



The World Bank

BR Amazon Sustainable Landscapes Project - Phase 3(P504126)

Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 06-May-2024 | Report No: PIDDC00326



BASIC INFORMATION

A. Basic Project Data

Project Beneficiary(ies) Brazil	Operation ID P504126	Operation Name BR Amazon Sustainable Landscapes Project - Phase 3	
Region LATIN AMERICA AND CARIBBEAN	Estimated Appraisal Date 06-Jun-2024	Estimated Approval Date 21-Nov-2024	Practice Area (Lead) Environment, Natural Resources & the Blue Economy
Financing Instrument Investment Project Financing (IPF)	Borrower(s) Fundacao Getulio Vargas	Implementing Agency Minsterio do Meio Ambiente e das mudanças do Clima	GEF Focal Area Biodiversity

Proposed Development Objective(s)

The Project Development Objective (PDO) is to enhance conservation and sustainable management in selected areas in the Brazilian Amazon.

PROJECT FINANCING DATA (US\$, Millions)

Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)? No

Is this project Private Capital Enabling (PCE)? No

SUMMARY

Total Operation Cost	8.56
Total Financing	8.56
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	8.56
Global Environment Facility (GEF)	8.56



Environmental and Social Risk Classification

Moderate

Concept Review Decision

The review did authorize the preparation to continue

B. Introduction and Context

Country Context

1. **Brazil's economic activity continued to recover after negative GDP growth in 2014-2019 and the drastic impact of COVID-19.** GDP growth slowed to 2.9 percent in 2023, after achieving 4.8 percent in 2021 and 3.0 percent in 2022 on the back of robust private consumption, still supported by a strong labor market, fiscal stimulus to social transfers, and by a favorable external environment benefiting exports, especially from the agriculture sector. With economic activity slowing since the second half of 2023, and 2023's unusually high agricultural output not being matched in 2024, GDP growth is expected to moderate to 1.7 percent in 2024. Medium-term growth projections remain at around 2 percent per year based on the expected levels of total factor productivity growth.

2. **In 2023, the poverty rate (US\$ 6.85 per day) fell to 21.3 percent, linked to improvements in economic conditions and social protection policies.** Unemployment reached 7.4 percent, the lowest since 2014. The Bolsa Família Program helped reduce poverty: its coverage expanded by 2 million families, reaching 21.3 million, with the average monthly transfer increasing from R\$394.48 to R\$670.36. Finally, the real minimum wage increased by 2.8 percent, boosting the incomes of about 24.5 percent of the households in the bottom 40 percent with at least one formal worker.

3. **Although deforestation has diminished by 22.7 percent in the Amazon region in 2023, climate change risks are still pressured by the high levels of land use emissions in the Amazon and Cerrado ecosystems.** Brazil's greenhouse gas (GHG) emissions are dominated by land use change (40.8 percent) and agriculture (31.0 percent). Climate change is altering temperature and rainfall patterns in the country, resulting in reduced water availability and extended droughts; it could push another 800,000 to 3 million Brazilians into extreme poverty as soon as 2030.

4. **It is crucial for the Ministry of Environment and Climate Change (MMA) and State Governments to advance together in the effective implementation of public policies to support nature-based economic development.** Analyses done for the Brazil Country Climate and Development Report (CCDR, P176158, 2023) show that a mix of sectoral policies that emphasize forest law enforcement and promote conservation play a key role in curbing deforestation and promoting sustainable growth. Brazil has been continuously strengthening its policies to address challenges in combatting climate change and protecting biodiversity, while also ensuring productive inclusion in rural areas, including through the Forest Code, the Action Plan for the Legal Amazon (PPCDAM¹), the Federal Program with Municipalities for Reducing Deforestation and Forest Fires in the Amazon², and policies promoting sustainable land use and bioeconomy, including for local communities, quilombolas and Indigenous People. Even with these public policies, the Government of Brazil must

¹ https://www.gov.br/mma/pt-br/ppcdam_2023_sumario-rev.pdf

² <https://agenciabrasil.ebc.com.br/en/politica/noticia/2024-04/amazon-get-brl-730-mi-efforts-against-fires-and-deforestation>



tackle the challenges from land use change and governance, illegal deforestation and biodiversity loss if it is to achieve its commitments.

Sectoral and Institutional Context

Amazon Context

5. **The Amazon Biome hosts the largest contiguous tropical forest area in the world and has significant effects on regional and global climate stability, with Brazil containing 60 percent of its area.** The Amazon is home to up to 80,000 plant species, of which over 40,000 play a critical role in regulating the global climate and sustaining the local water cycle. Its ecological services are crucial for agriculture and hydropower generation at continental level and for the global climate. The Amazon is not only rich ecologically, but also culturally. In Brazil, the region has the largest number of indigenous people: about 380,000. Other traditional groups include *ribeirinhos* (river communities) and *quilombolas* (Afro-descendants). These groups tend to be poorer, and they tend to maintain strong cultural ties to the Brazilian Amazon's natural lands³.

