

**INTEGRATED SAFEGUARDS DATASHEET  
APPRAISAL STAGE**

**I. Basic Information**

Date prepared/updated: 01/30/2006

Report No.: AC1284

**1. Basic Project Data**

Country: Brazil	Project ID: P066535		
Project Name: Integrated Management of Aquatic Resources in the Amazon (AquaBio)			
Task Team Leader: Maria Isabel Junqueira Br			
GEF Focal Area: Biodiversity	Global Supplemental ID:		
Estimated Appraisal Date: January 26, 2006	Estimated Board Date: March 28, 2006		
Managing Unit: LCSEN	Lending Instrument: Specific Investment Loan		
Sector: General agriculture, fishing and forestry sector (50%);Sub-national government administration (50%)			
Theme: Biodiversity (P);Land administration and management (P);Water resource management (P)			
IBRD Amount (US\$m.):	0.00		
IDA Amount (US\$m.):	0.00		
GEF Amount (US\$m.):	7.20		
PCF Amount (US\$m.):	0.00		
Other financing amounts by source:			
<u>BORROWER/RECIPIENT</u>			<u>9.95</u>
			9.95
Environmental Category: B - Partial Assessment			
Simplified Processing	Simple <input type="checkbox"/>	Repeater <input type="checkbox"/>	
Is this project processed under OP 8.50 (Emergency Recovery)	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	

**2. Project Objectives**

A.2. Project Objectives

The project development objective is to support the mainstreaming of a multi-stakeholder, integrated management approach to the conservation and sustainable use of freshwater biodiversity in public policies and programs in the Brazilian Amazon River Basin. The global environmental objective is to reduce threats to the integrity of freshwater ecosystems in the Brazilian Amazon, and assure the conservation and sustainable use of its freshwater biodiversity of global importance.

The main expected outcomes are: (i) Institutional arrangements and processes established in three sub-basins of the Brazilian Amazon, to support the adoption of integrated management of aquatic biodiversity for addressing priority issues and problems that affect the long-term conservation and sustainability of freshwater biodiversity, water resources, and the welfare of local communities; (ii) Demonstration activities to test and implement technologies and methodologies that support the

mainstreaming of freshwater biodiversity concerns into relevant production sectors, developed in three sub-basins of the Brazilian Amazon; (iii) Greater operational and decision-making capacity by institutions and civil society at local, state, and federal levels, to adopt and implement integrated management of aquatic biodiversity; and (iv) Strengthened institutional capacity to manage and coordinate actions in the three sub-basins, monitor impacts, and disseminate the experiences generated by the project.

The Project is consistent with the World Bank's Country Assistance Strategy (CAS), and will address three issues specifically identified therein: (i) natural resources management, including water, forests, and soils; (ii) environmental protection and management, including the development of linkages among actors/stakeholders regarding environmental issues; and (iii) global environmental externalities, including biodiversity.

### **3. Project Description**

Component 1: Planning and Public Policy (Total: US\$1.26 million, GEF US\$1.08 million).

The principal objective of this component is to ensure the institutional and financial sustainability of Action Programs (APs) in three sub-basins of the Brazilian Amazon, generating replicable experiences that may become permanent public policies, with positive impacts on aquatic biodiversity, on the reduction of conflicts among various users of natural resources, and on the improvement of local communities' living and working conditions.

Subcomponent 1.1 Sub-basin Action Programs: detailed participatory diagnostics completed and the respective strategic actions for integrated management identified and agreed in three sub-basins; Action Program (APs) proposals prepared in a participatory manner in sub-basins, and with institutional arrangements formulated and negotiated with users of natural resources.

Subcomponent 1.2 Financial Sustainability: strategy for financial sustainability of APs developed, with pilot financial mechanisms adopted by the end of the project.

Subcomponent 1.3 Up-scaling and Mainstreaming: proposal for institutional arrangements and processes for integrated management formulated and discussed with interested parties in the nine states of the Brazilian Amazon, with inputs from experiences generated in the sub-basins.

Component 2: Demonstration Activities (Total: US\$6.43 million, GEF US\$1.78 million).

