous peoples as well as quilombola communities in the SoSP.

The specific measures taken by the Borrower to address each of the safeguard issues are described in the following.

OP 4.01 Environmental Assessment. The Project is classified as Category B. In accordance with this classification, an EA and related EMF have been prepared. Based on the results of the EA, the project remains designated as Category B project. As mentioned above, the EA/EMF specifies the criteria and procedures that would be used during project implementation to avoid or minimize adverse environmental impacts.

The Project would build on the existing EA capacity established within the organizational framework of the implementation agencies, CATI and SMA. The capacities of these agencies would be strengthened to implement the EA/EMF. In addition, environmental requirements and procedures for investment proposals would be disseminated among the beneficiaries, stakeholders, municipal authorities and other relevant organizations at the municipal and regional levels. The PMU would include a group of environmental technical specialists in charge of monitoring the implementation of the EMF. Proposed physical investments would be categorized by the CATI staff that would be accountable for recruiting and carrying out the overall supervision of EA-related reports before submitting investment proposals for final approval. CATI would also inform concerned environmental authority that could also monitor the EA process.

OP 4.04 Natural Habitats. The EMF explicitly forbids any project activities in areas supporting critical natural habitats or inducing significant conversion or degradation of critical natural habitats. It also ensures that any activity in the buffer zone of a protected area would be designed to help reduce pressure on the protected area itself. Moreover, the EMF provides clear guidance regarding unintended impacts on natural habitats.

OP 4.36 Forests. The requirements of OP 4.36 for this project overlap with those of OP 4.04. Despite the project expected positive impacts, the EMF contains procedures to ensure that all project activities comply with OP 4.36, and with national legislation, which establishes a series of measures to protect existing forests. The EMF includes clear guidance regarding direct and indirect impacts on native forests. The project would deal with the issue of Areas de Preservacao Permanente and Reserva Legal in a pragmatic manner, helping the farmers to progressively improve the level of environmental compliance.

OP 4.09 Pest Management. A Pest Management Plan (PMP) has been included in the EMF, to be incorporated into the Operational Manual, in order to provide guidance on how to minimize potential negative environmental impacts and on training in safe

pesticide use, handling, storage and disposal, as well as guidelines for Integrated Pest Management (IPM) and screening procedures against the WHO list of approved products. The need to use pesticides would be assessed on an individual subproject basis, and any approved use should comply with Brazilian Laws 7.802/89 and 9.974/00. Whenever possible, the project will adopt proven IPM and economically and environmentally sustainable measures. The project would support technical assistance for the adoption of IPM practices, in order to reduce input costs and human health risks and minimize adverse environmental impacts through the gradual elimination of pesticide use, without significantly affecting yields. In addition, the project would promote training in good practices and the dissemination of IPM information.

OP/BP 4.10 - Indigenous Peoples. The client carried out a social assessment and extensive consultations with indigenous people in rural Sao Paulo. The consultations demonstrated their strong interest in participating in the project, and indigenous peoples will be one of the project's target beneficiary populations. The client has prepared a Indigenous Peoples Planning Framework, which complies with the requirements of OP 4.10, and specifies the methodology by which indigenous people will participate in the project and will develop future subprojects for financing. A satisfactory draft of the IPPF, already publicly disseminated by the client, was delivered to the Bank on Dec 29, 2008. It will be further evaluated during appraisal after which a final version will be submitted to the Bank for "no objection." Subsequently, the IPPF will be publicly disseminated by the client and the Bank.

OP 4.11 Physical Cultural Resources. The EMF includes a framework for screening project activities in relation to potential negative impacts to cultural property, according to national and state legislation. In any case, such impacts would be avoided through the application of subproject eligibility criteria and the safeguard screening system. The EMF also instructs that "chance find" procedures would be included in the contracts for any subproject involving works, as well as in the Operational Manual, in order to comply with this safeguard and with national and state legislation on cultural property.

OP/BP 4.12 - Involuntary Resettlement. The client has prepared a Resettlement Policy Framework (RPF) that addresses any potential loss of assets issues that might occur during project implementation as a result of the rehabilitation of unpaved rural roads. A satisfactory draft of the RPF, which has already been publicly disseminated, was delivered to the Bank on December 29, 2008. It will be further evaluated during appraisal after which a final version will be submitted to the Bank for a "no objection." Subsequently, the RPF will be publicly disseminated by the Client and the Bank.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. Main stakeholders in the Project are: (i) beneficiary stakeholders, including small-scale farmers and their families, indigenous communities, quilombola communities, rural women and youth, and community leaders; (ii) state and municipal institutions (mainly SAA and SMA); Municipal Rural Development Councils; CATI extension services;

national and local NGOs; universities; professional producer associations; and private technical assistance providers.

