

# Brazil ES Overview Assessment: Strengthening Borrower's Capacity & Systems



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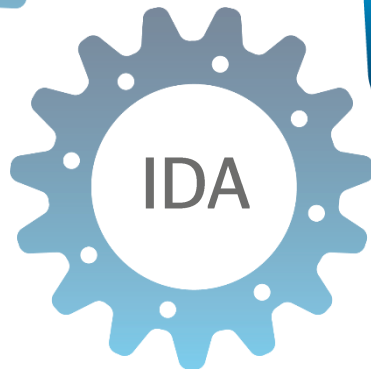
# What is the World Bank?

Created in 1944, the World Bank is comprised of five institutions that seek global solutions to reduce poverty, foster greater shared prosperity and promote sustainable development.

The World Bank seeks to create a  
**WORLD FREE OF POVERTY  
IN A LIVABLE PLANET**



The International  
Bank for  
Reconstruction and  
Development



The International  
Development  
Association



The International Finance  
Corporation



The Multilateral  
Investment Guarantee  
Agency



The International Centre for  
Settlement of Investment  
Disputes

# What is the Project Lifecycle?



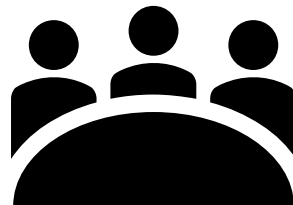
# The World Bank

## Portfolio in Brazil



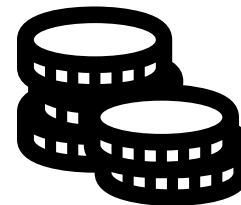