The objective of this component is to develop demonstration activities directed toward the various productive sectors, providing inputs for the development of APs.

Subcomponent 2.1 Mainstreaming freshwater biodiversity sub-projects, financed with GEF and GoB resources.

Subcomponent 2.2 Support for mainstreaming of freshwater biodiversity sub-projects, financed with resources from the re-directed baseline.

Component 3: Building Capacity (Total: US\$3.67 million, GEF US\$2.56 million)

The objective of this component is to prepare stakeholders, especially local ones (individuals and institutions), to be able to actively participate in the formulation, implementation, and monitoring of strategies and action plans aimed at the conservation and sustainable use of freshwater biodiversity and water resources in the Project areas.

Subcomponent 3.1 Training: (i) training of leaders and technical specialists willing to promote and disseminate the concept of integrated management of aquatic biodiversity among local communities and among institutions and interested parties working in the Amazon; and (ii) communities of fishermen and rural producers trained to adopt technologies and traditional knowledge suited to the conservation and sustainable use of biodiversity and water resources, and rural extensionists able to provide technical support to these communities.

Subcomponent 3.2 Environmental Education: natural resources users and decisionmakers at local, state, and federal levels made aware of the priority issues and problems that affect the aquatic biodiversity, water resources, and living conditions of local communities in the Amazon.

Subcomponent 3.3 Institutional Strengthening: formation of partnerships with existing organizations and strengthening and/or supporting the creation of initiatives in the field of associations and cooperatives dealing with the sustainable use of aquatic biodiversity and water resources.

Subcomponent 3.4 Sustainable Public Fora for Integrated Aquatic Resources Management: fora (spaces) that social actors consider more adequate for providing continuity to implementation of APs and adoption of integrated management of aquatic biodiversity are strengthened and/or created in the three sub-basins.

Component 4: Project Management, Monitoring and Evaluation (M&E), and Information Dissemination (Total: US\$5.80 million, GEF US\$1.77 million).

The objectives of this component are to coordinate, manage, and monitor actions developed under the scope of the project, and to foster integration among the various components, as well as with other related projects and programs, to indicate the possible need for changes in project development, and to disseminate results at local, state, regional (Brazilian Amazon), national and international levels.

Subcomponent 4.1 Management and Coordination: effective participation by government institutions and civil society in project actions; project implementation plan revised and implemented; annual operating plans (POAs) prepared and implemented.

Subcomponent 4.2 Monitoring and Evaluation: system to monitor project impacts fully operational with the participation of actors; project physical-financial monitoring system (SIGMA) operating and providing inputs for the ongoing improvement of the project implementation strategy; and information system on aquatic biodiversity and water resources implemented and made available to the public.

Subcomponent 4.3 Information Dissemination: project objectives and results disseminated by means of specific events and media campaigns to all relevant stakeholders.

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

The Project will focus on the Brazilian Amazon Basin. Field interventions will be limited to 10 municipalities, located in the following sub-basins: Xingu (3), Rio Negro(3), and Tocantins (4) rivers. Project results will provide the basis for future expansion of this initiative to other sub-basins in Brazil, and possibly to other countries in the Amazon Basin.

The three sub-basins provide a representative sample of the magnitude and diversity of the issues and conflicts related to the conservation of freshwater biodiversity in the Brazilian Amazon: (i) prevalence of blackwater ecosystems, where direct use of aquatic biodiversity is currently the main threat to this resource (mid and lower basin of the Negro River); (ii) clear water ecosystems, where unsustainable land use and its negative consequences to freshwater habitats is the main threat to aquatic biodiversity (upper basin of the Xingu River); and (iii) prevalence of clear water ecosystems, where the long-term negative impacts of hydropower development, land use changes, and direct use of aquatic resources are the main threats to freshwater biodiversity (lower Basin of the Tocantins River).

