

Concept Environmental and Social Review Summary Concept Stage (ESRS Concept Stage)

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A. Basic Operation Data

Operation ID	Product	Operation Acronym	Approval Fiscal Year				
P510389	Investment Project Financing (IPF)	PPRAB	2026				
Operation Name	Public Policies for Resilient Agriculture in Brazil						
Country/Region Code	Beneficiary country/countries (borrower, recipient)	Region	Practice Area (Lead)				
Brazil	Brazil	LATIN AMERICA AND CARIBBEAN	Agriculture and Food				
Borrower(s)	Implementing Agency(ies)	Estimated Appraisal Date	Estimated Board Date				
Inter-American Institute for Cooperation on Agriculture (IICA)	Ministry of Agriculture, Livestock and Fisheries (MAPA), Ministry of Agrarian Development and Family Agriculture (MDAAF)	24-Sep-2025	30-Oct-2025				
Estimated Concept Review Date	Total Project Cost						
22-Apr-2025	8,000,000.00						

Proposed Development Objective

Support MAPA and MDAAF in increasing the reach and effectiveness of agricultural public policies for Brazil's family and non-family farmers.

B. Is the operation being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project Activities

The proposed grant would support the Ministry of Agrarian Development and Family Farming (MDAAF), and the Ministry of Agriculture and Livestock (MAPA), in their respective design of public policies and programs to support the development of an inclusive and sustainable agrifood sector, and strengthen their roles as coordinating mechanisms between State- and Federal-level agricultural policies and programs.

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D. Environmental and Social Overview

D.1 Overview of Environmental and Social Project Settings

Brazil's agrifood sector generates 26% of the Brazil's GHG emissions, with two-thirds from livestock enteric fermentation and one-third from agricultural inputs. Land use change represents 52% of total GHG emissions, driven by deforestation in the Amazon and Cerrado biomes. Farmers face climate risks like drought, flooding, hail, frost, pests, and diseases. Outdated farm technologies and practices lead to soil degradation and water pollution. Brazil's agrifood policies, such as ABC+, have reduced emission intensity, but more action is needed. Widespread adoption of Climate-Smart Agriculture practices could be accelerated through enhancing technology transfer, repurposing the rural credit system for green financing, and introducing incentives for Payment for Environmental Services and carbon credits. Improving agrifood productivity while enforcing forest conservation can minimize the conversion of native vegetation. The agriculture public policies supported by the Project are nationwide, with 3.9 million of the nearly 5 million rural landholdings classified as Family Farmers, typically owning less than 100 hectares. The Project prioritizes areas with vulnerable and disadvantaged family farmers, including those led by young people, women, quilombola, traditional, and indigenous peoples, who have limited access to rural assistance, technologies, and knowledge. It also focuses on areas where family farming faces pressures from agricultural expansion or climate change impacts, jeopardizing food security and reducing agricultural value added. While large-scale farms (over 500 ha) account for 50% of production value in less than 1% of farms, family farming, which makes up 77% of farms, contributes only 23% of the total value. Family farmers mostly engage in subsistence-oriented practices, lack market access, use traditional methods, and face socioeconomic stagnation with insufficient income and outdated, inefficient, and unsuitable production for the environment.

D.2 Overview of Borrower's Institutional Capacity for Managing Environmental and Social Risks and Impacts

IICA is the specialized agency for agriculture of the Inter-American System that supports the efforts of member states in their pursuit of agricultural development and rural well-being. IICA has previous experience with the implementation of the World Bank Environmental and Social Standards as the implementing agency of the Sustainable Multiple Use Landscape Consortia in Brazil (P172497), for which a Stakeholder Engagement Plan, an Environmental and Social Management Framework, Labor Management Procedures, and a Framework for Consultations with Traditional Communities have been developed. A Grievance Mechanism has also been in place. IICA will establish a Project Management Unit (PMU) that will be responsible for overall management, planning, coordination, monitoring and evaluation of all Project's activities, as well as for Project financial management, procurement, disbursements and accounting, and for implementing the social and environmental risk management instruments, as well as for disseminating Project results through a proactive communication strategy.

The PMU will be staffed with the necessary technical specialists to carry out the management of environmental and social risks in a proportionate manner to a low risk level. Information disclosure, continuous communication and engagement with key stakeholders, and grievance redressing are the dimensions that deserve the most attention. One Environmental and Social Specialist holding expertise on these aspects would oversee ensuring that all terms of reference incorporate the principles of the relevant ESSs as well as reporting on the E&S performance of the project to the World Bank in a biannual basis.