US\$ 3.98 bi

- Commitments



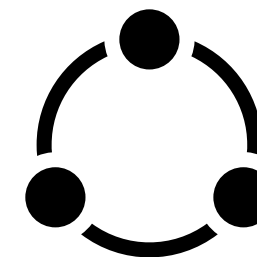
27 projects

- 25 IPF/PfR
- 2 DPL
- Active



US\$ 2.38 bi

- 61%
- To disburse

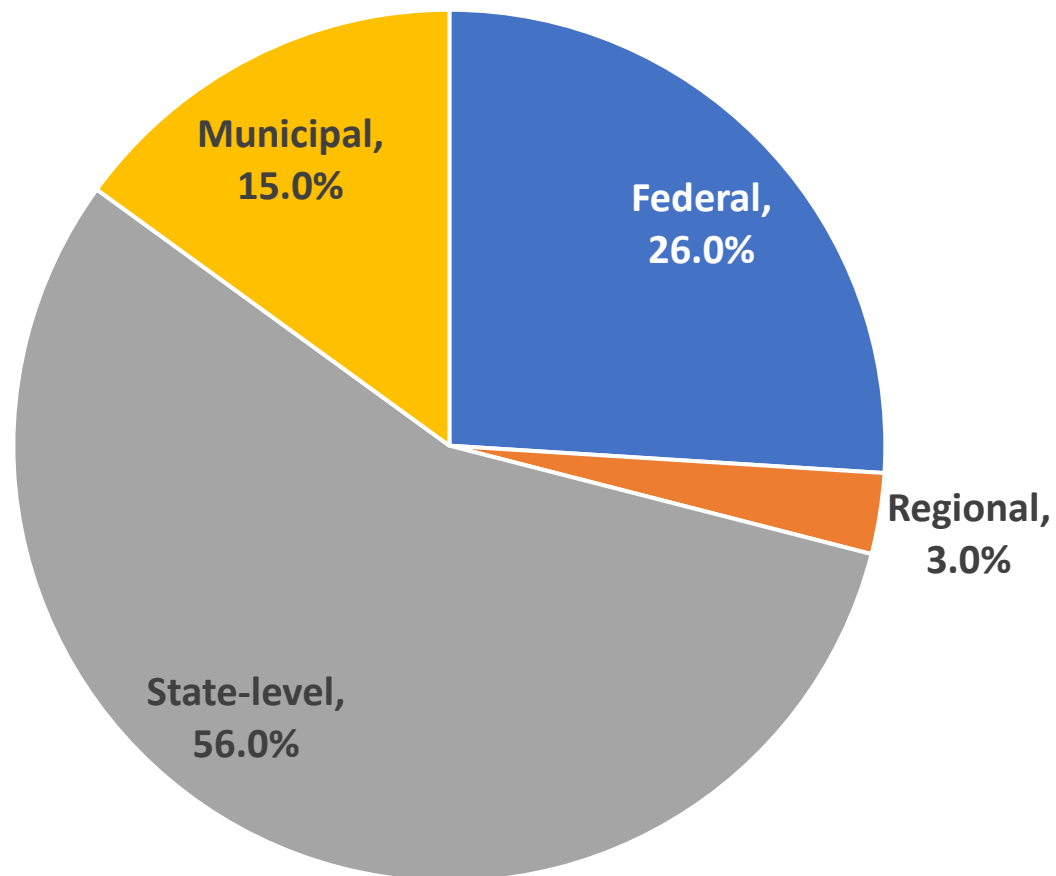


US\$ 130 M

- 3 donations



# Portfolio per Type of Borrower



- Sanitation 
- Water management 
- Energy 
- Transport 
- Urban development
- Climate resilience 
- Agriculture
- Environmental conservation
- Education 
- Health 
- Social Assistance 

# The World Bank

## and the Environmental and Social Framework



# Why does the Bank have Environmental and Social Policies?



**Protect people  
and the  
environment.**



**Mitigate potential  
environmental and  
social impacts.**



**Improve project  
results and  
effectiveness.**



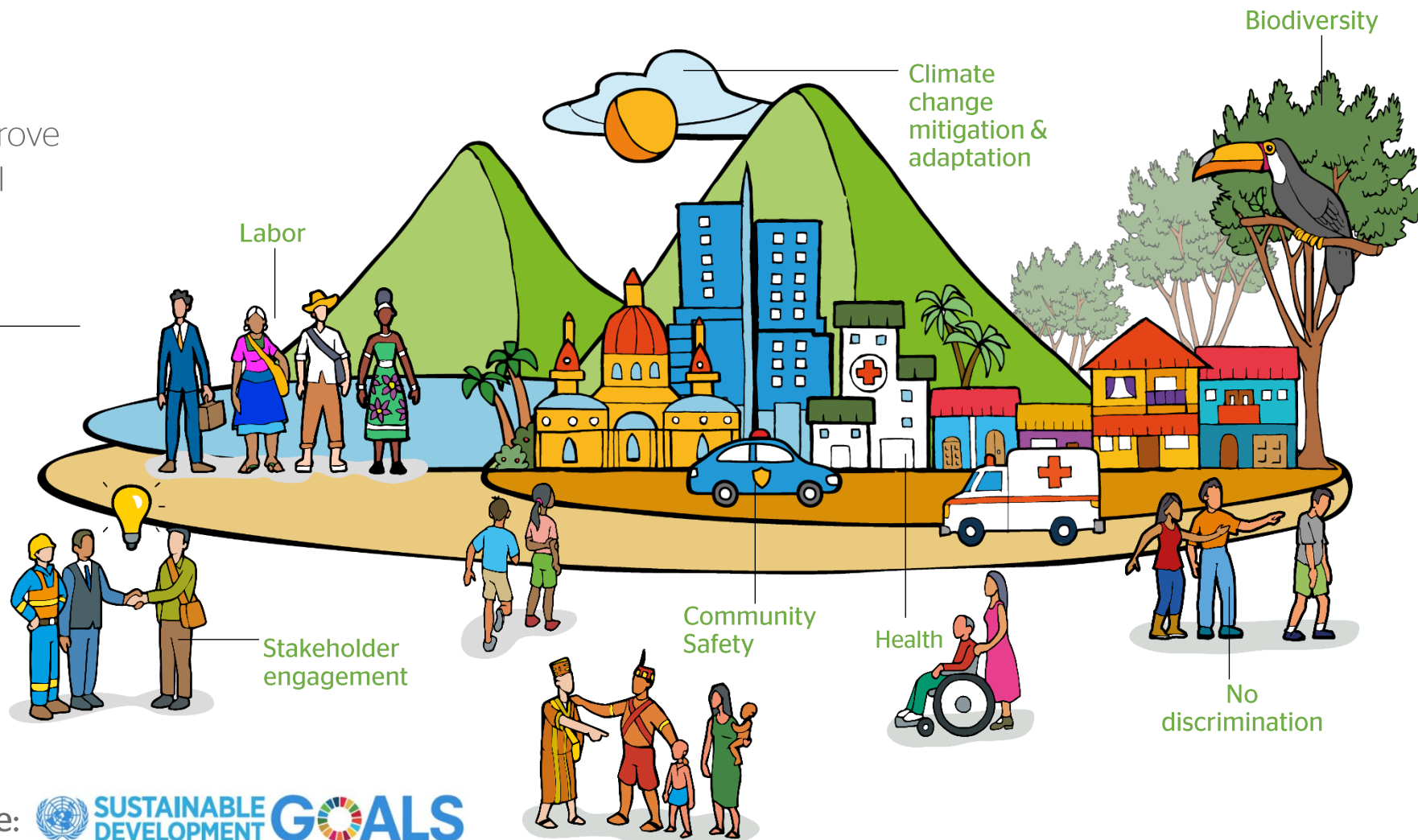
**Achieve better investment  
standards in the country,  
beyond World Bank  
financing.**