6. **Today, the Amazon Forest is at high risk of reaching a tipping point.** Over the past century, average temperatures in the forest have risen by 1-1.5°C, and since 1970, more than 15 percent of the Amazon rainforest has been lost.⁴ Water and forest degradation are advancing rapidly, driven mainly by deforestation for cattle ranching, agriculture, illegal mining, and logging. Scientists have warned that deforestation and climate change are driving the biome toward a tipping point of widespread forest die-off and conversion into a degraded savannah,⁵ where most of its hydrological and climate services would be lost⁶ (See Annex 1 for further information).

The State of Pará Context

7. **Pará, the second largest Brazilian state and the most populous in the entire Brazilian Amazon biome, is showing significant opportunities to promote sustainable development.** It was recently approved as the host of the UN Climate Change Conference (UNFCCC COP 30), to take place in Belém in 2025.

8. **Pará has 144 municipalities and 8.1 million citizens according to the Brazilian Institute of Geography and Statistics (IBGE).** The state achieved 0.69 (out of 1) in the Municipal Human Development Index (IDHM), the fourth lowest in Brazil⁷. Pará also has the fourth largest Quilombola and the third largest indigenous populations, making it a vast, multicultural state⁸. From 1988 to 2022⁹, accumulated deforestation in the state exceeded 16.6 million hectares (166,774 km²), due to the expansion of cattle ranching, logging, mining, land-grabbing and, more recently, soybean crops. Since 2019, the State Government of Pará has developed public policies and legal frameworks aimed at ensuring the conservation of its natural resources and inclusive development. Their implementation represents a major opportunity to promote sustainable development and enhance biodiversity protection. From 2022 to 2023, Pará lost 327,200 ha (3,272 km²) of vegetation cover, equivalent to a 37 percent decrease in the rate compared to 2021. In 2020, the State launched

³ Brazilian Amazon Economic Memorandum

⁴ Amigo, Ignacio. "When Will the Amazon Hit a Tipping Point?" *Nature* (London) 578.7796 (2020): 505–507.

⁵ Cuadros, Alex. 2023. "Has the Amazon Reached Its 'Tipping Point'?" *The New York Times*, January 4, 2023, sec. Magazine. <https://www.nytimes.com/2023/01/04/magazine/amazon-tipping-point.html>.

⁶ Tang, Ming Chun. 2021. "How Amazon Deforestation Could Trigger a Climate Tipping Point." Global Landscapes Forum: Landscape News. September 16, 2021. <https://news.globallandscapesforum.org/54916/the-amazon-rainforest-is-nearing-its-tipping-point-but-what-does-that-mean/>.

⁷ IBGE, 2010.

⁸ IBGE, 2021.

⁹ http://terrabrasilis.dpi.inpe.br/app/dashboard/deforestation/biomes/legal_amazon/rates



the *Plano Estadual Amazônia Agora* (PEAA) to reduce deforestation and achieve net zero GHG emissions by 2036. Given that the state accounts for almost one fifth of the country's GHG emissions, reaching this goal would contribute significantly to fulfilling the objectives in Brazil's Nationally Determined Contribution (NDC). To reinforce the PEAA, Pará created the *Plano Estadual de Bioeconomia* in 2022 to promote a low-carbon economy by using forest resources in a sustainable way, as well as initiatives to promote land regularization (CAR 2.0) and track the production of timber and beef production (e.g., *Selo Verde*) (see Annex 2).

9. Changes in land use and water flow dynamics are undermining Xingu River Basin ecological processes and species. The Lower Xingu River Basin region is characterized by a rich socio-environmental diversity in a "corridor" of Protected Areas (PA) and Indigenous Lands (ILs) in the State of Pará. This region comprises ten municipalities and around 20 percent of the Pará state territory. It hosts eight endemic and critically endangered species - Xingu Area of Endemism¹⁰. It has also faced huge socio-environmental impacts, mostly from the installation of a massive hydroelectric plant. Despite the recent reductions in deforestation rates, this region encompasses municipalities with the highest deforestation rates and remains particularly vulnerable to climate changes associated with feedbacks from ongoing land use change. Studies suggest that continuous deforestation in the Xingu River Basin may exacerbate effects of climate extremes inherent to natural climate variability, such as droughts or atypically longer and more abundant wet periods.¹¹

10. Promoting sustainable landscape management in Xingu region reflects Brazil's determination to protect biodiversity and reach zero deforestation by 2030. This region was selected prioritized, as: (a) it is a conservation priority containing the most important fragments for connectivity¹² - connecting the remaining fragments being fundamental for important ecological functions, such as animal dispersion and gene flow¹³; (b) encompasses municipalities with high deforestation rates; (c) it is representative of the socio, environmental and cultural diversity of the Brazilian Amazon; and (d) it will expand and reinforce the activities by the project's Brazil ASL1 and ASL2 phases (P158000) and the Sustainable Human Development project (P500524).

