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Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 03-Apr-2019 | Report No: PIDISDSC25621

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BASIC INFORMATION

A. Basic Project Data

Country	Project ID	Parent Project ID (if any)	Project Name
Brazil	P168989		Sustaining Healthy Coastal and Marine Ecosystems Project (P168989)
Region	**Estimated Appraisal Date**	**Estimated Board Date**	**Practice Area (Lead)**
LATIN AMERICA AND CARIBBEAN	Dec 10, 2019	Mar 04, 2020	Environment & Natural Resources
Financing Instrument	**Borrower(s)**	**Implementing Agency**	**GEF Focal Area**
Investment Project Financing	Ministry of Environment	ICMBIO, Funbio	Multi-focal area

Proposed Development Objective(s)

To strengthen management of the MCPA system and the enabling conditions for the blue economy in targeted areas.

PROJECT FINANCING DATA (US$, Millions)

SUMMARY

Total Project Cost	14.48
Total Financing	14.48
of which IBRD/IDA	0.00
Financing Gap	0.00

DETAILS

Non-World Bank Group Financing

Trust Funds	14.48
Global Environment Facility (GEF)	14.48

Environmental and Social Risk Classification	Concept Review Decision
Moderate	

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Other Decision (as needed)

B. Introduction and Context

Country Context

1. **After a decade of rapid growth and social progress up to 2013, Brazil's economy first stumbled and then fell into deep recession.** A decade of sound macro policies and a favorable external environment contributed to fast economic and social progress between 2001 and 2010. However, the deterioration in both factors led to a steady decline in growth after 2010. Growth declined from an average of 4.5 percent per year in 2006–10 to 2.4 percent in 2011–14, followed by contractions of 3.5 percent in 2015 and 2016. While external factors triggered the slowdown, an expansionary policy response led to rapidly rising fiscal disequilibria and, with rising domestic political uncertainty, to a loss of confidence and a sharp drop in investment. The economic recovery remains weak with 1 percent growth in 2017 and 1.2 percent growth projected in 2018.

2. **The crisis threatens a decade of development progress.** Brazil experienced an unprecedented reduction in poverty and inequality when 24.8 million Brazilians escaped poverty between 2006 and 2015 and the Gini coefficient of household incomes fell from 0.59 in 1999 to 0.51 in 2015. Most of this reduction was explained by the creation of formal sector jobs, with sharp decline in the unemployment rate to a low of 6.8 percent in 2014. However, the economic crisis precipitated a rapid rise in unemployment with job losses of 0.6 million in 2015 and 2.0 million in 2016. As a result, poverty increased in 2015 and 2016. With on-going tepid economic growth poverty is estimated to have leveled off at 20.6 percent in 2017.

3. **Restoring fiscal sustainability is the most urgent economic challenge for Brazil.** To address unsustainable debt dynamics, the government adopted a constitutional amendment that limits public expenditure growth through an accumulated adjustment of 5 percentage points of GDP for the period 2019-2026 stabilizing debt at around 89 percent of GDP by 2026 and declining thereafter. Implementing this fiscal adjustment requires alleviating the rigidities affecting public spending and revenue earmarking mechanisms, which turn mandatory over 90 percent of the federal government's primary spending. Furthermore, this large fiscal disequilibrium also affects subnational governments, with limited capacity to cope with growing wage bill and pension payments unless reforms are adopted. This also has impacts on environmental budgets which are being reduced, leading to lower resources for monitoring and management of environmental governance structures such as for example Marine and Coastal Protected Areas (MCPAs). Reforms should aim to accelerate inclusive sustainable growth, productivity, and infrastructure development.

4. **Brazil's marine and coastal assets offer an opportunity for accelerating inclusive sustainable growth and productivity.** These natural assets provide a wide array of ecosystem goods and services that help fuel the economy including, among others, (a) seafood (fish and shellfish), (b) tourism and recreation, (c) oil and gas, (d) transportation, and (e) coastal protection and resilience from reefs and mangroves. The economic growth opportunities and the natural capital that supports them, are however threatened by increasing development pressures and competing interests for the use of marine and coastal resources. The responsible management of this natural capital, without compromising the ecological integrity and health of ecosystems, represent the means by which to develop a sustainable economy.

