

**INTEGRATED SAFEGUARDS DATA SHEET  
APPRAISAL STAGE**

**Report No.: ISDSA19861**

**Date ISDS Prepared/Updated:** 29-Nov-2016

**Date ISDS Approved/Disclosed:** 29-Nov-2016

**I. BASIC INFORMATION**

**1. Basic Project Data**

<b>Country:</b>	Brazil	<b>Project ID:</b>	P153012
<b>Project Name:</b>	Fortaleza Sustainable Urban Development Project (P153012)		
<b>Task Team Leader(s):</b>	Catalina Marulanda, Emanuela Monteiro		
<b>Estimated Appraisal Date:</b>	05-Dec-2016	<b>Estimated Board Date:</b>	15-Feb-2017
<b>Managing Unit:</b>	GSU10	<b>Lending Instrument:</b>	Investment Project Financing
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No
<b>Financing (In USD Million)</b>			
Total Project Cost:	146.60	Total Bank Financing:	73.30
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
Borrower			73.30
International Bank for Reconstruction and Development			73.30
Total			146.60
<b>Environmental Category:</b>	B - Partial Assessment		
<b>Is this a Repeater project?</b>	No		

**2. Project Development Objective(s)**

The proposed Project Development Objective is to: (i) strengthen the capacity of the Municipality of Fortaleza for land use planning and land-based financing; and (ii) enhance urban environment and rehabilitate public spaces through interventions in selected areas of the Vertente Maritima basin and of the Rachel de Queiroz Park.

**3. Project Description**

The Project will have three components:

Component 1. Urban and Environmental Restoration. The objective of this component is to promote urban and environmental restoration of selected areas of the city through investments in public spaces and sanitation. Implementation of the selected activities also aims at strengthening the Municipality of Fortaleza's capacity for urban planning and environmental management. Sub-Component 1.1 will support the environmental restoration and urban renewal of Rachel de Queiroz (RDQ) Park. Sub-

Component 1.2 will be aimed at reducing point-source pollution along Vertente Maritima (VM) coastline through a number of interventions, among which (i) financing connections of low-income households to the sewage network, and (ii) conducting communication and environmental education campaigns to promote a more sustainable management of pollution sources in the VM, including illegal sewage discharges and solid waste management. Targeted communication media and educational campaigns will be designed for various audiences (e.g. high, medium and low income population, waste scavengers, and tourists).

Component 2. Strengthening Planning and Land-based Financing. The objective of this component is to strengthen the capacity of the Municipality of Fortaleza for planning and land-based financing. It will support: (i) the upgrade of planning instruments and licensing tools, including the existing cadaster (to be transformed into an integrated and multipurpose tool) and the Fortaleza Online platform (which is a web based platform for issuing environmental and urban permitting processes); and (ii) the implementation of land-based financing instruments. Under the latter, the project will finance the design and structuring of an urban redevelopment operation (Operacao Urbana Consorciada, OUC) in the area of influence of the RDQ Park.

Component 3. Project Management. This component will support the technical and fiduciary management of the project, project audits, and project monitoring and evaluation.

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

Fortaleza is the fifth largest city in the country with a population of 2.6 million inhabitants (IBGE, 2014), who live in a territory of 315 square kilometers (population density equals 8.3 thousand inhabitants/km<sup>2</sup>). The city's Gini coefficient is one of the highest amongst state capitals (IBGE, 2010) and 5.46 percent of the population lives in conditions of extreme poverty (IPECE, 2014). Over 16 percent of the population lives in substandard settlements (roughly 509 different favelas were mapped in the city in 2010). Gender inequality is also high. Women count for 51.4 percent of the labor force, but women's average earnings equal just 61.5 percent of men's. In consequence, mono-parental families headed by women with children (which count for 55.6 percent of all families in the Fortaleza) are overrepresented among the low-income population (73.7 percent of all families with per capita income up to one fourth of the minimum wage).

Inequalities are spatially distributed. In 2010, Fortaleza had the second largest slum population of the cities of the Northeast, amounting to roughly 396,370 people (IBGE). The poorest areas of the city are located along the main water bodies - including the Maranguapinho and Ceara rivers (in the Western area) and the Coco river and its tributaries (in the Northeastern area) - as well as along the beach, particularly on the Western and North Eastern side. Many low-income settlements are located in areas of high risk of flooding, increasing the vulnerability of an elevated number of poor households.

The deep inequalities that characterize the city are evident along the coastline, where wealthy neighborhoods are adjacent to pockets of severe poverty. In fact, 69% of the population living in the

Northern neighborhoods of the city has levels of income at or below three minimum salaries (IBGE, 2010). Originally areas of illegal occupation, they are characterized by high density, disorganized and unregulated land use, lack of basic services (sewerage, water, waste collection), and an overall deficiency of urban amenities. The poor live in precarious housing conditions located in environmental degraded areas with critical levels of crime and violence. Additionally, remote, poor southern areas are characterized by large low-income housing complexes built in the 1970s and 1980s, with very limited transportation options. In subsequent years, the city expanded fast and without planning towards those areas, resulting in low-rise, low density and low-income residential housing. Infrastructure for the provision of basic services is deficient, mobility remains very limited, and crime rates are high. Encroachment in parks and around lagoons has essentially deprived the majority of the population of access to these natural spaces.