Institutional Context

11. The World Bank has a long-standing commitment to support the conservation of the Amazon biome's integrity together with improving the livelihoods of the people that depend on it. The Bank's engagement started with the Amazon Region Protected Area program (ARPA), the largest tropical forest program in the world, back in 1992, and has undertaken a series of projects, each building upon the last to *inter alia* increase the area under protection and secure long-term institutional and financial sustainability. The most recent in this series, the national Amazon Sustainable Landscapes (ASL) is the largest GEF ASL country project, and is now in its second phase as per government request, with the World Bank as the GEF agency in Brazil. The World Bank's commitment to the sustainable development of the Brazilian Amazon is also reflected in sub-national loans with several Brazilian Amazonian states during the past 15 years – Acre, Amazonas, Mato Grosso and Pará – for social inclusion and economic development.

12. Within the GEF-8 program cycle, a new Integrated Program (IP) was approved for the Amazon, as part of the Amazon, Congo and Critical Forest Biomes IP, which aims to maintain the integrity of the last and globally important intact tropical forests in order to maximize multiple global environment benefits related to carbon and biodiversity. The World Bank became the lead agency for the Amazon Sustainable Landscapes (ASL) program approved under GEF-6 in 2015 (ASL1) and was reappointed to this role under GEF-7 in 2019 (ASL2) and GEF-8 in 2023. The GEF-8 IP focuses on the Amazon biome with the aim to increase its transformational impact by addressing ongoing, evolving and new challenges facing the Amazon (See: Annex 3 for further information).

¹⁰ <https://www.scielo.br/j/aa/a/YYzBMRSXwGN33g9p7DGCrP/>

¹¹ Trends in climate extreme indices assessed in the Xingu river basin - Brazilian Amazon, 2021



13. **The proposed project intends to contribute to the ASL Regional Program's objective to improve integrated landscape management and conservation of ecosystems in targeted areas in the Amazon region, facilitating the resumption and strengthening of Brazilian public policies and agendas, making efforts to integrate their implementation at a territorial level and maximize their effects.**

Relationship to CPF

14. **The Project will be fully consistent with the Country Partnership Framework for Brazil (FY24–FY28) (Report No. CPF0000013),** discussed by the Board on April 9, 2024. It will be aligned to the CPF's High Level Outcome: A Greener Economy with Reduced Vulnerability to Climate Shocks, improving management of natural resources.

15. **The proposed project is also fully in line with the World Bank Amazonia Viva and WB's Brazilian Amazon Strategy.** The project would specifically support Pillars: (a) Green Amazon, safeguarding natural assets; and (b) Prosperous Amazon, promoting nature-smart economic opportunities.

C. Proposed Development Objective(s)

16. The Project Development Objective (PDO) is to enhance conservation and sustainable management in selected areas in the Brazilian Amazon.

Key Results (From PCN)

- Terrestrial protected areas created or under improved management (2 million hectares) (GEF Core Indicator and World Bank scorecard equivalent)
- Area of landscapes under improved practices (100,000 hectares) (GEF Core Indicator and World Bank scorecard equivalent)
- People benefiting from the conservation, sustainable use or restoration of biodiversity - disaggregated by sex (TBD) (GEF core indicator)
- Greenhouse Gas Emissions Mitigated (TBD, metric tons of CO₂e) (GEF core indicator and World Bank scorecard)

D. Concept Description

The Project will consider an integrated landscape approach, allocating and managing land use in order to achieve social, economic and environmental objectives. The Project will simultaneously carry out activities: (a) Amazon-wide, through public policies and incentives, fostering coordination at regional level with the other countries sharing the Amazon forest; and (b) site-specific activities in the Lower Xingu region through the creation and implementation of PAs and Other Effective area-based Conservation Measures (OECMs), environmental-smart practices, and specifically ensuring that IPICTs, women and youth are targeted. Close coordination and collaboration with the Amazon Sustainable Landscapes Regional Project and all other ASL projects, in particular with current Brasil ASL Project (P1580000), is considered critical



for the successful implementation of the proposed Project. The Project will also be coordinated with other programs and projects in the Amazon Biome

17. **Component 1: Strengthening conservation.** This component will focus on the Lower Xingu region and aims to enhance integrated landscape management, including: (a) identify and prioritize new areas to be designated as PAs and/or OECMs; (b) conduct the associated environmental, socioeconomic, and land tenure assessments as needed; (c) strengthening/revitalizing PA councils, Protected Area Mosaics, PAT- Xingu; and (d) improve PAs and OECMs governance and management systems (e.g., governance arrangements, management and monitoring plans, including participatory monitoring).