Sectoral and Institutional Context

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5. **Brazil's extensive coastline measures over 9,000 km, including bays and promontories.** The coastal and marine zone includes a land area of 514 thousand km² and a marine area of over 3.5 million km2, an area equivalent to 41 percent of the Brazilian terrestrial territory (8.5 million km2) and comparable in size to the Brazilian Amazon (4.1 million km2).1 The Brazilian coast hosts an immense variety of environments and wildlife including, in the Northern coast, one of the longest continuous stretches of mangrove ecosystems in the world, important as nursery sites, biological filters and carbon sinks. This region in particular, forms part and contributes to the Caribbean and Northern Brazil Shelf Large Marine Ecosystem (CLME+). The Brazilian coast also hosts the only coral reefs in the South Atlantic; many endemic species; dune fields; lagoon complexes; restingas (sandy-coastal plain vegetation); and flood plains. Brazil's coastline sits within three out of the 66 internationally recognized Large Marine Ecosystems (LMEs), one shared with its northern regional neighbors, French Guiana, Suriname, Guyana and Venezuela (North Brazil Shelf LME), and two of which fall exclusively within national territory (East Brazil Shelf and South Brazil Shelf LMEs).

6. **The "blue economy" concept seeks to promote economic growth, social inclusion, and the preservation or improvement of livelihoods while at the same time ensuring environmental sustainability of the oceans and coastal areas[1].** MCPAs are a cornerstone of the blue economy by maintaining a healthy and diverse natural capital, which forms the basis of current and future socioeconomic development[2]. Brazil is aiming towards the sustainable and integrated development of economic activities in the coastal and marine environment, and based on a robust MCPA network that maintains the health and resilience of ecosystems. While still in its inception, this 'blue economy' approach will in the future help boost economic growth, create jobs, reduce poverty, and build local skills while conserving the public good nature of the marine and coastal resources.

7. **The marine and coastal ecosystems of Brazil currently provide food, livelihoods, and income to millions of people through fisheries, tourism, coastal protection, transportation, oil and gas, and resilience to climate change.** The coastal zone houses 50.7 million inhabitants, or 26.6 percent of the national population, generating approximately 30 percent of all national wealth[3], and distributed across 463 municipalities and 21 of Brazil's 74 metropolitan regions[4, 5]. It is estimated that 19% of Brazil's GDP is derived from coastal and marine based activities, such as oil and gas, transportation, fisheries, underwater cables, and tourism[6]. The Brazilian fisheries and aquaculture sector is projected to grow by 104% by 2025[7], with aquaculture—particularly for shrimp and molluscs—playing a key role in this expected growth, especially in Brazil's northeast region[8]. The coastal zone is the main geographic area for economic growth for many other industries, including the oil and gas industry, which engages in significant off-shore drilling. Brazil ranks ninth in the world of oil producers and 31st in the world of natural gas producers, with 94% of Brazil's total oil production and 77% of natural gas deriving from the marine environment. Oil production primarily occurs within the continental shelf off the states of Rio de Janeiro and Espírito Santo, while the continental shelf off the states of Rio de Janeiro and São Paulo are the largest producers of natural gas[9].

8. **These coastal and marine assets are however exposed to key pressures that can compromise the health of the natural capital that is the foundation for a blue economy.** Brazil's ecosystems are under anthropogenic pressures including overfishing, pollution, coastal development, and climate change. The fisheries sector, for example, is increasingly threatened by unsustainable fishing practices leading to an alarming decline in economically important species. Pollution from aquaculture practices, particularly the growing shrimp farming industry, likewise threatens mangrove ecosystems and their associated biodiversity. Other pressures affecting Brazil's Exclusive Economic Zone (EEZ) include unsustainable maritime port activities (e.g. unsustainable ballast discharge etc.) and contamination of marine waters through the release of untreated sewage (it is estimated that only 14 to 46 percent of the sewage generated is treated) and solid waste. These anthropogenic pressures are compounded by the impacts of climate change and variability. The combination of these pressures exacerbates conflicts among sectors and industries over resources and locations in which to carry out their

activities. This unsustainable pattern of development has a concrete impact on the future opportunities for prosperous growth and needs to be urgently addressed in order to facilitate a pathway to a blue economy.