The mechanism for consultations of civil society organizations and stakeholders are primarily workshops and focus groups organized usually at the regional level.

The EA report has been subjected to a virtual public consultation process (<http://www.ambiente.sp.gov.br/desenvolvimentoRuaralSustentavel.php>) with a broad range of key stakeholders. The EA is available at the home pages of the State Rural Extension Agency (CATI) and State Environment Secretariat (SMA), respectively.

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### ***B. Disclosure Requirements Date***

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#### **Environmental Assessment/Audit/Management Plan/Other:**

Was the document disclosed <b>prior to appraisal?</b>	Yes
Date of receipt by the Bank	10/30/2008
Date of "in-country" disclosure	12/23/2008
Date of submission to InfoShop	01/21/2009
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	

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#### **Resettlement Action Plan/Framework/Policy Process:**

Was the document disclosed <b>prior to appraisal?</b>	Yes
Date of receipt by the Bank	12/22/2008
Date of "in-country" disclosure	12/22/2008
Date of submission to InfoShop	01/22/2009

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#### **Indigenous Peoples Plan/Planning Framework:**

Was the document disclosed <b>prior to appraisal?</b>	Yes
Date of receipt by the Bank	10/29/2008
Date of "in-country" disclosure	12/22/2008
Date of submission to InfoShop	01/21/2009

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#### **Pest Management Plan:**

Was the document disclosed <b>prior to appraisal?</b>	Yes
Date of receipt by the Bank	12/22/2008
Date of "in-country" disclosure	12/22/2008
Date of submission to InfoShop	01/22/2009

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**\* If the project triggers the Pest Management and/or Physical Cultural Resources, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.**

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**If in-country disclosure of any of the above documents is not expected, please explain why:**

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

<b>OP/BP/GP 4.01 - Environment Assessment</b>	
Does the project require a stand-alone EA (including EMP) report?	Yes
If yes, then did the Regional Environment Unit or Sector Manager (SM) review and approve the EA report?	Yes
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes
<b>OP/BP 4.04 - Natural Habitats</b>	
Would the project result in any significant conversion or degradation of critical natural habitats?	No
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	N/A
<b>OP 4.09 - Pest Management</b>	
Does the EA adequately address the pest management issues?	Yes
Is a separate PMP required?	No
If yes, has the PMP been reviewed and approved by a safeguards specialist or SM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	N/A
<b>OP/BP 4.11 - Physical Cultural Resources</b>	
Does the EA include adequate measures related to cultural property?	Yes
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes
<b>OP/BP 4.10 - Indigenous Peoples</b>	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes
If the whole project is designed to benefit IP, has the design been reviewed and approved by the Regional Social Development Unit or Sector Manager?	No
<b>OP/BP 4.12 - Involuntary Resettlement</b>	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes
If yes, then did the Regional unit responsible for safeguards or Sector Manager review the plan?	Yes
<b>OP/BP 4.36 - Forests</b>	
Has the sector-wide analysis of policy and institutional issues and constraints been carried out?	N/A
Does the project design include satisfactory measures to overcome these constraints?	N/A
Does the project finance commercial harvesting, and if so, does it include provisions for certification system?	No
<b>The World Bank Policy on Disclosure of Information</b>	
Have relevant safeguard policies documents been sent to the World Bank's	Yes

Infoshop?

Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs? Yes

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**All Safeguard Policies**

Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies? Yes

Have costs related to safeguard policy measures been included in the project cost? Yes

Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies? Yes

Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents? Yes

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***D. Approvals***

<b><i>Signed and submitted by:</i></b>	<b><i>Name</i></b>	<b><i>Date</i></b>
Task Team Leader:	Mr Laurent Debroux	02/09/2009
Environmental Specialist:	Ms Katia Lucia Medeiros	02/11/2009
Social Development Specialist	Ms Judith M. Lisansky	02/11/2009
Additional Environmental and/or Social Development Specialist(s):	Ms Estela Maria Souza Costa Neves	02/11/2009
<b><i>Approved by:</i></b>		
Regional Safeguards Coordinator:	Mr Reidar Kvam	
Comments:		
Sector Manager:	Ms Ethel Sennhauser	02/11/2009
Comments:		