18. **Component 2: Enhancing sustainable production.** This component will support the implementation of the Pará State Bioeconomy Plan and the National Sociobioeconomy Plan, expanding the area under sustainable management practices, strengthening selected production chains, and improving local stakeholders' capacity, focusing on IPCTs and family farmers. Targeted productive chains may include management of non-timber forest products, community-based tourism, sport fishing, among others. Under this component, technical assistance and subprojects would be supported to implement environment smart initiatives proposed by IPCTs, representative organizations, and regional networks. Activities would include *inter alia*: (a) surveys/mapping of data and information on socio-biodiversity products; (b) technical assistance adapted to the local and specific challenges; and (c) support for local cooperatives and other organizations involved in sustainable production to strengthen their skills for collective multiple use, production, processing, marketing, etc. Specific capacity-building activities will be conducted to enhance women's skills, engagement, and leadership.

19. **Component 3: Reinforcing enabling environment.** This component will improve and strengthen the implementation of the legal incentives and other frameworks across the Brazilian Amazon biome. It will focus on supporting the implementation of the *Plano de Ação para Prevenção e Controle do Desmatamento na Amazônia Legal* (PPCDAm), the National Protected Areas Plan (PNAP), the *Sistema Nacional de Unidades de Conservação* (SNUC and its *Cadastro Nacional de Unidades de Conservação*), the National Program of Landscape Connectivity (*Programa Nacional de Conectividade de Paisagens*, CONECTA), and the National Plan for Native Vegetation Recovery (PLANAVEG). Activities would include: (a) evaluating, revitalizing, improving and implementing conservation public policies; (b) promoting and strengthening opportunities for stakeholder dialogue; (c) promoting governance and better coordination; and (d) preparing strategic plans and integrated planning for the governance and management of biodiversity conservation, natural resources management and land use.

20. **Component 4: Promoting capacity building, communications, and collaboration.** The activities under the regional project work towards improving Brazilian stakeholders' implementation and collaboration capacity to increase project impact, further compliance with international commitments, and promote effective and efficient project implementation. To this end, activities would support efforts to: (a) strengthen community communication activities and collaboration in local and regional networks; (b) disseminate and raise awareness of successful experiences among ASL partners; and (c) promote regional technical cooperation, exchange experiences and integrate transboundary conservation efforts. In addition, this component will support overall project management, including financial management (FM), procurement, social and environment risk management, monitoring & evaluation activities and coordination with the ASL Program.

Legal Operational Policies

Triggered?



	Last approved	Current
Projects on International Waterways OP 7.50	No	
Projects in Disputed Area OP 7.60	No	

Summary of Screening of Environmental and Social Risks and Impacts

21. **The overall risk of the proposed operation is Moderate** mainly due to (a) the prior experience the implementing agency and its PIU staff have had in implementing WB-financed projects; (b) a design that is well aligned with the national and Pará state's public policies; and (c) the Government's partnership with an independent implementing agency, which mitigates both the political and practical implementation risk to the Project. Risk categories of environmental and social risks are also rated Moderate.

22. **Technical Design of Project Risk is rated Moderate.** The main technical issues are associated with the fact that landscape management involves the coordination of multiple institutional partners, policies and a participatory process. To mitigate risk, project design includes activities to strengthen stakeholders' landscape monitoring capacities. The existing legal framework and government commitment are also mitigating factors.

23. **Institutional Capacity for Implementation and Sustainability Risks are rated Moderate.** These risks are related to the significant number of institutional partners. To mitigate this risk, the project will support capacity building at national and local levels in support of planning and implementing a landscape approach, by strengthening the capacity of federal and state agencies to implement their respective mandates, including the development and deployment of tools and training and the establishment of partnerships with other local institutional actors.

24. **Stakeholder Participation Risk is rated Moderate.** Strong stakeholder participation is key to the successful PAs, nature-smart practices, and to the implementation of an integrated landscape approach. To mitigate the risk of low stakeholder engagement, the project will seek to actively involve a wide range of landholders through communication campaigns and training and mobilization activities, and actively promoting dialogue among farmer associations and local leaders.

25. **Financial and Procurement management risks are rated Moderate.** Fundação Getúlio Vargas (FGV) is participating in implementing the Amazon Sustainable Landscapes Project (P158000) - TF B6898. At this stage, the FM and procurement risks are assessed as Moderate, mainly due to: (a) project design similar to the current Project; and (b) the fact that the implementing agency and current PIU staff have prior experience implementing WB-financed Projects. Considering the nature of the activities/expenditures that are being proposed, the Project will benefit from the previous project arrangements. Measures to mitigate fiduciary risks will include suitable institutional arrangements and qualified staff to supervise FM and procurement processes.

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APPROVAL

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