9. **Strengthening the sustainable management of MCPAs, balancing protection and economic activities, will create the enabling environment for Brazil's transition to a blue economy**[10]. The Theory of Change of the proposed project therefore includes as building blocks: (i) the sound management and sustainable financing of existing key protected areas, securing and protecting the natural capital for a blue economy; and (ii) fostering the adoption of technological innovations at the local level and strengthening institutional capacity for better management of marine resources, including the use of Marine Spatial Plan (MSP) that will inform policy decisions and ensure that the multiple economic sectors are developing sustainably. These actions combined will put Brazil on a path towards benefiting from its vast ocean resources in a sustainable manner.

10. **Marine protected areas have been shown to help the recovery of collapsed and threatened stocks, serving as nursery areas and as a source of export of mature individuals to adjacent areas**[11]. Brazil currently recognizes 74 Vulnerable, 35 Endangered, and 51 Critically Endangered Unique marine and coastal species[12], with recovery plans elaborated for 138 species. The establishment of MCPAs is considered essential to conserve the ocean's biodiversity and, since the 1990's, it is increasingly recognized as an important factor in maintaining productivity, especially of fish stocks. Once designated, these areas must be monitored and well-managed to achieve their targets, including supporting the future economic development of those areas.

11. **Brazil has put in place several ecosystem management policies and strategies conducive to sustainable growth and in line with international commitments.** Brazil signed the Convention on Biological Diversity (CBD) and the United Nations Framework Convention on Climate Change (UNFCCC) in 1992, and Congress ratified them on February 28, 1994. Since then, the Brazilian Federal Government, with the support of the Global Environment Facility (GEF) and other international organizations, has taken decisive measures to implement the three objectives of the CBD. These include: enhancement of the legal framework; institutional capacity building of the Ministry of the Environment; and establishment of national policies, programs, and major projects. As part of Brazil's commitment to the CBD, the Brazilian government established a National Policy for Biodiversity with general principles and guidance (Decree 4339, of 22 August 2002) and a National Protected Areas Strategic Plan (PNAP) in 2006 (Decree n° 5.758), which sets out principles, guidelines, and actions for the establishment of a comprehensive system of terrestrial and marine protected areas that are ecologically representative and effectively managed.

12. **With support from the GEF financed Marine Protected Areas Project (GEF MAR1), Brazil expanded its marine protected surface from 1.57% to 26.34%[13] of its EEZ.** These MCPAs account for a total of 94 million hectares, including 82.8 million hectares of sustainable use (IUCN Category V – VI) and 11.8 million hectares under more restricted conservation regimes (IUCN Category I – III)[14]. This milestone has substantially surpassed the Aichi 2020 Target of protecting 10% of the marine environment. This expansion represents a significant national interest, not only from an environmental perspective but also from the economic point of view, as an important measure to curb the collapse of fish stocks. In addition, the joint management of these areas by governmental environmental institutions and by the Brazilian Navy constitutes an effective strategy for the sustainable use of the Brazilian EEZ, safeguarding important and unique marine ecosystems. Brazil is also conducting gap analyses to ensure the representativeness, effectiveness, equity and connectivity of the national system of protected areas. The gap analysis includes the vulnerability of species, ecosystems and protected areas to climate change and their role in social, economic and ecological adaptation strategies. Finally, GEF MAR1 has also fostered the discussion and proposition of the Brazilian Blue Initiative[15], an ambitious, broad strategy that seeks to articulate, promote and coordinate programs, projects and activities that aim to foster the conservation and sustainable use of marine and coastal ecosystems. This initiative represents the initial discussions around fostering a blue economy in Brazil, balancing conservation efforts and sustainable economic growth.

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13. **Recognizing the multisectoral nature of developing an integrated approach to the conservation and sustainable use of coastal and marine areas, the Inter-ministerial Commission for the Resources of the Sea (CIRM), recently approved the Federal Coastal Action Plan (PAF-ZC).** This plan was prepared by the Coastal Management Integration Group (GI-Gerco) for the period 2017-2019. The PAF integrates the implementation strategy of the National Coastal Management Plan (PNGC), the main public policy for the conservation and climate change adaptation and mitigation in the coastal belt. The plan coordinates actions, responsibilities and institutional arrangements for coastal environmental management to be carried out by different governmental entities, such as the Federal Public Ministry, the National Association of Municipal Environmental Bodies (ANAMMA), civil society, and others. Also approved by CIRM, and currently under implementation, is the IX Sectorial Plan for the Resources of the Sea (IX PSRM) for the period 2016-2019, which includes targets for the monitoring of coastal and marine ecosystems as well as the establishment of new Marine and Coastal Protected Areas (MCPAs).

