WWF Environmental and Social Safeguards -
Risk Categorization Memorandum
Version 2.1 November 2020

Project Name: Caatinga Protected Areas Program - ARCA	**Date: April 1, 2024**

Executing Agency/ies: FUNBIO

Landscape Categorization on E&S Risks:

High Risk - (A) ___and/or (Special Consideration) ___ /Medium Risk (B) _X_ / Low Risk (C)___

Substantive Safeguard Standards Triggered:	Yes/ TBC	No
Natural Habitats	Yes	
Pest Management	TBC	
Indigenous Peoples	Yes	
Restriction of Access & Resettlement	Yes	
Community Health, Safety and Security	Yes	
Physical and Cultural Resources	Yes	

In addition to the Substantive Safeguards above, the four Process Standards apply to all projects:
- **Environmental and Social Risk Management**
- **Consultation and Disclosure**
- **Community Stakeholder Engagement**
- **Grievance Mechanism**

Landscapes categorized as low risk have been screened in accordance to the Standard on E&S Risk Management.

Project Area Context

The ARCA Project will focus on strengthening nine (9) existing protected areas in four states in the Caatinga biome, and proposing the establishment of new protected areas (which locations are yet to be determined).

In Paraíba and Piauí and Bahia, the following Federal Protected Areas will be included in the ARCA Project, which are managed by **ICMBio**: (1) National Park (PARNA) Serra das Confusões (which does have an existing management plan and council), in Piauí; (2) PARNA do Boqueirão da Onça, in Bahia; (3) Federal "Sustainable Use" Area of Environmental Protection (APA) do Boqueirão da Onça, in Bahia; and (4) PARNA da Serra do Teixeira, in Paraíba.

In Bahia, the following Protected Areas will be included in the ARCA Project: (5) State APA Lago do Sobradinho; and (6) State APA Dunas e Veredas do Baixo Médio São Francisco; and (7) State APA Lagoa de Itaparica (which does have a management council).

In Pernambuco, the following Strict Protected Areas will be included in the ARCA Project: (8) State Park Mata da Pimenteira (which does have an existing management plan and council); and (9) Ecological Station Serra da Canoa.

In addition, there are National Action Plans (PANs) which are participatory management tools that organize and prioritize conservation actions for endangered species and their natural habitats. The process of preparation, approval, publication, implementation, monitoring, evaluation, and review is conducted by ICMBio and grounded in strategic planning,

establishing a straightforward yet robust methodology applicable across all taxonomic or geographic scales[1]. These scales may encompass a singular species, groups or collections of individual species and subspecies, as well as global, regional, or national levels. Currently there are 15 PANs under implementation in the Caatinga protecting 470 species. However, most of these PANs are under-implemented and face budget limitations, highlighting the necessity for further capacity and operational support to ensure the effective protection of the Caatinga biodiversity.

When assessing the ARCA Project's geographical area and primary challenges, the system drivers include:

(i) Limited representation of the biome in the Brazil's National Protected Areas System (SNUC, according to its abbreviation in Portuguese) and inadequate resources allocated to PAs, resulting in insufficient protection of endemic species and ineffective management, alongside non-enforcement of regulations on the ground.

(ii) Increased demand for natural resources, notably timber, firewood and forage for goats and other grazing animals, leading to deforestation and biodiversity loss, compounded by impacts of climate change.

(iii) Loss of habitat and endemic species due to illegal poaching and trafficking, compounded by the impacts of climate change.

(iv) Introduction of new species (including domestic species such as goats) leading to impacts on biodiversity and ecosystems.

(v) Infrastructure development such as road-building, leading to direct and indirect impacts on habitat and ecosystems and biodiversity.

(vi) Fire and related feedback loops related to climate change and local climate impacts from increased fires in the region.

(vii) Socioeconomic conditions influencing population development and intensifying pressure on natural resources and livelihoods, consequently fostering illegal activities and environmental degradation.

At the same time, the region suffers with low human and economic development, intensifying pressure on natural resources and underscoring the imperative for robust community engagement efforts to co-create, alongside government and other stakeholders. These efforts aim to promote sustainable practices and conservation aligned with the establishment and maintenance of PAs and endangered species protection, fostering a shared commitment to environmental stewardship.

Summary of Key Safeguard Issues

Natural Habitats:
Overall, the ARCA Project activities will produce significant environmental and social benefits, and at this point, there are no planned activities that would negatively impact natural habitats. However, this standard has been triggered because the project entails on-the-ground activities that will likely require the building of small buildings that will host the protected area managers, their staff and equipment. These buildings are expected to be relatively small and where possible, several protected areas would share a building constructed in the vicinity, outside of the protected areas.

The project will NOT support economic or livelihood activities that might lead to unsustainable use or extraction of natural resources.

Pest Management:
The project will not promote the use of pesticides, but potential community projects and projects that may be developed as a result of restricted access may involve small agricultural endeavors at the community level. The list of activities and subprojects that might be implemented as part of components 1 and 3 of the ARCA are not clear at this point, so the use of permitted pesticides cannot be excluded at this stage. If and when such activities are identified, a pest management plan will be developed at the appropriate scale for the activity.