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

Ms Judith M. Lisansky (LCSEO)

Ms Maria Isabel Junqueira Braga (LCSEN)

<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>Cultural Property (OPN 11.03)</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: The Project would generate positive environmental impacts through strengthening the capacity of government institutions and civil society to participate in decision-making that supports the sustainable use and conservation of freshwater biodiversity in the Brazilian Amazon and, in the medium and long term, through fostering better management and control of the threats that lead to degradation of the Region's aquatic resources. Because of the intrinsic positive environmental objectives of the AquaBio project, and of the small scale of sub-projects to be supported on a pilot basis, it is extremely unlikely that sub-projects with potential negative environmental impacts would be proposed and approved.

A few of the activities supported under Component 2 could have the potential to cause limited and localized negative environmental impacts if the related sub-projects are poorly administered. To prevent such situations, strict environmental evaluation and monitoring procedures, including environmental licensing (if needed) and mitigation measures, would be utilized. In the case of sub-projects that involve agricultural activities, the project will adopt IPM measures whenever possible. Nevertheless, on a few very specific situations, especially related to sub-projects involving the restoration of riparian vegetation, the temporary use of small amounts of pesticides may be necessary, where allowed by the National legislation. The project does not require a separate Pest Management Plan, given that there are no significant pest management issues, and procurement of substantial quantities of pesticides is not envisaged.

Indigenous populations are present in and/or nearby the Rio Negro and Xingu target sub-basin areas, but not in the Tocantins sub-basin area. The AquaBio is primarily an environmental project that would involve local stakeholders, including indigenous populations, primarily in training and capacity-building activities with the goal of more effective stakeholder participation in water resource commissions and committees that the project seeks to establish, as well as possibly in some selected demonstration activities. It is also expected that indigenous representatives would be involved in steering and advisory committees for the planning and policy level, as well as being involved in monitoring and evaluation activities. The project would not generate negative impacts on indigenous people. To the contrary, indigenous people are viewed as important stakeholders that would benefit from involvement with project activities.

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

No negative potential impacts of such nature are envisaged for this project. However, it is expected that project activities would result in long term positive impacts on the conservation of aquatic ecosystems in the Brazilian Amazon.

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 project's EMP involves five broad lines of action: (1) capacity building for sub-project proponents on the evaluation of potential environmental impacts of sub-projects; (2) established procedures for the elaboration, evaluation, and approval of sub-projects; (3) agreed restrictions in the case of sub-projects located within or around environmentally protected areas; (4) provision of technical assistance to sub-project proponents; and (5) monitoring and evaluation. The Project would promote workshops to train interested parties in the preparation of sub-project proposals. The elaboration of the environmental evaluation would be one of the topics to be addressed in the workshops and would be an integral part of all sub-project proposals. The Project would also offer, as necessary, additional technical assistance to the proponents for the elaboration of the environmental evaluation and environmental management plan of the sub-projects. A Standard Form has been developed for the evaluation of the potential environmental impacts of sub-projects. The use of this Standard Form would be discussed in the training provided to sub-project proponents, and the completed Form would be an integral part of all sub-project proposals. Sub-projects would be classified as Category I or II according to their potential negative environmental impacts. Category I sub-projects would have no potential negative impacts, and would not require any mitigation measures. Category II sub-projects could have the possibility of limited and localized negative impacts, which would be mitigated through specific actions described in the sub-project proposal. Project support for a Category II sub-project would depend on its initial evaluation and approval by the project's Local Steering Committee, which would involve staff from the municipal and state environmental agencies, and also on its final evaluation and approval by the project's State Steering Committee and of the PMU.

Potential hazards associated with the storage, handling, use and disposal of pesticides would be assessed on an individual basis for each sub-project, according to its particular characteristics, and the sub-project EA/EMP would include measures (according to Law 7802/89) to reduce these hazards to a level that can be managed by the envisaged users of such products. In addition to the adoption of IMP and compliance with the above law, the use of pesticides, whenever needed, should be limited to low toxicity products according to Class IV of Decree 98816/90, which is equivalent to WHO Class "U" (unlikely to present acute hazard in normal use) or, if appropriate "U" products are not available, use of Class III products (slightly hazardous) may take place.