Baseline:

14. **A variety of initiatives contribute to and complement the proposed project, in addition to GEF MAR1.** The Procosta, a National Programme for the Conservation of the Coastline, was recently launched by the Ministry of Environment and was created to monitor coastal-marine zones and map future risks. The Programme comprises four projects, all aimed at projecting future scenarios and mapping risks related to the Brazilian coast for the next 100 years. The Programme will work with a set of federal agencies—including the Ministry of Defense, Brazilian Navy and Brazilian Institute of Geography and Statistics (IBGE)—along with states and municipalities. Critical lessons from the GEF MAR1 project include the involvement of different public and private partners in the mobilization of resources, effective implementation of management and monitoring activities in MCPAs, and the creation of sustaimnable financing mechanisms for MCPAs.

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15. **The Terramar Project (GIZ) is another ongoing initiative that supports an integrated approach to environmental and spatial planning of the Costa dos Corais and Abrolhos regions.** This includes the Rio Doce Basin, where the biggest mining disaster in Brazil occurred in 2015. Sustainable management capacities of local stakeholders are strengthened through training activities, institutional support, increased knowledge management and networks in the region applying participatory approaches.

16. **Brazil is part of the GEF financed CLME+ Project**. The CLME+ Project is an umbrella for initiatives and actions to support implementation of the Strategic Action Programme (SAP) for enhanced ocean health in the wider Caribbean and Northern Brazil Shelf down to the territorial waters off the Brazilian state of Maranhao[16]. The CLME+ region covers a vast marine area (4.4 million km^2) that is a major contributor to regional economic development and is key to many globally relevant ecological processes[17]. In this context, the proposed project is well aligned with the CLME+ SAP Strategies and Actions as it contributes to the integrated management of marine ecosystems and resources in the Northern Brazil Shelf LME (i.e the Parcel Manuel Luís MPA off the coast of Maranhao and the vast mangrove forest spanning across the Northern states of Brazil)[18]. Another ongoing GEF financed initiative is the National Strategy for Conservation of Threatened Species Project (GEF Species), which is designed to develop tools and mechanisms to promote conservation beyond protected areas, mainly in sites where few conservation measures are taken, and establish a coherent and integrated effort to conserve flora and fauna.

17. **Finally, the European Commission is promoting cooperation between managers of Marine Protected Areas in countries and territories around the Atlantic Ocean.** This is done via the Towards a Transatlantic Partnership of Marine Protected Areas. The project is designed to stimulate exchange and the sharing of best practices to improve the effective management of MCPAs of the Atlantic, focusing on marine mammal migration, resilience of MCPAs to coastal impacts of climate change, and the establishment of MCPA managers' networks.

18. GEF financing is necessary to support the Brazilian Government in protecting globally significant biodiversity through strengthening the sustainable management of the country's Marine and Coastal Protected Areas (MCPA) network. Given the complexity involved in the management of marine ecosystems, without GEF's additional support Brazil's MCPA system (built under GEF MAR1 resources) would be at risk of underperforming and failing to effectively balance biodiversity conservation with sustainable use of resources. The long-term benefits of the proposed Project, are dependent upon this extra push to fully strengthen management capacity of protected areas across the country.

19. Moreover, with the GEF financing, this project will not only strengthen the management of the MCPA system in the country, but it will also build the enabling conditions for transitioning to a blue economy in targeted areas thus adding a dimension of sustainable economic opportunity in balance with biodiversity conservation. Not making a concerted effort to invest resources in effective management of the MCPA system would jeopardize the economic opportunities that are dependent upon a healthy and well management coastal and marine environment. In other words, investing in stronger management means investing in future sustainable economic opportunities that will benefit local communities and aid in maintaining strong management arrangements of the MCPA system over the long-term. In summary, GEF financing would secure the future status of the MCPA management for biodiversity conservation and it will also incubate the critical enabling conditions necessary for transitioning to a blue economy.