The project will target its interventions in five neighborhoods in the Northwestern end of the Vertente Maritima basin and eight neighborhoods around the Rachel de Queiroz (RDQ) Park. The social assessment shows these neighborhoods count for approximately 13.0 percent of the city's population and 12.5 percent of its population living in conditions of extreme poverty.

In Fortaleza, including the targeted area, population growth and rapid unplanned urbanization brought with them a number of urban, social and environmental problems. These include among others: the occupation of high-risk areas, deficiencies in sanitation and solid waste management systems, urban mobility bottlenecks, and environmental degradation and poor quality of green spaces (as expressed by the low rate of green areas per population within the city - 4 m<sup>2</sup> per inhabitant). The deficiencies in urban infrastructure and afforestation of streets can be used as good proxies for urban and environmental quality. In Fortaleza, these deficiencies are strongly associated with low-income households (IBGE, 2010). Furthermore, low-income households are strongly associated with mono-parental families headed by women with children. Therefore, these associations suggests the Project may have positive distributional impacts.

Considering activities envisaged under Subcomponent 1.2 - Reducing point-source pollution along VM coastline, the social assessment has paid particular attention to potential impacts on waste scavengers and concluded that they will not adversely affect them. On the contrary, the activities supported by the project are based on a long-lasting work done by the Municipality of Fortaleza with waste scavengers and will contribute to strengthen their representative organizations, improve the safety and health of their labor environments, promote their access to social protection benefits and enhance their living conditions. Formal organizations of waste scavengers have to follow the strict Brazilian labor laws, which include among others norms and standards related with health and safety of labor spaces (which follows OHSAS 18001 internationally applied standards for occupational health and safety), freedom of association and labor representation, and the ban of forced labor as well as child labor.

Compliance with labor legislation by formal organizations of waste scavengers are overseen by governmental labor agencies at the municipal, state and federal level. In compensation, membership to formal organizations allow waste scavengers to have access to social protection and labor benefit policies. Without the creation and strengthening of these formal organizations, waste scavengers work in very tough conditions in open landfills and informal labor relations with patrons. In these conditions, working hours are longer and no labor rights are ensured.

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

Alberto Coelho Gomes Costa (GSU04)

6. Safeguard Policies	Triggered?	Explanation (Optional)
Environmental Assessment OP/BP 4.01	Yes	<p>The proposed set of interventions is primarily focused in urban and environmental restoration, aiming to enhance the quality of the city's urban environment. These interventions include under Component 1: the optimization of installed sewer infrastructure; the reduction and control of pollution sources of water resources; and the regeneration of green spaces. The project also includes technical assistance for carrying out studies required to identify and structure potential Urban Operations (OUCs) in the city, under Sub-Component 2.2: Implementation of land based financing instruments. A management plan for urban parks will be prepared in the first year of project implementation, supported by the principles of OP/BP 4.04 - Natural Habitats and OP 4.09 - Pest Management.</p> <p>The application of safeguard policies to the technical studies and assistance to be provided by the project for the design and structuring of the RDQ OUC will follow the guiding principles set at the World Bank's Interim Guidelines on the Application of Safeguard Policies to Technical Assistance (TA) Activities in Bank-Financed Projects and Trust Funds Administered by the Bank. In accordance with this, a category B is proposed for the Project. The Environmental Assessment safeguard is mandatory to all projects and sub-projects that may potentially have an environmental and social impact. In compliance with OP 4.1, the Borrower has prepared an Environmental and Social Management Framework (ESMF). The document contains the three essential instruments of environmental assessment: (i) a focused analysis of the social and environmental context, the potential positive and adverse impacts of the Project, and the mitigating measures (part 1 - ESIA); (ii) the project socio-environmental management framework (ESMF), including the criteria and screening procedures for the selection of interventions to be financed, which will be applied before the final selection of each investment subproject (a first screening process has already been applied to some selected projects, and is included as an Annex of the ESMF); and (iii) an evaluation of Fortaleza's institutional capacity for environmental compliance.</p> <p>Principles of OP 4.01 have been applied, including guidance for prior analysis (environmental screening, socio-environmental assessment sheets) of the potential</p>

impacts of project interventions, including direct, indirect and cumulative impacts. In this way, it will be possible to recognize the potential impacts, both positive and negative, in order to subsidize the definition of mitigating measures and specific action plans; as well as the activation of other safeguards policies, ensuring the preparation and implementation of the required environmental assessment instruments.

The social analysis included in the ESMF addressed issues related with (i) gender gaps and barriers leading to overrepresentation of women-headed households with children among the low-income families, and (ii) vulnerable groups (particularly waste scavengers, whose livelihood strategies are expected to be improved by some of the envisaged interventions). In fact, the social assessment concluded that waste scavengers will not be adversely affected. On the contrary, the activities supported by the project are based on a long-lasting work done by the Municipality of Fortaleza with waste scavengers and will contribute to strengthen their representative organizations, improve the safety and health of their labor environments, promote their access to social protection benefits and enhance their living conditions.