The environmental and social policies included in the ESF enable Bank-financed activities to better contribute to reducing extreme poverty and fostering shared prosperity on a livable planet.

# Why is the Environmental and Social Framework important?

It enables Borrowers to better manage project risks and improve their environmental and social performance, in line with international best practices.

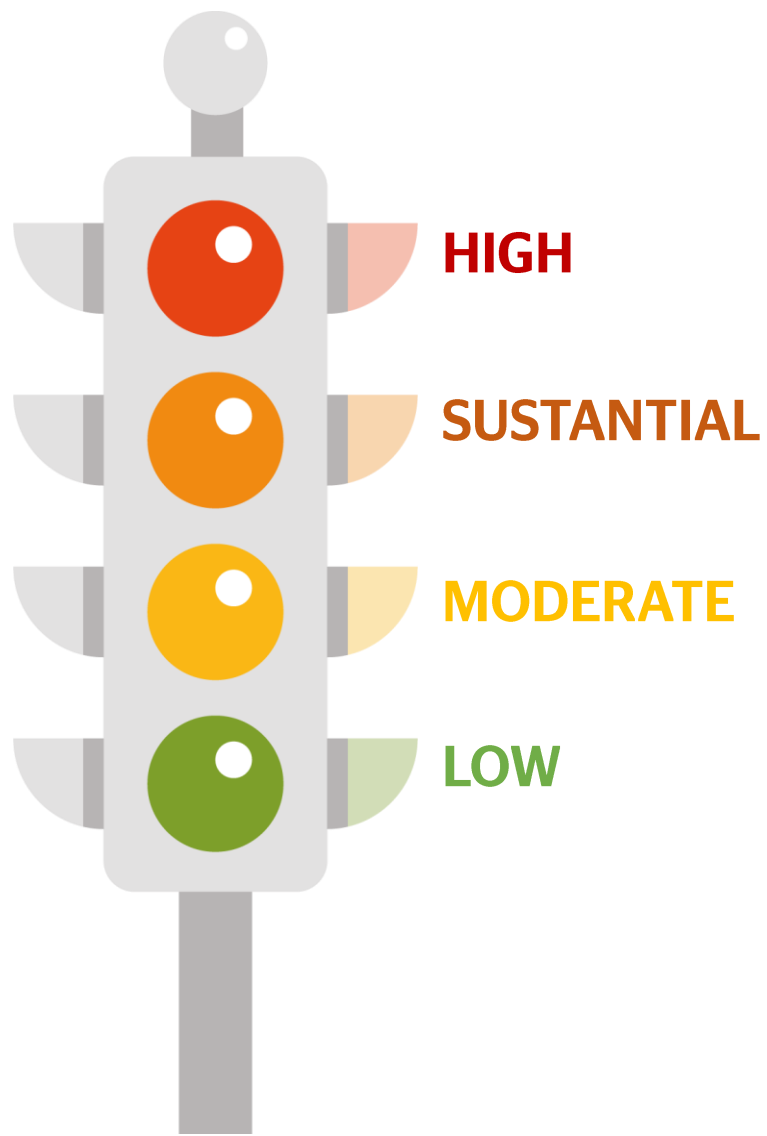
The **ESF** is applicable for all initiatives supported through World Bank-approved investment project financing as of 2018.