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Relationship to CPF

20. **The proposed Project is consistent with the World Bank Group's Country Partnership Framework (CPF) 2018–2023 for the Federative Republic of Brazil (Report N° 113259-BR) discussed by the Executive Directors on July 16, 2017.** The CPF proposes a reorientation of new lending and advisory services and analytics toward supporting the Government in addressing the main development constraints identified in the Systematic Country Diagnostic, including natural resources management. The Project is directly related to the third focus area of the FY18-23 CPF. As stated in Objective 3.1 (Support the achievement of Brazil's NDC with a particular focus on land use), the Bank is supporting the achievement of Brazil's NDC and the implementation of its targets in all sectors, including through the strengthening of Brazil's national system of marine protected areas to increase the areas of environmental significance under protection measures. The proposed project will support the consolidation of coastal and marine protected areas, including advocacy activities on the blue economy to safeguard Brazil's strong track record in the protection of the marine environment and coastal communities. As per CPF, the WBG continues to support management of natural resources in a sustainable way, combining conservation with the promotion of local and regional economic development. The project also contributes to the WBG's twin goals of ending extreme poverty and boosting shared prosperity sustainably, by working toward the longer-term objectives of supporting food security, creating jobs for coastal populations, and increasing resilience to climate variability of those who depend on the marine resources, which are among the poorest and most vulnerable.

21. **The Project supports the new GEF-7 Programming Directions, by contributing to the long-term protection of Brazil's globally important marine ecosystems.** Specifically, the Project targets the Biodiversity Focal Area. In line with the goal of the GEF-7 Biodiversity Focal Area strategy, the project will maintain globally significant biodiversity in marine habitats and contribute to two Focal Area Objectives of 1) Mainstreaming Biodiversity across Sectors as well as within Production Seascapes[19], and 2) Reducing Direct Drivers of Biodiversity Loss in marine protected areas[20].

22. **At the global level, Brazil has committed to several key environmental international initiatives.** Aside from the above-mentioned CBD, Brazil also ratified the Ramsar Convention on Wetlands in May 1996. The proposed Project contributes to Brazil's commitments under these two Conventions (including CBD´s 2020 Aichi Biodiversity Targets) and meets the Brazilian eligibility criteria for GEF-7 funding according to the guidelines set by the CONABIO – Decree Number 4.703, of May 22, 2003 and the National Biodiversity Policy Decree Number. 4.339, of August 22, 2002. The project is also well-positioned to support the Sustainable Development Goals (SDGs), particularly SDG 14 dedicated to the conservation and sustainable use of the oceans for sustainable development; the National Policy on Climate Change

(NPCC) and Nationally Determined Contributions (NDCs) by contributing to the climate change policies and measures in the country. Finally, the implementation of ocean governance tools such as the marine spatial plans (MSPs) will also contribute to achieving the Aichi targets through incorporating protected areas into spatial designs with the purpose of conserving marine and coastal ecosystems (Target 11).

C. Proposed Development Objective(s)

23. To strengthen management of the MCPA system and the enabling conditions for the blue economy in targeted areas.

Key Results (From PCN)

24. The following outcome indicators are proposed to measure PDO achievement:

i. MCPAs under improved management for conservation and sustainable use (hectares)
ii. Number of public policies/strategies incorporating blue economy principles
iii. Monitoring system for targeted marine and coastal areas operational

D. Concept Description

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25. **The proposed Project will build upon the on-going GEF MAR1 project, and expand its scope to harmonize protected area management with policy frameworks and activities to create the enabling conditions for a blue economy**. In line with the Brazilian Blue Initiative, the proposed Project seeks to reinforce and expand current efforts to protect and manage Brazil's extensive coastal and marine environments and the rich biodiversity and ecosystem services they support; and in this way fostering the emergence of a sustainable and equitable blue economy based on this natural capital. More specifically, the proposed project would aim to improve management and strengthen the financial sustainability of the MCPA system inter alia by further capitalizing the Brazilian Marine Fund. In parallel, the project would support actions to help mainstream blue economy principles into the overarching policy, legislative and institutional frameworks; support examples of innovative approaches and technologies for MCPA surveillance and management; and to strengthen specific sustainable value chains in selected coastal Brazilian states. Additionally, the project would support local, national and international knowledge exchange and collaboration, helping build the capacity of Brazilian stakeholders to effectively contribute to the management and sustainable use of coastal and marine environments as the foundation for the blue economy.

26. **The Project will be funded by a GEF Trust Fund grant in the amount of US$14.5 million.** The World Bank's instrument would be an Investment Project Financing (IPF). In addition to GEF funding, partners will be supporting the project with a total of US$86.5 million from Government budgets and legal financial mechanisms such as environmental compensation and conversion of fines. The project comprises four components.