The social assessment has also ensured people with disabilities and the elderly with all the means to have access to the RDQ facilities as well as access to communication and education activities in compliance with the strong Brazilian laws of accessibility and inclusion of people with disabilities. This legislation includes standards of design and construction for accessibility to buildings, public equipment and the urban environment as and sets parameters for people with physical, visual, hearing and other disabilities and are consolidated on the third edition of the Norma Brasileira de Acessibilidade a edificações, mobiliário, espaços e equipamentos públicos (ABNT NBR-9050, in place since October 11, 2015 available at: [http://www.pessoacomdeficiencia.gov.br/app/sites/default/files/arquivos/%5Bfield\\_generico\\_imagens-filefield-description%5D\\_164.pdf](http://www.pessoacomdeficiencia.gov.br/app/sites/default/files/arquivos/%5Bfield_generico_imagens-filefield-description%5D_164.pdf)).

Overall, the project is expected to have pro-poor impacts contributing to improve the living conditions of low-income families in some of the most deprived neighborhoods of the city.

The potential negative impacts foreseen are mainly: (i) temporary disruptions of various kinds due to the proposed civil work and interventions of the Project, such

	<p>as the movement of machinery and equipment, the interruption of traffic, the generation of noise and dust, always associated with the adoption of mitigation measures, adoption of social communication plans and special attention to the health and safety of the workers involved; and, also with regard to existing vegetation, may involve the suppression of vegetation in very specific cases, but also always associated with the measures already planned for rehabilitation and requalification of urban green areas, necessarily involving the densification of green areas, revegetation of riparian areas and planting of native vegetation; And, (ii) Collection of fines and / or costs for works for the domestic interconnection of sewers of clandestine users; (iii) Possible need for land acquisition, expropriation and / or resettlement of families; And (iv) Potential increase in rental values of real estate in areas where improvements and urban transformations will occur.</p> <p>The social analysis has also evaluated the grievance redress mechanism in place and considered it diversified, accessible and adequate to the most vulnerable population.</p> <p>The ESMF was reviewed by the Bank, consulted and publicly disseminated prior to Appraisal.</p>
Natural Habitats OP/BP 4.04	Yes
	<p>Some proposed project interventions may support investment for the recovery of green spaces and redevelopment of degraded areas. These interventions could be proposed in areas considered by the state to be environmentally sensitive (i.e., small water resources streams) or spring and river margins areas, classified as Permanent Preservation Areas (APP) and legally protected by the Brazilian Legislation (Federal Law 4771/65).</p> <p>However, the interventions proposed for FCS do not reach environmentally critical areas. On the contrary, all activities are located in areas already quite anthropized and in a state of degradation over the years.</p> <p>The OP 4.04 is triggered and all planning activities that may affect natural habitats must follow World Bank policies. In addition, APP use for sanitation systems development requires specific permitting, mitigation and regeneration measures by the Brazilian legislation.</p> <p>Despite the expected positive impacts, the ESMF has included clear guidance regarding direct and indirect impacts on natural habitats. The natural habitats identified are APPs of water resources (such as streams and ponds), where activities would involve environmental recovery through elimination of sewage effluents, recovery of the</p>

		<p>vegetation cover and revegetation with native species in the riverine areas, and the creation of urban parks.</p> <p>In addition, within Rachel de Queiroz Park is located the ARIE Matinha do Pici (section 10), whose main guideline is environmental recovery without any deployment of equipment that will cause environmental impact.</p> <p>The principles and guidelines of OP 4.04 will be widely considered in the management plans that are being prepared for the Rachel de Queiroz, Adahil Barreto, Parreao and ARIE da Matinha do Pici parks.</p>
Forests OP/BP 4.36	No	Given the nature, scope, and location of the investment activities under this project, this OP is not triggered.
Pest Management OP 4.09	Yes	<p>The project is not expected to finance any pesticides or other chemical amendments that would trigger OP 4.09. Nevertheless, some amounts of herbicides could probably be used in the creation and maintenance of green areas and urban parks.</p> <p>The project has therefore supported the development of a Pest Management Framework (PMF). The PMF has been incorporated into the ESMF and will be part of the Project Operational Manual.</p> <p>The need to use herbicides will be indicated in each sub-project. When the use of herbicides is justified, an analysis of potential negative impacts resulting from the use of these chemical and the risk associated with the inappropriate handling or storing of their containers will be conducted.</p> <p>The projects will also include measures to reduce those risks, in compliance with Law No. 7.802/89. The PMF describes the list of measures to be adopted in case needed. It makes use of the World Health Organizations Recommended Classification of Pesticides by Hazard and Guidelines to Classification (GENEVA; WHO 1994-95). The PMF also excludes finance under the proposed project for formulated products that fall into WHO classes IA and IB, or formulation of products in Class II, if: (i) the country lacks restrictions on their distribution and use, or (ii) they are likely to be used by, or be accessible to, lay personnel, farmers, or others without training, equipment, and facilities to handle, store, and apply these products properly</p> <p>Project implementation is not expected to cause any negative impact on known physical cultural resources (PCR). Proposed sub-projects with expected direct and negative impact on known archaeological, paleontological, historical or other culturally significant sites will not be eligible. However, they may include historical sites and/or archaeological findings. As such,</p>

