

June 4, 2014

**Comments from the United Kingdom--FIP approval by mail: Brazil: Environmental Regularization of Rural Lands in the Cerrado of Brazil FIP (IBRD)**

Dear Patricia

Thank you for providing us with the opportunity to comment on the Brazil project. The UK would like to acknowledge the high quality of this project proposal and recognise that it is an important and potentially transformative project intervention providing the basis for positive change at scale. It is in line with the FIP investment criteria and directly supports the Brazil Investment Plan, linking programmatically with the other projects under the BIP.

We have a number of questions and comments for which we would appreciate a written response. We would be happy to take part in a call if this would be helpful.

**Analysis around incentives:**

- The programme does not provide a full analysis of the reason for the failures of compliance to date. An analysis of the full range of disincentives to smallholders to comply would be helpful to understand the situation more fully (pg 17), and in turn a more detailed analysis, making the case for how smallholder farmers will benefit from engaging in the full CAR process and the recovery plans in particular. This will be critical to ensure smallholder farmer participation, and future compliance.
- The programme assumes that deforestation will be reduced through registration of landholdings. There needs to be a very clear understanding, analysis and discussion of the causes of failure and how the CAR process as implemented this programme is going to succeed where it has failed elsewhere (ref example on pg 73).
- The project's response to address such failures emphasises strengthening the state's capacity and improving monitoring etc, but little is said about what measures can be taken to provide incentives to smallholders to comply and engage in restoration activities.
- There is an optimistic assessment of the impact of the programme on degraded lands . Restoration planning is supported by the programme but the implementation of plans does not seem to be. Is compliance with the forest code sufficient incentive for landowners to undertake the actions themselves? (page 21).
- If it is beyond the scope of this project to provide technical assistance or other incentives to smallholders, it would be useful to have a sense of where such support might come from, and what instruments are already in place or going to be put in place.

**Institutional/Capacity issues:**

- This is a large and ambitious project befitting the scale of the task at hand. Given that the project document identifies capacity as a potential risk, and mentions the number of initiatives, existing and planned in the region and operating with the MMA, we would appreciate reassurance that human resources within the Secretariat of Extractivism and Sustainable development (SEDR) are sufficient and that the OEMAs in all the states covered by the project have the institutional capacity to implement the project

### **Safeguards:**

- It is important that the Social and Environmental Safeguards the project documents make reference to have the correct measures in place to ensure the socio-economic benefits arising from the CAR reach the project direct and indirect beneficiaries. In particular we would have liked to see more detail from the ESMF on the potential negative impacts of the CAR, and how the project will set out to mitigate these.
- Even though the scope for activities targeted specifically at women is limited in the project, it is good to see that, where possible, efforts will be made to encourage their participation and ensure their capacity development.

### **Results framework:**

- *“Land area where sustainable management practices were adopted”*: we are not clear how strengthening the rural environmental cadastre system alone, directly encourages sustainable management practices. Is this the right indicator?
- The project lists environmental benefits as an expected result – the results framework does not indicate how this will be monitored and no baseline is mentioned. (page 19)
- Is there a better and more consistent definition of beneficiaries? Definitions differ between pages 18 and 19.

### **Synergies.**

- The project appraisal document draws out the links and synergies between this FIP project and other interventions in the area linking all projects to the strategic direction and policies guiding the MMA’s Cerrado Biome approach. We would welcome learning more about how these synergies can be maximised.

With best wishes  
Gaia

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