27. **Component 1: Management of Coastal and Marine Protected Areas System (US$8.00 million, Co-financing US$48 million).** As the building blocks of the blue economy, this component will further capitalize and scale up efforts for the consolidation of the national MCPA system. Building on achievements of GEF MAR1, this component will target the existing MCPA network totaling 94 million hectares and will directly support the improvement in management effectiveness in 1.6 million hectares as the pre-established METT baseline defined under GEF MAR1. The aim of this component would be to (i) further capitalize the Brazilian Marine Fund with GEF, government, and private sector resources (following the model of the Amazon Region Protected Areas Project) as a sustainable financing mechanism for Brazil's MCPA system in line with the blue economy principles; (ii) strengthen the management effectiveness and connectivity of the MCPA system, including traditional artisanal sustainable fishing areas and no-take fishing zones, by identifying and piloting integrated and participatory planning approaches; and (iii) strengthen governance, equitability, legal and regulatory

framework of the MCPA system, including *inter alia*: strengthening of governance and management of vulnerable and under-protected ecosystems with an emphasis on strengthening sustainable fisheries management capacity, and strengthening the social organization of local traditional communities within MCPAs. These activities will provide sufficient human and financial resources, adequate infrastructure, supportive local constituencies, and technical capacity for strategic planning, political support, and sufficient ecological information for the long-term resilience of the MCPAs[21]. This approach will help address the anthropogenic pressures of overfishing, pollution, and habitat degradation which are key threats to the blue economy.

28. **Component 2: Developing a pathway for a Blue Economy (US$ 3.89 million, Co-financing US$30 million).** The objective of this component is to develop policies, strategies, models and partnerships to support the country's pathway towards a blue economy. The aim of this component would be to (i) foster an enabling policy and regulatory environment mainstreaming blue economy principles into new or existing public policies and strategies pertaining to the conservation and use of coastal and marine resources around MCPAs; including the development and implementation of an Action Plan for the Brazilian Blue Initiative; and to (ii) promote technological innovation in support of the sustainable use, management, and monitoring of the natural assets. In this regard, the component will support the piloting and subsequent wider establishment (in targeted areas) of instruments for decision making and for small-scaled value addition activities, including technologies for remote monitoring and surveillance of illegal fishing in the MCPAs, and surveillance of ecosystems health and anthropogenic pressures such as marine pollution and solid waste. Moreover, to support better decision making over marine assets and to minimize user conflicts (among marine tourism, recreation, conservation of biodiversity, fisheries, maritime shipping and transport, etc.), localized MSPs will be adopted as a governance and management tool. Overall, this component will promote the sustainable use and management of natural assets while fostering conservation, innovation, and improving livelihoods of those who depend on the marine environment.

29. **Component 3: Strengthening Knowledge, Raising Awareness and Building Capacity (US$ 1.90 million, Co-financing US$9 million).** The objective of this component is to strengthen knowledge and enhance Brazilian stakeholders' capacity to recognize the value and effectively manage the natural capital which sustains the blue economy. The aim of this component would be to (i) support capacity building for stakeholders at multiple levels including local community stakeholders, MCPA institutions, ICMBio research centers through inter alia targeted workshops, training, voluntary work, environmental education, and the establishment of a national MCPA managers network; and to (ii) strengthen knowledge and awareness raising of the blue economy among cross-sectoral stakeholders including activities such as strengthening stakeholder networks and forging new partnerships targeting both conservation and economic activities, with a particular focus on women's participation; and fostering knowledge exchange and learning opportunities with countries facing similar challenges to improve Brazilian institutional capacity.

30. **Component 4: Project Management, Monitoring and Assessment (US$ 0.69 million).** This component supports cross-cutting activities designed to strengthen coordination, communication, management and monitoring of implementation for all components. It aims to ensure project efficiency and efficacy through the establishment of a satisfactory management system and the maintenance of the Project's participatory structures.