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Low

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A.1 Environmental Risk Rating

Low

Low

The proposed Project will primarily deploy technical assistance in the form of national and regional dialogues, learning events, networks for rural extension and best-practice dissemination to federal- and state-level policymakers, technical and administrative staff implementing national and subnational public policies in the agrifood sector across Brazil. Project investments are not aimed at financing infrastructure works or other on-the-ground activities with potential environmental impacts and risks that need to be managed. No future construction of physical infrastructure investments, spatial plans, and natural resources management regulations is expected due to technical assistance activities supported by the project. The environmental risk is rated Low as the proposed technical assistance activities for sustainable agriculture policies are not expected to generate significant environmental risks. Instead, the project would enhance the capacity of farmers to adopt practices that protect and preserve natural resources. The technical assistance will encourage biodiversity conservation by promoting agroforestry, pasture restoration, and land use planning. In conclusion, technical assistance for sustainable agriculture policies is instrumental in promoting environmentally sound farming practices. By enhancing Government management's knowledge and skills, it ensures that agricultural activities are conducted in a manner that safeguards natural resources and minimizes environmental risks. Sustainable and resilient agriculture public polices, supported by technical assistance, is a pathway to a more resilient and sustainable future. The environmental risk rating will be confirmed during preparation and updated as necessary

A.2 Social Risk Rating

The social risk is rated low because this grant will support only Technical Assistance activities aimed at improving sector policies and programs, which potential adverse risks and impacts to human populations are likely to be minimal or negligible. The Project would not support any engineering works and infrastructure that could affect community health and safety or require land acquisition. Direct and contracted project workers are not expected to be exposed to OHS risks or to work in remote and hard to supervise areas. The project will not rely on primary supply or community workers. The project design incorporates proper measures to ensure that an inclusive and systematic approach to stakeholder engagement is conducted throughout the project life cycle and target criteria that ensure the most vulnerable and disadvantaged social groups among its potential beneficiaries (including Indigenous Peoples and Traditional Communities) would be able to participate in project supported activities (including state-, regionaland nationwide workshops and seminars) and make an influence on its outcomes. Hence, it enables stakeholders' views are taken into account in its envisaged outcomes, appropriate project information is disclosed in a timely and understandable manner, and stakeholders (including vulnerable and disadvantaged social groups) also have access to means to raise issues and grievances.

B. Relevance of Standards and Policies at Concept Stage

B.1 Relevance of Environmental and Social Standards

ESS1 - Assessment and Management of Environmental and Social Risks and Impacts

Relevant

The project will finance only TA investments, including training, digital systems, government processes and procedures for implementing sector policies, studies and dissemination of CSA. They focus on capacity building, stakeholder engagement and knowledge sharing and there will be no construction works. The initial scoping of E&S risks, impacts and/or downstream implications indicates that they are likely to be minimal or negligible. During the

Sep 17, 2025 Page 4 of 8 project preparation, IICA will provide a more detailed description of Project's activities and boundaries. The Project Operational Manual will define the procedures for screening E&S risks of activities and ensuring compliance with the ESSs. The ESCP will make clear IICA's commitments to draft terms of reference, work plans or other documents in a manner to ensure that final products are consistent with the relevant ESSs and to undertake due diligence of the potential E&S downstream implications of project's outputs.

ESS10 - Stakeholder Engagement and Information Disclosure

Relevant

The grant will support the organization of state, regional, and national workshops and seminars convening key stakeholders – federal and state managers of governmental policies and programs, representative organizations and cooperatives of Family Farming and Agrobusiness, and providers of conventional/non-conventional Technical Assistance and Rural Extension services – to discuss and make proposals for the improvement of sector policies and programs. Project design incorporates a highly participatory approach and during project preparation strategies for ensure access to information and participation of all relevant stakeholders – including vulnerable and disadvantaged groups – in an equitable basis will be further defined. An accessible grievance redress mechanism – to be operated by the grant recipient agency – will be put in place and broadly advertised. The ESCP will incorporate measures to ensure the achievement of outcomes materially consistent with the objectives of ESS 10.

ESS2 - Labor and Working Conditions

Relevant

The core functions of the project will be implemented by direct and contracted workers of the recipient agency, observing the national labor legislation, which requirements related to terms and conditions of employment, to principles of nondiscrimination, equal opportunity and worker's organization, to measures for protecting the work force from child labor, forced labor and OHS risks in the workplaces, and to access to well-advertised grievance mechanisms are well-aligned with the requirements of ESS 2. The project is not expected to engage primary supply or community workers. Measures aiming compliance with the national labor law and reporting on labor-related accidents and incidents will be included in the Project's ESCP.