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Indigenous Peoples:
Brazil is home to a range of Indigenous People, which is one category under Traditional People and Communities (PCTs). Traditional People in Brazil benefit from legal protection, with the FUNAI, a national institution, dedicated to the protection of Indigenous Peoples. In the project landscape, both Indigenous Peoples and Traditional Peoples exist and will be impacted by project activities, and therefore this Standard has been triggered.

According to the Charter of Indigenous Peoples of the Cerrado and Caatinga, the region hosts 45 Indigenous Peoples groups, with around 90,000 inhabitants across 36 Indigenous Lands spanning nearly 140,000 hectares, including the Tumbalala, Xukuru, and Pankararu peoples. These groups have distinct socio-cultural traditions, and are recognized and protected by the State.

Restriction of Access:
Because the project will be improving management of existing Protected Areas, and possibly expanding existing boundaries and creating new Protected Areas, this Standard has been triggered. The SEP and PA councils will go through various rounds of discussions and negotiations to reach agreements on any changes to be made to current activities that may go against conservation objectives. There is insufficient information at this stage to provide examples in the absence of any assessment of the concrete issues at each PAs and the absence of management plans for most of them. This may lead to less restrictions that might be considered as ideal for conservation purposes, but is more likely to ensure buy-in and long-term success in reaching conservation objectives.

Community Health, Safety and Security:
This standard is triggered as a precautionary measure. The Project is expected to have limited construction activities and limited to no outside migration of workers as part of the Project implementation. However, there are potential risks related to anti-poaching and enforcement mechanisms aimed at strengthening the capacity of PA Manager with a number of deterring tools while ensuring everyone is safe.

At this time, it is unclear if there are armed or rebel groups present in the project locations, who the poachers are, and how organized the crime system might be. Due to the short development timeline of this project, the results of future assessments in each landscape will determine the range of possible approaches that will have to ensure the health and safety of the community and park workers, as per the ESMF.

Physical and Cultural Resources:

- This standard is triggered because there are dozens of archeological sites inside PAs Serra das Confusões, Lagoa de Itaparica, Lago de Sobradinho, Boqueirão da Onça and Serra do Teixeira (and a few around PA Serra da Canoa). These sites include all of the following:
- **Physical / tangible cultural resource** (buildings and monuments, archaeological or sacred sites, works of art and artifacts)
- **Intangible cultural resource** (traditional ecological knowledge, ways of life (pastoral, nomadic etc.), value systems, worldviews and beliefs, language, rites, rituals and folklore
- **Natural cultural resource** (natural landscapes, natural sites or plant and animal species that have cultural or spiritual significance)

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Summary of Cross Cutting Issues; (Human Rights, Gender Equality and Women's Rights, Children's Rights, Conflict Sensitivity and Climate Change).

Human Rights
Potential human rights issues were raised in community consultations around the issue of speculation and land invasion by powerful outside actors, who in one case were said to use pressure, harassment and even threats against local residents. Beyond this, no other such issues have been flagged in field visits and consultations to date but assessment of these risks are ongoing. Certainly the Quilombola and MST Settlement communities feel themselves to be engaged in ongoing struggle for recognition of basic rights.

Gender Equality
Across Brazil, there are major disparities in income levels and access to economic stability for women. Also, data on gender-based violence in Brazil confirms the context of vulnerabilities that women and girls experience on a daily basis. In addition to domestic and family violence, gender-based violence, rape and other types of violence, women live with the reality of child sexual abuse, as almost 80% of the victims of sexual violence are girls.

Children's Rights:
Despite extensive legislation, policies and programs, child labor still occurs, which affect 2.1 percent of Brazilian children with the vast majority (almost 60%) occurring in the agricultural sector. There was no specific assessment of children 's right issue in the project area other than high risk of poverty, as the project area has one of the highest rates of poverty in the entire country.

These aspects will have to be assessed and addressed using the ESS yearly screening during the project implementation, covering all project activities from agriculture to construction and else.

Conflict Sensitivity
There are multiple vectors of conflict in the area, perhaps the most serious involving issues of land. Land titling is uneven and some communities have CFI collective titles that are prone to intra-community conflict. Land invasion, often by powerful plantation owners, and speculation are widespread, as well as destructive uses of land (e.g., burning, predatory hunting, littering due to uncontrolled tourism, etc.) all figured prominently among the complaints of consulted communities, as well as calls for support in land titling, which would empower local communities to fight these practices on their lands.

Climate Change:
Climate Change is leading to more drought and bushfire, based on information gathered so far. There might be other implications which will have to be explored during the project implementation due to limited timeframe of the project design phase.
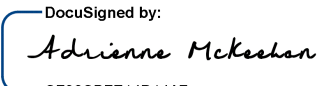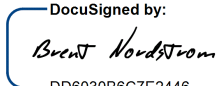
Required Actions for Impact Assessment (ESIA) and Mitigation Framework (ESMF):

This project will be required to create an effective Environmental and Social Management Framework (ESMF). The ESMF will also include an Indigenous Peoples Planning Framework (IPPF), a Process Framework and a Pest Management Plan as well as further screenings on Natural Habitat and Community, Pest Management, Cultural Resources, and Health and Security impacts. This will be done during project implementation through the use of an ESS Impact Screening, and the creation of landscape-specific ESMPs.,

Additionally, a Stakeholder Engagement Plan, a Grievance Redress Mechanism, Gender Assessment and Gender Action Plan will be drafted and submitted with the ProDoc.

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