	<p>impacts and procedures for "chance findings" from specific investments under Component 1 (if applicable) will be assessed.</p> <p>This OP is triggered in a preventative manner as the project interventions will not cause direct negative impacts to recognized physical cultural resources. For the intervention areas of the project, preliminary research was carried out at the competent institutions at the federal, state and municipal levels, and only the existence of Rachel de Queiroz's home was already recognized as municipal historic patrimony (Municipal Decree 12,582 / 2009). The works of revitalization and requalification of the Rachel de Queiroz Park aim, among others, at promoting the preservation of the existing patrimony. Other possible occurrences may arise due to the excavation work with chance findings, which measures must follow the municipal and federal legislation in force with the immediate stoppage of the works and the necessary involvement of IPHAN in the rescue and recovery activities.</p> <p>The Physical Cultural Resources Framework, as part of the ESMF, contains relevant provisions to mitigate any potentially adverse impact. Such provisions include compliance with the guidelines defined by the National Institute for Historical and Cultural Heritage (IPHAN) regarding historical sites and/or archaeological findings, or other competent state or local agency.</p>
Physical Cultural Resources OP/BP 4.11	Yes
	<p>Project implementation is not expected to cause any negative impact on known physical cultural resources (PCR). Proposed sub-projects with expected direct and negative impact on known archaeological, paleontological, historical or other culturally significant sites will not be eligible. However, they may include historical sites and/or archaeological findings. As such, impacts and procedures for "chance findings" from specific investments under Component 1 (if applicable) will be assessed.</p> <p>This OP is triggered in a preventative manner as the project interventions will not cause direct negative impacts to recognized physical cultural resources. For the intervention areas of the project, preliminary research was carried out at the competent institutions at the federal, state and municipal levels, and only the existence of Rachel de Queiroz's home was already recognized as municipal historic patrimony (Municipal Decree 12,582 / 2009). The works of revitalization and requalification of the Rachel de Queiroz Park aim, among others, at promoting the preservation of the existing patrimony.</p>

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Indigenous Peoples OP/ BP 4.10	No	The Project will not interfere with Indigenous Peoples because all the investments will be undertaken in urban areas and there are no indigenous peoples as defined under the policy in the Project's area of influence.
Involuntary Resettlement OP/BP 4.12	Yes	<p>This policy is triggered because activities envisaged under Subcomponent 1.1- Restoration of the Rachel de Queiroz (RDQ) Park, Subcomponent 2.1- Upgrade of planning instruments and licensing tools and Subcomponent 2.2 - Implementation of land based financing instruments, are expected to have direct and/or downstream adverse resettlement-related impacts.</p> <p>Subcomponent 1.1- Restoration of the Rachel de Queiroz (RDQ) Park: Proposed interventions for the restoration of the RDQ Park will require land acquisition and have direct adverse effects related with involuntary physical and/or economic displacement.</p> <p>The location of some activities has already been decided, but remains uncertain with regards to others.</p> <p>Consequently, the Borrower has prepared, consulted and publicly disclosed a Resettlement Policy Framework (RPF) - setting the principles and guidelines to be applied to all activities causing adverse involuntary resettlement impacts. Two specific Abbreviated Resettlement Action Plans (ARAP) have also be prepared for the activities that have its location and scope already defined.</p> <p>The RPF calls for: (i) broad and continuous, free and informed participation of all people adversely affected by involuntary resettlement; (ii) the establishment of a proper grievance redress mechanism; and, (iii) in its entitlement matrix clearly outlines the resettlement assistance to be given to both land owners and informal and non-opportunistic occupants.</p> <p>The two ARAPs show that the scope and magnitude of the direct adverse impacts caused by activities with location already defined are limited. The first ARAP deals</p>

with the physical resettlement of 61 families (170 people) living in at-risk areas in section 10 of the RDQ Park. The second RAP addresses the demand for acquisition of 94 plots of free land, the physical and economic displacement of four commercial buildings, and the temporary impacts of the works over 164 household and commercial facilities in sections 1-7 of the RDQ Park. Socioeconomic census and cadaster of affected people will be updated less than one year before the starting date of implementation of project activities and all people that have entered in the areas until this date will be eligible for compensation according to the rules, principles and guidelines set at the Project's RPF.

A third location has been considered for inclusion in the RDQ Park (section 8B), but there are two issues that are currently impeding its incorporation. First, the land is owned by the Federal University of Ceara (UFC) and an agreement needs to be signed transferring it to the municipality. Second, the plot of land has been recently invaded by encroachers and there is a pending court case, UFC took measures for their legal eviction prior of the issuance of the municipal decree creating the Park and for reasons not related with it. Regarding this people, it has been agreed that they will be covered by the RPF. However, given the various uncertainties around the situation, no RAP will be prepared for them at this time. If they are evicted prior to the handover of the land to be incorporated into the park, they shall be treated as a legacy resettlement linked to the project (i.e., there should be a review/resettlement audit of their displacement process to determine whether any retroactive measures are needed to ensure they receive entitlements as indicated in the RPF). If they are evicted after the land is handed over by UFC to the municipality, they shall be treated like any other group (i.e. an ARAP will be prepared, approved and implemented prior to their displacement). Only if the park ends up being redesigned to exclude the area in question, would they no longer be covered by the project RPF.