The ESF is consistent with the:  SUSTAINABLE DEVELOPMENT GOALS



# How is the Environmental and Social Risk of projects classified?



## SOME CRITERIA



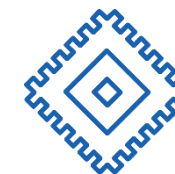
The type, location, sensitivity and scale of the project.



Physical considerations of the project and type of infrastructure.



The nature and magnitude of potential risks and impacts.



The presence of indigenous peoples.



Resettlement activities.



Borrower's capacity and commitment.



Considerations related to internal stability, conflict or security.

# How is the ESF applied?

WORLD  
BANK

BORROWER

Applies due  
diligence

E&S Policy



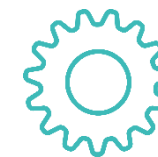
Operational  
policies and  
directives



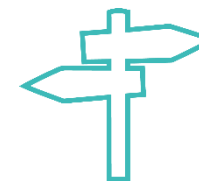
Good practice  
notes



Assesses  
environmental and  
social risks



10 Env. &  
Social  
Standards  
(ESS)



Environmental,  
health and safety  
guidelines (EHSg)



Guidance  
notes

# What are the **ESS**

## Environmental and Social Standards?

They are designed to help governments manage project risks and impacts and improve environmental and social performance, in accordance with international best practice and national and international obligations.