31. **Beneficiaries:** The Project involves a range of beneficiaries at the national and community levels, given the large scale of the countries' marine environment**.** In particular, direct beneficiaries include ministries from various sectors, protected area management agencies and ICMBio Research Centers, local populations and resource users living inside the MCPAs system, nongovernmental organizations (NGOs), Civil Society Organizations (CSOs), scientific community and the national and international societies. Project activities will be targeted to these stakeholders to enhance their capacity and provide the foundation needed to drive the blue economy agenda. More specifically, local populations, including local fishers, fishing communities and some indigenous communities, will benefit from improved resource management and conservation, community empowerment and increased access to public policies. The Project will support their participation in Management Councils, elaboration and updating of Management Plans for PAs. The tourism industry will benefit from improved public use management, infrastructure, environmental education and conservation. The

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fishing industry will benefit from improved sustainability of their activities. Local, state, and federal stakeholders will be strengthened through participation in project activities and targeted capacity-building initiatives. The national and international community, as secondary beneficiaries will benefit from the establishment and implementation of a globally representative system of marine and coastal PAs in Brazil - better protected ecosystems and trans-boundary biodiversity. Critical information will be generated to scientists and policymakers on the achievement of CBD and Ramsar Convention targets.

32. **Environmental and Social assessment.** For the purposes of the proposed Project, a full assessment of the environmental and social impacts and benefits of Project activities would be carried out prior to appraisal, to inform the preparation of an Environmental and Social Management Framework (ESMF). Environmental impacts are expected to be minimal, localized and reversible, as project activities are designed to generate positive environmental conservation results. The Project will utilize a highly participatory approach that emphasizes consensus and community participation in MCPA management, improving MCPA design to consolidate mosaics avoiding conflict with local people while maximizing conservation benefits. The ESMF would give special consideration to impacts and benefits for vulnerable social groups. The assessment of social impacts and benefits would incorporate a gender-sensitive lens to the extent possible and would propose, to the extent needed, specific actions to close identified gender gaps as well as indicators to monitor actions designed to address or narrow these gaps. GEF MAR1 has made considerable progress addressing gender gaps and this dimension will continue to be a priority for the proposed project.

33. **Citizen engagement.** Consultations with key stakeholders, beneficiaries, and affected people would be carried out by the client during preparation. GEF MAR1 has developed and relies on a robust strategy of engagement with communities especially indigenous peoples. These consultations would take advantage of the channels already established, which convenes representatives of civil society, nongovernmental organizations, and academia. Local community leaders would also be consulted. These consultations would address the findings of the social and environmental assessment and evaluate the identification of impacts and benefits derived from project activities as well as the proposed measures to avoid, minimize, and/or mitigate adverse impacts.

34. **Climate change.** The project will foster multi-sectoral and participatory approaches to climate resilience in marine protected areas through actions that restore degraded or altered marine and coastal habitats in a manner that results in multiple benefits such as decreased vulnerability of coastal communities and improved habitat availability and/or function. By strengthening the management effectiveness of the MCPA system, the project will increase resilience to climate change of those who depend on the marine resources, which are among the poorest and most vulnerable. The policies, strategies, and spatial planning will incorporate climate analysis scenario to analyze future implications for the marine environment. Through the adoption of technological innovations, the project will improve accurate and systematic observation of the climate and its effects on the MCPA system. Overall, the project is expected to strengthen the knowledge base and the analytical capacity needed to design MCPA approaches and establish governance mechanisms that will facilitate the integration of climate adaptation and mitigation measures in the protection of coastal and marine protected areas as well as ocean economic sectors such as in fisheries, tourism, etc.

35. **Grievance Redress Mechanism**. The Client will propose and implement a Grievance Mechanism with multilevel feedback to receive and facilitate resolution of concerns and grievances. The Project's GRM will rely on the network of sectorial ombudsman offices and the General Ombudsman Office, which includes a web-based portal http://www.mma.gov.br/areas-protegidas/programas-e-projetos/projeto-gef-mar/governan%C3%A7a-gef-mar.html). In addition to this official website, requests of information and grievances will be filed through the phone-hot line, e-mail or social networks. Moreover, the implementation agency will designate a focal point for the territories served, who will act on project-related issues and address information requests and grievances. The structure and processes of these mechanisms will be included in the Project Operational Manual and in the ESMF. The operation of the project's GRM will be periodically reported to the World Bank and monitored according to agreed performance indicators.