Sub-component 2.1 - Upgrade of planning instruments and licensing tools (namely: the modernization of the multipurpose cadaster) and Sub-component 2.2 - Implementation of land based financing instruments (namely: the preparation of the RDQ Park OUC): Technical Assistance activities envisaged under these subcomponents may have downstream resettlement-related impacts. Consequently, the application of safeguard policies to the technical studies and assistance provided by the project for the drafting of the municipal

law of the RDQ OUC and the modernization of the multipurpose cadaster will follow the guiding principles set at the World Bank's Interim Guidelines on the Application of Safeguard Policies to Technical Assistance (TA) Activities in Bank-Financed Projects and Trust Funds Administered by the Bank. The Terms of Reference for all these activities will be submitted to the Bank for prior review. The Bank team will assess their consistency with the World Bank's safeguard policies and provide guidance as needed to ensure such consistency.

For dealing with the downstream potential (but highly unexpected) adverse impacts of the modernization of the multipurpose cadaster, the client will also strengthen its existing channels for registering and responding to grievances as well as ensure that pro bono support will be provided for the poor population in the unexpected occurrence of disputes related with land property demarcation.

Potential adverse impacts of the law of the RDQ Park OUC are minimized by the Brazilian OUC's regulatory framework includes safeguard measures related with environmental sustainability, social inclusion and citizen participation as well as requires the assessment of impacts on the target neighborhoods and the participatory development of economic and social compensation plans for the directly affected population.

The institutional capacity of the municipality of Fortaleza to prepare and carry out ARAPs was assessed as adequate because SEUMA will be supported by the Municipal Secretariat of Infrastructure (SEINF) in the preparation of the RAPs and by the Municipal Secretariat of Housing Development (HABITAFOR) in their implementation. These secretariats have gained significant experience with involuntary resettlement issues and the provision of adequate housing for low-income families affected by development projects when working with international organizations in projects that have recently physically relocated about 2,500 families. Furthermore, expert consultancy services will be hired to implement ARAPs. Three consultation rounds have been carried out between August and November 2016 and addressed involuntary resettlement issues (a brief summary of these consultations is presented in section II.A.5, below). The participants (including potentially affected people, community leaderships, representatives of community associations and civil society organizations among others) showed: (i) their support to activities envisaged by

		the project which improve the environmental quality of the neighborhoods they live in and their compliance with the quality of some public services available in these areas and the need of improving the later; (ii) their awareness about the occupation of at risk areas and permanent protection areas as well as their agreement with the need of resettling people living in these areas; and (iii) their concerns with the compensation alternatives that will be open to potentially affected people. Being informed about the different compensation alternatives the project will make available for their choice and the full participatory approach that will be followed in the implementation of resettlement action plans, the participants expressed their broad support to this approach.
Safety of Dams OP/BP 4.37	No	Given the nature, scope, and location of the investment activities under this project, this OP is not triggered.
Projects on International Waterways OP/BP 7.50	No	Given the nature, scope, and location of the investment activities under this project, this OP is not triggered.
Projects in Disputed Areas OP/BP 7.60	No	Given the nature, scope, and location of the investment activities under this project, this OP is not triggered.

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

<p><b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b></p> <p>The main direct impacts of the set of proposed interventions under this Project are mainly with positive effects, most of them related to the restore and requalification of green urban areas and related to urban environmental management issues. The potential negative impacts foreseen are mainly: (i) temporary disruptions of various kinds due to the proposed civil work and interventions of the Project (ii) collection of fines and /or costs for works for the domestic interconnection of sewers of clandestine users; (iii) possible need for land acquisition, expropriation and /or resettlement of families; and (iv) potential increase in rental values of real estate in areas where improvements and urban transformations will occur.</p> <p>Negative impacts are not expected to be large scale and will be mostly related to temporary disruptions of various kinds due to the proposed civil work and interventions of the Project. These expected impacts include the movement of machinery and equipment, the eventual interruption of traffic, the generation of noise and dust. Dealing with them, the project will adopt mitigation measures, such as the adoption of social communication plans and special attention to the health and safety of the workers involved; and, also with regard to existing vegetation, may involve the suppression of vegetation in very specific cases, but also always associated with the measures already planned for rehabilitation and requalification of urban green areas (with associated management plan of urban green areas and parks) , necessarily involving the densification of green areas, revegetation of riparian areas and planting of native vegetation.</p>
<p><b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b></p> <p>Urban upgrading and requalification of low income neighborhoods as proposed by the project may</p>

lead to processes of gentrification due to increases on land, housing, and rental values in targeted areas. However, these will be appropriately minimized or mitigated because the country's regulatory framework of urban operations (Law 10527/2001 - Estatuto das Cidades) includes safeguard measures related with environmental sustainability and social inclusion and requires a preliminary impact assessment of the neighborhood, an economic and social compensation plan for the directly affected population, and citizen participation and social control mechanisms. Thus, the project will develop and implement a tailored resettlement approach to fight gentrification-related risks in which proper resettlement plans will be implemented setting early community engagement and participation, redeveloped areas will incorporate land-use parameters that promote mixed-use and provide solutions for low-income housing; and, complaints and compliments will be registered by a number of instruments for citizen engagement, social control and civil society participation in decision-making already in place - such as: the Secretariat's corporate website, the Secretariat's ombudsman office, and the extensive use of social media to communicate and interact with citizens. In addition, citizen and civil society feedback will be regularly analyzed and utilized for adaptive planning and management.