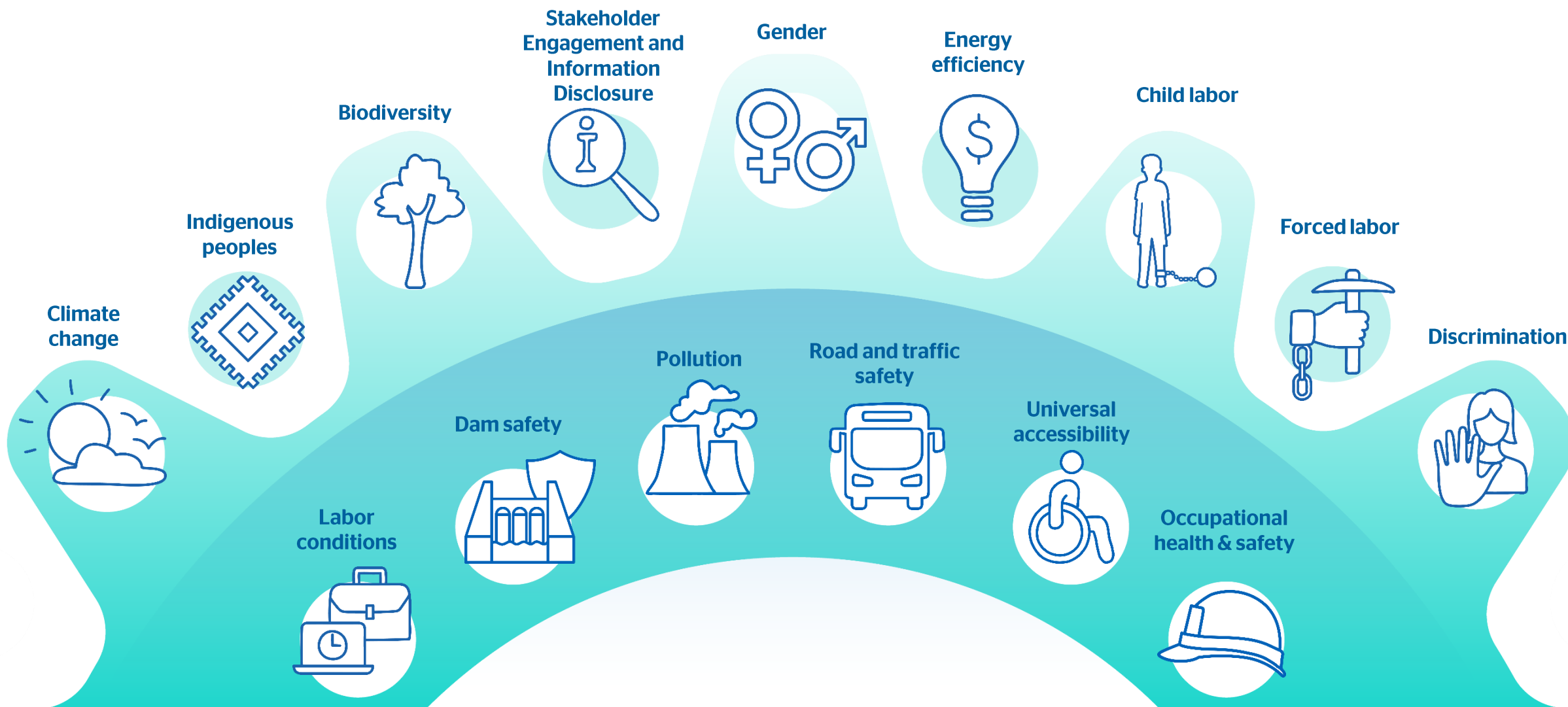


**They include objectives that define the environmental and social results to be achieved.**



**They establish requirements that help governments achieve ESS objectives through methods appropriate to the nature, scale and risks of a project.**

# What are some of the topics covered by the ESF?



# Which are the 10 ESS?



Assessment and Management of Environmental and Social Risks and Impacts



Labor and Working Conditions



Resource Efficiency and Pollution Prevention and Management



Community Health and Safety



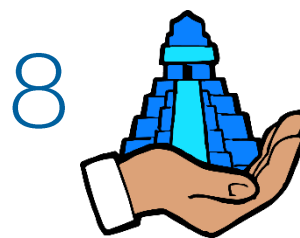
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement



Biodiversity Conservation and Sustainable Management of Living Natural Resources



Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities



Cultural Heritage



Financial Intermediaries



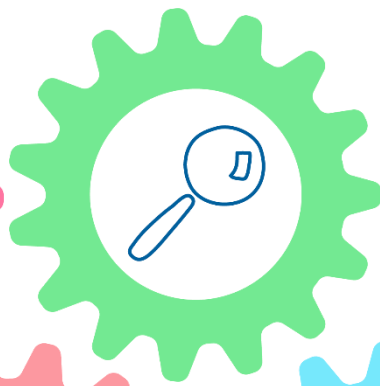
Stakeholder Engagement and Information Disclosure

# What other E&S instruments might a project require?

Environmental and Social Management Framework



Environmental and Social Impact Assessment



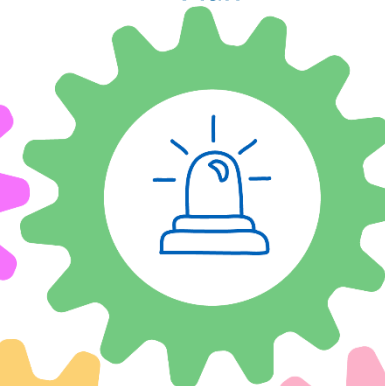
Environmental and Social Management Plan



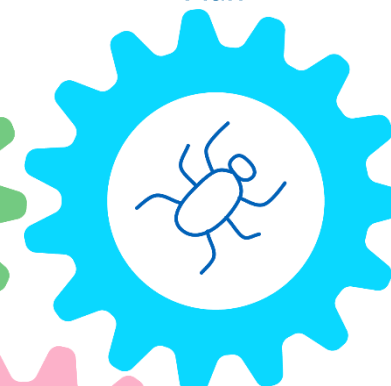
Resettlement Plan



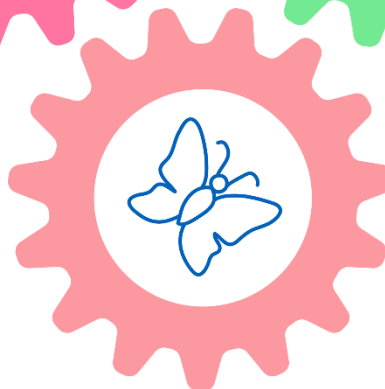
Emergency Preparedness and Response Plan