ESS3 - Resource Efficiency and Pollution Prevention and Management

Not Currently Relevant

Project activities would not require significant uses of energy, water and raw materials. They are not expected to cause adverse impacts related to a) the release of pollutants to air, water and land due to routine, non-routine and accidental circumstances, b) historical pollution, c) GHG emissions, d) the generation of hazardous and non-hazardous waste and e) the use of pesticide and chemicals and hazardous materials subject to international bans, restrictions or phaseouts.

ESS4 - Community Health and Safety

Not Currently Relevant

Project activities would not involve site-specific engineering works that could lead to adverse impacts on the health and safety of local communities (including in the provision of ecosystem services) from both routine and nonroutine circumstances. They would not increase community exposure to traffic and road safety risks, diseases and hazardous materials, rely on security personnel or on new, existing or under construction dams.

ESS5 - Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Not Currently Relevant

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The Technical Assistance activities are not expected to require land acquisition leading to adverse impacts or downstream effects related with physical and economic displacement or restrictions on land and natural resources uses.

ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources

Relevant

Project activities are not expected to cause adverse impacts on biodiversity and habitats. On the contrary, one of the potential downstream effects from these technical assistance activities would benefit the environment because they will improve family farmers' access to sectoral policies, programs and plans focused on climate-smart agriculture and lead them to adopt practices that integrate conservation needs, agricultural production and development priorities.

ESS7 - Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

Relevant

In Brazil, the concept of Family Farming encompasses Indigenous Peoples and other traditional communities that may possess the four characteristics that render ESS 7 relevant. The grant-supported activities do not involve any of the three circunstances that would require Free, Prior and Informed Consent and these distinct social and cultural groups will neither be the only, or the majority of the Project's Beneficiaries. Following the requirements of ESS 7, the ESCP will incorporated material measures to ensure that Indigenous Peoples's meaningful participation in the supported workshops and seminars is ensured and their views are taken in consideration in the technical proposals for improving the sector policies and programs and guarantee their equitable and culturally adequate access to the future benefits of such improvements.

ESS8 - Cultural Heritage

Not Currently Relevant

The Technical Assistance activities neither lead to adverse impacts or downstream effects that may harm tangible (whether or not legally protected or previously identified or disturbed) cultural heritage, nor intend to use intangible cultural heritage for commercial purposes.

ESS9 - Financial Intermediaries

Not Currently Relevant

There is no Financial Intermediary involved in the implementation of the grant supported activities.

B.2 Legal Operational Policies that Apply

OP 7.50 Operations on International Waterways

No

OP 7.60 Operations in Disputed Areas

No

B.3 Other Salient Features

Use of Borrower Framework

In Whole

This grant – which is Phase IV of an ongoing MPA – would only support low-risk Technical Assistance activities, which direct impacts downstream on the environment and society would be minimal or negligible. As evidenced by the

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ongoing Overview Assessment and Environmental and Social System Assessments for PforR operations in Brazil, the aspects of the country's policy, legal and institutional framework that are relevant to the low E&S risks, impacts and downstream effects of the project – particularly those related with E&S risk classification, terms and conditions of employment, OHS risks, grievance mechanisms and meaningful consultations with Indigenous Peoples and Traditional Communities on activities that may affect or benefit these distinct social groups – can be used as they will allow to reach outcomes that are materially consistent with the objectives of the relevant ESSs. As needed, additional material measures would be set in the Project's ESCP.

No

Use of Common Approach

There is no financing partner involved in this grant.

C. Overview of Required Environmental and Social Risk Management Activities

C.1 What Borrower environmental and social analyses, instruments, plans and/or frameworks are planned or required by Appraisal?

During preparation, the grant recipient is expected to disclose information on the grant, its proposed activities and how they are technically justified and designed (including information on the challenges and priorities they answer) through its website and to respond requests of information from key stakeholders.

It will also prepare a draft Operation Manual, comprising a specific chapter on environmental and social risk management.

The grant recipient and the World Bank will agree on the material measures to be incorporated in the Project's Environmental and Social Commitment Plan (ESCP).

Given the low-risk environmental and social nature of the grant-supported activities, no Environmental and Social Management Plan, Stakeholder Engagement Plan or any other standalone E&S risk management instrument is deemed necessary. All required measures for E&S proper risk management will be defined in the ESCP.

III. CONTACT POINT

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IV. FOR MORE INFORMATION CONTACT

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