The modernization of the multipurpose cadaster - which is mainly related with regularizing existing ownership schema - could potentially lead to downstream adverse impacts related with involuntary resettlement. These adverse impacts will be mitigated and minimized by the strengthening of the robust Grievance Redress Mechanisms that are operated by the Municipality of Fortaleza and the existence of pro bono support for the poor in the unexpected occurrence of disputes related with land property demarcation as consequence of the modernization of the multipurpose cadaster.

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

The project considered alternative designs of the Rachel de Queiroz Park, minimizing adverse impacts related with involuntary resettlement. Only people living in areas under risk of flooding and areas of permanent protection (where construction is prohibited by the National Law) will be removed. The scope and magnitude of such adverse impacts are limited. A Resettlement Policy Framework and two Abbreviated Resettlement Action Plans have been prepared in compliance with OP/BP 4.12. Affected people and community leaderships have been consulted. The project also considered alternatives in relation to storm-water intercepts/collectors/pumping stations. The selected interventions in sanitation were based on an extensive pollution modelling analysis, which was conducted by a team of technical specialists from CAGECE and SEUMA, in addition to an individual consultant hired by the Bank. The study consisted of: (i) the identification of the main pollution sources of the Vertente Maritima basin and their effects in the water quality throughout the city's 31 beaches which are systematically monitored by the Ceara State Environmental agency (SEMACE); (ii) a computational hydrodynamic modeling, leading to the estimation of the pollutant discharges from all the sub basins, from the storm water macro drains and main water streams leading into the beaches; (iii) the selection of the project focus areas - the Western portion of the coast, where 80% of the beaches do not have adequate bathing water quality, regardless of the season. The selected area is also where most of the poor are located; and (iv) the development of scenarios to assess how each type of project intervention (a. communication and environmental education campaigns, b. enforcement, c. individual sewage household connections, d. Capture and diversion of dry-weather flows into the existing underutilized sewage network, and e. pilot on-site water resource treatment technologies) would individually (and/or jointly) contribute to reduce pollution levels in the project focus area.

It was found that the capture and diversion of dry weather flows from 4 selected water macro

drains into the sewage system was the one with the major short-term impact in pollution reduction along the coast. However, a bundled (and incremental) approach of all solutions was chosen, as it was proven that it would also lead to the achievement of sustainable targets on household connections to the network. The study is part of the Project files. It also informs the design of sector-specific Project indicators ➤ ( i) Percentage of sampling points along the western portion of the VM coastline with adequate bathing water quality during the dry season (from a baseline of 20% to 80%); (ii) Number of people in urban areas provided with access to Improved Sanitation under the Project (27,200); and (iii) Feasible household connections to sewage network completed in western portion of the VM watershed (80% of the total).

**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 prepared a Resettlement Policy Framework (RPF) to deal with direct and potential downstream adverse impacts related with involuntary resettlement. The borrower will also follow a phased implementation timeline, prioritizing works that do not involve land acquisition or involuntary resettlement.

The RPF calls for: (i) broad and continuous, free and informed participation of all people adversely affected by involuntary resettlement; (ii) the establishment of a proper grievance redress mechanism; and, (iii) in its entitlement matrix, clearly outlines the resettlement assistance to be given to both landowners and occupants as well as to physical and economic adverse impacts. The borrower has also prepared two specific Abbreviated Resettlement Action Plans (RAPs). The first deals with the involuntary physical displacement and relocation of 61 families living in at risk areas in section 10 of the proposed perimeter of the Rachel de Queiroz Park. The second deals with the demand of land acquisition in sections 3, 4B, 6B and 7 of the Park, which amount to 94 plots of vacant land, temporary impacts on 164 households and commercial facilities due to construction works, and physical and economic displacement of four commercial business.

Downstream potentially adverse impacts of technical assistance activities related with the drafting of the municipal law of the Rachel de Queiroz urban operation will be dealt according to the World Bank's Interim Guidelines on the Application of Safeguard Policies to Technical Assistance (TA) Activities in Bank-Financed Projects and Trust Funds Administered by the Bank. As previously mentioned, the drafting of the municipal law of RDQ OUC will also comply with the national legislation on urban operations, which requires OUCs include safeguard measures related with environmental sustainability and social inclusion, among which a preliminary impact assessment of the neighborhood, an economic and social compensation plan for the directly affected population, and citizen participation and social control mechanisms (Law 10257/2001 - Estatuto das Cidades). Downstream potentially adverse impacts of technical assistance activities related with the modernization of the multipurpose cadaster will be mitigated by the strengthening of the already robust Grievance Redress Mechanisms operated by the Municipality of Fortaleza and by the guarantee of pro bono support to poor population that may unexpectedly face a dispute related with land property in consequence of the regularization of existing ownership schema.