Vector Control and Management Plan



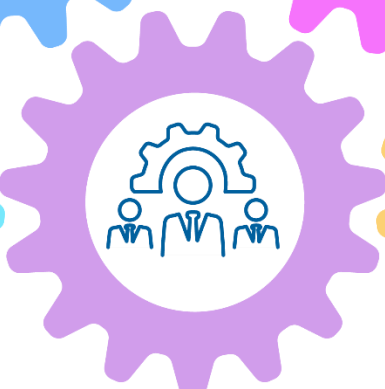
Biodiversity Management Plan



Indigenous Peoples Planning Framework



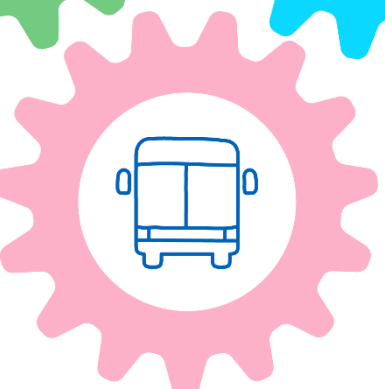
Labor Management Plan



Waste Management Plan



Road Safety Management Plan



# Is it possible to use the Borrower's National Framework for project appraisal, development and implementation?

**Yes,**

when partial or total use is agreed upon with the World Bank



If it allows the objectives of the ESS to be achieved (material consistency).



Necessary measures and actions should be identified and agreed upon to address potential gaps in the national framework.



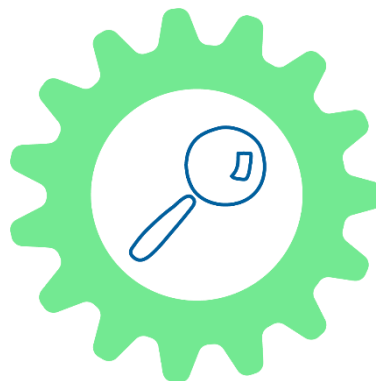
# Objectives of the Brazil E&S Overview Assessment

1



Support greater use and strengthening of Borrowers' Social and Environmental Risk Assessment and Management System

2



Identify aspects of the current system - the legal, institutional and political framework - that could be strengthened

3



Identify capacity-building measures needed to use Borrowers' systems and thus achieve results that are materially consistent with the objectives of the World Bank's Environmental and Social Standards.



# Stages and Highlights of the Brazil E&S Overview Assessment



## 1st Phase (2022)

- Review of the Brazilian environmental, social and labor legal framework
- Comparative assessment with environmental and social standards
- Documentary analysis
- First round of consultation with stakeholders



## 2nd Phase (2023)

- Preparation of Technical Notes on each Environmental and Social Standard
- Focus on the objectives of each Standard
- Addressing 4 core issues
- Second round of consultation with stakeholders



## 3rd Phase (2024)

- Revision and fine-tuning of the Technical Notes for disclosure
- Virtual consultation - online questionnaire
- Consultation on the practical challenges and opportunities for implementing environmental and social risk management measures to achieve the objectives of the ESS