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36. **World Bank's Grievance Redress Service.** Communities and individuals who believe that they are adversely affected by a World Bank–supported project may submit complaints to existing project-level grievance redress mechanisms or the World Bank's grievance redress service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project-affected communities and individuals may submit their complaint to the World Bank's independent inspection panel which determines whether harm occurred, or could occur, as a result of noncompliance with World Bank's policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit: http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

37. **Monitoring and Evaluation of Citizen Engagement and GRM.** Citizen engagement will be measured through beneficiary feedback surveys and efficiency of the project's Grievance Redress Mechanism. The project's intermediate results and indicators framework will be including an indicator of beneficiary satisfaction. This indicator will be disaggregated by gender. The efficiency of the GRM will be periodically evaluated in terms of: (i) Registered grievances satisfactorily responded in line with the Grievance Redress Mechanism, disaggregated by gender.

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38. **Gender Strategy.** The Project is expected to address gender gaps. Women play an important role in smallholder family in Brazil, such as fishing communities and indigenous communities. However, they do not always reap the full financial benefits of their labor. There is little data on the exact extent of these gaps. Research in the urban area indicates gaps in terms of remuneration, use of time with domestic activities and care of children. Therefore, this Project will address this fundamental information gap by explicitly incorporating gender analysis into the formulation and implementation of actions. The Project could incorporate specific interventions to address identified gaps, particularly regarding equality of opportunities, through targeting of beneficiaries, and institutional strengthening.

39. **Gender-based Violence.** The Gender-Based Violence Risk Assessment (VBG) will be used to indicate the Risk related to the activities of the Project. In a preventive way the Project should adopt as a strategy to carry out actions to combat gender-based violence. A specific module on gender-based violence will be added in the staff training to ensure that all project staff are equipped to prevent, identify, and respond to any reports of GBV during project implementation.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	TBD
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

All potential risks and impacts expected to result from project activities are expected to be small, localized and reversible. As described in the sections above, the main aspects that should be assessed and provided for in the project implementation documents are: (i) sustainability of small-scale natural resource-based economic activities and value chains; (ii) prevention and mitigation of impacts from small infrastructure remodeling or construction works (visitation and surveillance trails, administrative buildings, other small infrastructure) as well as integration of sustainability aspects such as renewable energy, water reuse and others; (iii) environmental and social sustainability aspects to be integrated into policies and strategies developed under the project; (iv) prevention and mitigation of potential impacts from pilot projects under technological innovation and blue economy activities; (v) procedures regarding potentially affected indigenous communities; (vi) procedures regarding potential chance findings of cultural or archeological heritage, and prevention of impacts on known heritage sites.

Note To view the Environmental and Social Risks and Impacts, please refer to the Concept Stage ESRS Document**.**

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[10] Marine and estuarine areas in Brazil are economically and socially relevant, as national production supplies 66% of the consumed fish, with the majority of fish sold domestically (Gasalla MA, Abdallah PR, Lemos D. (2018)). However, 80% of Brazil's marine capture fisheries resources are

currently overexploited, and the coastal zone more generally can be considered one of the most environmentally threatened regions in the country WWF-Brasil, 2016).

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[12] Brazil (2017). "MPAs as tool and pathway to achieving CBD (Aichi Target 11) and SDG 14." 4th International Marine Protected Areas Congress, La Serena, Chile.

[13] Brazil in 2018 gazetted two large offshore MPAs—the São Pedro - São Paulo and the Trindade-Martin Vaz archipelagos—which increased protected area coverage in the marine realm from 1,57% to 26,34% of Brazil's national waters.

[14] The definitions from IUCN Protected Areas are available at: https://www.iucn.org/theme/protected-areas/about/protected-area-categories

[15] Ministry of Environment Decree no. 261 from 29 June 2018.

[16] Northern coastal Brazilian states part of the CLME+ SAP include (from North to South): State of Amapa; State of Pará; State of Maranhao.

[17] https://www.clmeproject.org/

[19] Objective 1 of maintaining globally significant biodiversity within production seascapes by improving policies and decision making informed by biodiversity and ecosystem values (Outcome 1), and by managing biodiversity in seascapes (Outcome 4).

[20] Objective 2 of reducing direct drivers of biodiversity loss by reducing pressures on coral reefs and other vulnerable coastal and marine ecosystems (Outcome 7) and enhancing the effectiveness of protected areas systems (Outcome 8).

[21] Activities will include inter alia: demarcation of protected areas; installation of signage in artisanal fishing areas and no-take fishing zones; preparation and implementation of management visitation or other plans; surveillance and enforcement; provision of basic infrastructure and equipment, etc. This would be undertaken by the Protected Area management agencies and ICMbio research centers.

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