The institutional capacity of the municipality of Fortaleza to deal with involuntary resettlement issues, prepare and carry out RAPs was assessed as adequate because SEUMA has been supported by the Municipal Secretariat of Infrastructure (SEINF) in the preparation of the ARAPs and by the Municipal Secretariat of Housing Development (HABITAFOR) in their implementation. These secretariats have gained significant experience with involuntary resettlement issues and the provision of adequate housing for low-income families affected by development projects when

working with international organizations (including IDB) in projects that have recently physically relocated about 2,500 families.

A further measure that was envisaged to address potential adverse social and environmental impacts is the establishment of a proper grievance redress mechanism, by strengthening the robust Grievance Redress Mechanisms that are operated by the Municipality of Fortaleza, which include the Secretariat's official website, the Secretariat's ombudsman office, and the extensive use of social media to communicate and interact with citizens.

Regarding other social impacts and as previously mentioned (section I.4), the social assessment has paid particular attention to potential impacts on waste scavengers and concluded that they will not adversely affect them. On the contrary, the activities supported by the project are based on ongoing work done by the Municipality of Fortaleza over a significant period of time with waste scavengers and will contribute to strengthen their representative organizations, improve the safety and health of their labor environments, promote their access to social protection benefits and enhance their living conditions. Furthermore, the advertisement and dissemination of the channels of communication with the Prefeitura de Fortaleza (including its channels for registration of complaints and grievances) and the management unit of the Reciclando Atitudes project will be reinforced at the headquarters of these organizations.

Regarding environmental aspects and issues, the institutional capacity of the municipality of Fortaleza to deal with the set of proposed interventions proposed was also assessed as adequate, as SEUMA has, as main attribution, the design and implementation of environmental policies in urban environment, as well as being the local institution responsible at the municipal level for the licensing of local works and enterprises. Therefore, it counts on a board formed mainly by professionals with significant experience in environmental evaluation of projects and environmental management of urban areas.

Sources of municipal funds (namely the municipality's Urban Development Fund, FUNDURB) have been identified to provide adequate compensation to affected people and to ensure the improvement or, at least, the restoration of their living conditions. The municipality has also in place a number of instruments to receive, register and respond in an effective and timely manner to complaints, which are accessible to the most vulnerable population.

**5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.**

The key stakeholders include:

- (i) The direct beneficiaries of the project, who amount to 305,628 people (of which 53% are female), identified as: (a) the residents of neighborhoods adjacent to the Rachel de Queiroz Park; and (b) residents of the coastal neighborhoods of the Northwestern end of the Vertente Maritima basin;
- (ii) Community-based organizations representing the 13 primarily targeted neighborhoods in these two priority areas;
- (iii) Civil society organizations working on urban planning and environmental issues;
- (iv) Private and the public investors in the RDQ OUC;
- (v) Municipal and state environmental agencies and public providers of water, sanitation and health services
- (vi) Waste pickers who have been working with the Municipality of Fortaleza for a long time and

have expressed their support and satisfaction with the support provided to the strengthening of their representative organizations and praise the improvement of their labor health and safety conditions, their access to labor rights and social protection programs. They have been informed about the support the program will provide to the project Reciclando Atitudes, which objectives will improve their opportunities to collect recycling materials and, consequently, improve their income generation opportunities. The advertisement of the channels of communication with the Prefeitura de Fortaleza ( including its channels for registration of complaints and grievances ) and the management unit of the Reciclando Atitudes project will be repeated among this segment of the population and their representative organizations.

Citizens and civil society organizations have been involved in the design of the project for the RDQ Park through 5 public consultations carried out for the diagnostic and elaboration of the basic and detailed engineering designs. These consultations convened 138 people, representing five local community associations, six civil society organizations, eight universities, six private enterprises and twelve governmental agencies.

In addition, a first public consultation was held in August 30, 2016, and all the above listed key stakeholders were invited to assess the appropriateness of the project's social and environmental risk assessment and the proposed mitigation measures. Approximately 125 people attended, among which: academia (UFC and Universidade Estadual do Ceara - UECE); representatives of the private / construction sector (Sindicato da Industria da Construcao Civil - SINDUSCON); representatives of the Municipality's key entities directly and/or indirectly involved with the Project (SEUMA, Secretaria Municipal de Financas - SEFIN, Secretaria Municipal de Conservacao e Servicos Publicos - SCSP, Secretaria Municipal de Planejamento, Orcamento e Gestao - SEPOG; Autarquia de Regulacao, Fiscalizacao e Controle dos Servicos Publicos de Saneamento Ambiental - ACFOR); other municipal-related agencies (Defesa Civil); representatives of the State Government's agencies and service utilities directly and/or indirectly involved with the Project (Secretaria Estadual de Meio Ambiente - SEMA; Companhia de Agua e Esgoto do Ceara - CAGECE, and Companhia Energetica do Ceara - COELCE). The inputs received during this consultation were properly incorporated on the project's ESMF and RPF.