# Methodology of the Brazil E&S Overview Assessment



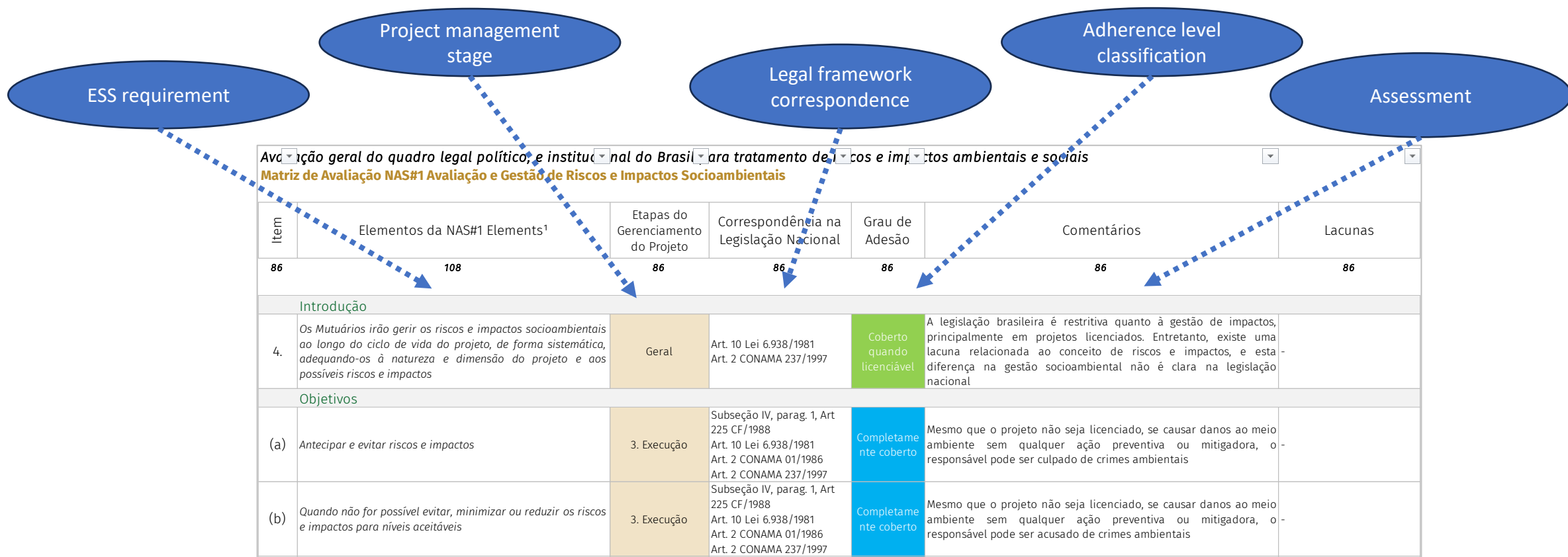
**1** Measurement of the degree of adherence based on the breakdown of the Standards into their parts

**2** Classification of the degree of adherence of the objectives and requirements of the Environmental and Social Standards into 4 categories

Objectives and requirements achievable using the Brazilian system	Achievable objectives when environmental licensing is required under the Brazilian system	Objectives partially achievable through the use of the Brazilian system	Objectives and requirements not achievable using the Brazilian system



# Methodology for data processing



$$DA = \frac{(1 * PLA) + (1 * CQL) + (0.5 * PRA)}{NEA}$$

DA = Degree of Adherence

PLA = Number of requirements/objectives Fully Achievable

CQL = Number of requirements/objectives Achieved When Subject to Licensing

PRA = Number of requirements/objectives Partially Achievable

NEA = Total number of elements analyzed

# Key Results of the Brazil E&S Overview Assessment

ESS	Completely covered	Covered when licensed	Partially covered	Not covered	Elements	Adherence
ESS 01	22	23	11	19	75	67%
ESS 02	19	0	7	2	28	80%
ESS 03	37	5	15	6	63	79%
ESS 04	9	10	8	2	29	79%
ESS 05	8	8	16	17	49	49%
ESS 06	17	19	9	13	58	70%
ESS 07	8	7	12	2	29	72%
ESS 08	18	29	22	2	71	82%
ESS 10	1	11	3	1	16	84%
<b>TOTAL</b>	<b>139</b>	<b>112</b>	<b>103</b>	<b>64</b>	418	-
<b>SCORE</b>	<b>251</b>		<b>51.5</b>	<b>0</b>	302.5	<b>72%</b>

# Technical Notes for each ESS

In Portuguese

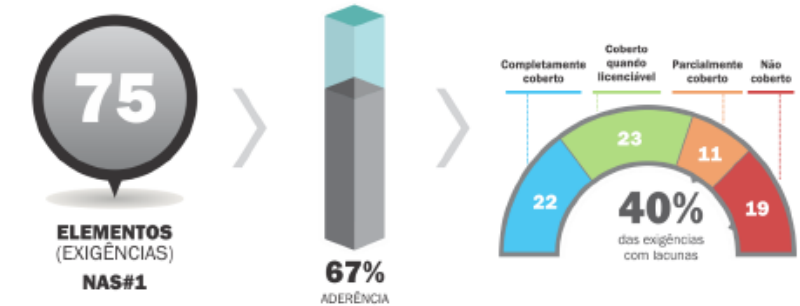
1. Purpose of the note
2. Degree of adherence (infographics)
3. Overview
4. Which objectives of the ESS are achievable using the Brazilian system?
5. Which objectives of the ESS are partially achievable using the Brazilian system?
6. Which objectives of the ESS are not achievable or which of its requirements are not covered when using the Brazilian system?
7. What additional measures do borrowers need to take for their projects to achieve all the objectives of the ESS?