Indigenous populations are present in and/or nearby the Rio Negro and Xingu target sub-basin areas, but not in the Tocantins sub-basin area. The AquaBio is primarily an environmental project that would involve local stakeholders, including indigenous populations, primarily in training and capacity-building activities with the goal of more effective stakeholder participation in aquatic resource commissions and committees that the project seeks to establish, as well as possibly in some selected demonstration

activities. It is also expected that indigenous representatives would be involved in the project steering committee and sub-basin and Project target area advisory groups. The project would not generate negative impacts on indigenous people. To the contrary, indigenous people are viewed as important stakeholders that would benefit from involvement with project activities. An Indigenous People's Strategy was consulted with representatives from various groups which participated in project preparation activities.

The project would be implemented by the Ministry of Environment, with close support from IBAMA and the State Environmental Agencies responsible for environmental issues and enforcement in the project sub-basins. These agencies have adequate capacity to address and monitor safeguard compliance in the context of the proposed AquaBio Project.

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people. Key stakeholders involve national and local stakeholders. The main national stakeholders include: (i) federal and state government institutions, including the National Environment Institute (IBAMA); (ii) national and international NGOs; (iii) national organizations from various private sector stakeholders; and (iv) universities and other research institutions. The main local stakeholders include: (i) local municipal government; (ii) municipal councils and other local associations; (iii) natural resource users, such as fishermen and small rural producers, as well as their families and associations, large commercial farming and ranching operations, and hydropower developers; (iii) indigenous groups; and (iv) local NGOs. The involvement of these stakeholders during project preparation included a series of meetings and public events with participation of more than 600 people. Indigenous peoples representatives, from the Middle and Lower Rio Negro sub-basin and the Xingu sub-basin target areas, participated in consultations during project preparation. Indigenous people expressed a range of concerns about threats to the aquatic and water resources on which they depend, and in general expressed interest in the project as well as interest in participating in the project.

During project implementation stakeholders would participate as follows: (i) CONABIO would act as the project's Steering Committee; (ii) the Executing Unit for each project impact area would be supported by experts who would help monitor and support project execution, with the representation of government institutions and civil society organizations, where the respective POAs would be presented and discussed together with evaluations of the project's progress and the results of regional interventions; (iii) partnerships would be established with universities, research institutions, and NGOs for the execution of project activities at the local level and for project monitoring. Local stakeholders and beneficiaries, including indigenous people, would participate through: (i) involvement in the planning, implementation, and monitoring of demonstration activities; (ii) inclusion, in the project's annual planning, of their demands for training in sustainable management of natural resources; and (iii) active participation in environmental education and training programs for integrated management of aquatic biodiversity.

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***B. Disclosure Requirements Date***

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

Date of receipt by the Bank	10/10/2005
Date of "in-country" disclosure	11/01/2005
Date of submission to InfoShop	01/27/2006
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	

**Indigenous Peoples Plan/Planning Framework:**

Date of receipt by the Bank	10/19/2005
Date of "in-country" disclosure	01/23/2006
Date of submission to InfoShop	01/27/2006

**Pest Management Process:**

Date of receipt by the Bank	N/A
Date of "in-country" disclosure	N/A
Date of submission to InfoShop	N/A

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

**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)*****OP/BP/GP 4.01 - Environment Assessment**

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

**OP/BP 4.04 - Natural Habitats**

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?	No

**OP 4.09 - Pest Management**

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

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<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?	N/A
<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?	N/A
<b>The World Bank Policy on Disclosure of Information</b>	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes
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
<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
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

***D. Approvals***

<b><i>Signed and submitted by:</i></b>	<b><i>Name</i></b>	<b><i>Date</i></b>
Task Team Leader:	Ms Maria Isabel Junqueira Braga	
Environmental Specialist:	Ms Maria Isabel Junqueira Braga	
Social Development Specialist	Ms Judith M. Lisansky	
Additional Environmental and/or Social Development Specialist(s):		
<b><i>Approved by:</i></b>		
Regional Safeguards Coordinator:	Mr Reidar Kvam	
Comments:		
Sector Manager:	Mr Abel Mejia	
Comments:		