A second public consultation round was held in September 3, 2016 in the Community Association of Parque Universitario and focused on the RPF and the cadaster of families completed in the area of the section 10 of the RDQ Park. There were 20 participants whose main concerns related with the time of project implementation, the alternatives of compensation, and the criteria of eligibility and whose main manifested preference related with being resettled for nearby areas. All the questions made by the participants were answered and taken into account on the review of the RPF and ARAP.

A third public consultation round occurred in November 7, 2016 and took place in the local church of Santa Edwiges. The revised safeguard documents were presented to an audience of 111 people from the neighboring areas of the RDQ Park (mostly from sections 3 to 7), whose main concern was also related with involuntary resettlement issues and the alternatives of compensation. The principles and guidelines of the safeguard documents were explained again, focusing on the information that ARAPs would be implemented with broad and informed participation of all the affected people, include different alternatives of compensation among which every affected family would freely choose the one that most fit their needs.

Throughout project implementation, a Grievance Redress Mechanism will be operational. For dealing with involuntary resettlement issues, local offices will be opened as needed in nearby the areas of intervention. For dealing with issues related with the project as a whole (including the involuntary resettlement ones), the SEUMA's Ombudsman Office, the Municipality's General Ombudsman office, and the already available channels of citizen engagement through social media will also be used as channels for registering compliances. Procedures were fully described in the two ARAPs already prepared. The available channels for citizen engagement and grievance redress will be advertised using outdoors and other media in the areas of intervention.

### **B. Disclosure Requirements**

<b>Environmental Assessment/Audit/Management Plan/Other</b>	
Date of receipt by the Bank	18-Aug-2016
Date of submission to InfoShop	25-Aug-2016
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	
<b>"In country" Disclosure</b>	
Brazil	19-Aug-2016
<i>Comments:</i> The Client prepared and disclosed the Environmental and Social Management Framework (ESMF). The document contains the three essential instruments of environmental assessment: (i) a focused analysis of the social and environmental context, the potential positive and adverse impacts of the Project, and the mitigating measures (part 1 - ESIA); (ii) the project socio-environmental management framework (ESMF), including the criteria and screening procedures for the selection of interventions to be financed, which will be applied before the final selection of each investment subproject (a first screening process has already been applied to some selected projects, and is included as an Annex of the ESMF); and (iii) an evaluation of Fortaleza's institutional capacity for environmental compliance.	
<b>Resettlement Action Plan/Framework/Policy Process</b>	
Date of receipt by the Bank	25-Nov-2016
Date of submission to InfoShop	29-Nov-2016
<b>"In country" Disclosure</b>	
Brazil	29-Aug-2016
<i>Comments:</i> The Client prepared and disclosed three instruments: the Resettlement Policy Framework (RPF) and two Abbreviated Resettlement Action Plans (ARAPs).	
<b>Pest Management Plan</b>	
Was the document disclosed prior to appraisal?	Yes
Date of receipt by the Bank	18-Aug-2016
Date of submission to InfoShop	25-Aug-2016
<b>"In country" Disclosure</b>	
Brazil	19-Aug-2016
<i>Comments:</i> A Pest Management Framework (PMF) was prepared as part of the ESMF.	
<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the</b>	

<b>respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>

### ***C. Compliance Monitoring Indicators at the Corporate Level***

<b>OP/BP/GP 4.01 - Environment Assessment</b>	
Does the project require a stand-alone EA (including EMP) report?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If yes, then did the Regional Environment Unit or Practice Manager (PM) review and approve the EA report?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>OP/BP 4.04 - Natural Habitats</b>	
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
<b>OP 4.09 - Pest Management</b>	
Does the EA adequately address the pest management issues?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Is a separate PMP required?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If yes, has the PMP been reviewed and approved by a safeguards specialist or PM? Are PMP requirements included in project design? If yes, does the project team include a Pest Management Specialist?	Yes [ <input type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input checked="" type="checkbox"/> ]
<b>OP/BP 4.11 - Physical Cultural Resources</b>	
Does the EA include adequate measures related to cultural property?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>OP/BP 4.12 - Involuntary Resettlement</b>	
Has a resettlement plan/abbreviated plan/policy framework/process framework (as appropriate) been prepared?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
If yes, then did the Regional unit responsible for safeguards or Practice Manager review the plan?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Is physical displacement/relocation expected?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] TBD [ <input type="checkbox"/> ]
170 Provided estimated number of people to be affected	
Is economic displacement expected? (loss of assets or access to assets that leads to loss of income sources or other means of livelihoods)	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] TBD [ <input type="checkbox"/> ]
10 Provided estimated number of people to be affected	

<b>The World Bank Policy on Disclosure of Information</b>	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have costs related to safeguard policy measures been included in the project cost?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]

### III. APPROVALS

Task Team Leader(s):	Name: Catalina Marulanda, Emanuela Monteiro	
<b>Approved By</b>		
Safeguards Advisor:	Name: Noreen Beg (SA)	Date: 29-Nov-2016
Practice Manager/ Manager:	Name: Ming Zhang (PMGR)	Date: 29-Nov-2016