## Avaliação e Gestão de Riscos e Impactos Socioambientais

### 1. OBJETIVO DA NOTA

Esta Nota Comparativa tem por objetivo servir para orientar as equipes do Banco Mundial e de seus Mutuários no Brasil, durante a preparação de operações e implementação de suas atividades, no que se refere à identificação, avaliação e gestão de seus riscos e impactos socioambientais, permitindo promover melhores desempenhos socioambientais e fortalecer a capacidade dos Mutuários. A análise buscou indicar que objetivos da Norma Ambiental e Social 1 – Avaliação e Gestão de Riscos e Impactos Socioambientais do Quadro Ambiental e Social do Banco Mundial (doravante designada por Norma 1) podem ser alcançados plenamente ou parcialmente utilizando o marco regulatório nacional e quais de seus requisitos são assim atendidos.

### 2. GRAU DE ADESIÃO



### 3. VISÃO GERAL

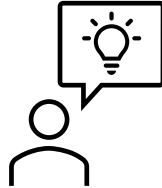
A Norma 1 define as responsabilidades do Mutuário no que diz respeito à avaliação, gestão e monitorização de riscos e impactos socioambientais associados a cada fase de um projeto apoiado pelo Banco, por meio do Financiamento de Projetos de Investimento, para a consecução de resultados ambientais e sociais consistentes com as Normas Ambientais e Sociais do Quadro Ambiental e Social do Banco Mundial. A Norma 1 é a norma que conjuga e direciona a aplicação das outras nove Normas do QAS. É também onde estão estabelecidos os processos e orientações para a avaliação e gestão dos riscos e impactos dos projetos financiados pelo Banco, o que inclui a avaliação da capacidade institucional do mutuário e as obrigações bilaterais de reporte e comunicação entre as partes.

Na legislação federal brasileira, a Norma 1 pode ser considerada especialmente refletida na Política Nacional do Meio Ambiente (Lei 6.938 de 1981), que é o guarda-chuva da regulamentação da gestão de impactos ambientais no País. Um degrau abaixo, mas de igual importância e reatamento das diretrizes da Norma 1, encontram-se as resoluções CONAMA 001 e 237, que estabelecem critérios básicos e diretrizes gerais para elaboração de estudos de impacto ambiental e para o licenciamento ambiental de projetos potencialmente poluidores ou que possam causar degradação ambiental e social. O licenciamento ambiental é o principal instrumento desta política no que toca à gestão de riscos e impactos de projetos. É no âmbito do processo de licenciamento ambiental que se dá a avaliação prévia dos potenciais impactos do projeto, inclusive sobre os direitos dos possíveis afetados, e onde são definidas as medidas a serem cumpridas para mitigação e ou compensação desses impactos. Não menos importante para avaliação do reatamento da Norma 1 na legislação brasileira é a Lei de Crimes Ambientais (Lei 9.605 de 1998), que estabelece sanções penais e administrativas derivadas de condutas e atividades lesivas ao meio ambiente, e resguarda, em algum grau, o financiador em relação a uma má conduta do mutuário em sua gestão socioambiental.

Considerando a vigência das citadas legislações, e diversas outras analisadas no presente levantamento, a análise mostrou que o arcabouço legal brasileiro alcança um grau de aderência com a Norma 1 de 67%. A maior parte das lacunas tem como berço o maior rigor do Banco em relação à avaliação e gestão dos riscos e impactos ambientais e sociais dos projetos, como será explorado a seguir.

# Challenges and Opportunities



- G20 Declaration, New Delhi (Set-23)
- **Multilateral Development Banks (MDBs) reform**
- *“Bigger and better MDBs”*
- *“Increase the capacity of multilateral banks to fight poverty and address global challenges...”*
- Use of national systems → **Project’s streamlining** 
- Developing and strengthening Borrowers’ structures and processes

# Let's continue the conversation!

Post questions and comments in the IAIA24 app.



**#iaia24**

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