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FUNBIO ENVIRONMENTAL AND SOCIAL SAFEGUARDS POLICY

Brazilian Biodiversity Fund
FUNBIO

 FUNBIO				FUNBIO ENVIRONMENTAL AND SOCIAL SAFEGUARDS POLICY			
FUNBIO – Fundo Brasileiro para a Biodiversidade				Responsible Unit: PMO – Focal Point			
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Introduction

1. Funbio recognizes the importance of explicit in-house environmental and social safeguard policies and practices as an integral part of sustainable development efforts supported by the institution. While Funbio, by its nature, does not support projects that entail significant environmental risks, it is important to document possible adverse project impacts in the clearest manner possible to minimize operational and reputational risks.

2. The environmental and social safeguards system described in this document can be seen as a project design tool intended to assist the user in assessing potential technical, economic, and social alternatives by describing possible adverse environmental and social impacts well before funding is committed, and to guide eventual project implementation to minimize, mitigate, offset, and monitor potential negative impacts if avoidance is not feasible.

Statement of Principles

3. Funbio acknowledges the importance of explicit environmental and social safeguard policies and practices that establish Minimum Standards in the following eight areas:

- Environmental and social impact assessment
- Natural habitats
- Involuntary resettlement
- Indigenous peoples (dealt with in another paper)
- Pest management
- Physical cultural resources
- Safety of dams
- Accountability and grievance systems

4. This document outlines a system of policies and practices established by Funbio to comply with criteria of Minimum Standards in the areas listed above.

5. To the greatest extent possible, Funbio engages local stakeholders in efforts to monitor possible project environmental and social impacts, and to guide necessary project adjustments to minimize, mitigate, or offset potential negative impacts.

6. It is the intent of Funbio to work towards establishment of a system of environmental and social safeguards even more rigorous than the GEF Minimum Standardsⁱ, within the norms of Brazilian environmental legislation, before the end of 2014.

Institutional structures

7. Funbio designated a staff person as the institutional Focal Point for Environmental and Social Safeguards.ⁱⁱ This staff person is responsible for the coordination, implementation and oversight of the Environmental and Social Safeguards Policy.

8. All Funbio technical staff will be trained in and will be responsible for implementation of the Environmental and Social Safeguards Policy.ⁱⁱⁱ

Project preparation and steps to implement environmental and social safeguards:

The Initial Environmental Examination Methodology^{iv}

9. Funbio technical staff responsible for project preparation are required to prepare an Initial Environmental Examination as a first in-house review to assess the reasonably foreseeable effects of proposed actions on the environment and on local populations. Project preparers take into account and address the minimum requirements of the applicable Minimum Standards detailed under item 17, making their own assessment of an appropriate course of environmental and social safeguard action in a written Environmental Threshold Decision.

10. The function of the Initial Environmental Examination is to provide a brief statement of the basis for the recommended Environmental Threshold Decision. The project preparer, by way of a written Environmental Threshold Decision, assigns proposed project actions to one of four safeguard categories: 1) Categorical Exclusion (pre-determined classes of actions with no impact on the environment); 2) Negative Determination (classes of actions with no significant impact on the environment); 3) Negative Determination with Conditions (classes of actions with minor impact, addressed with appropriate mitigation measures); 4) Positive Determination (significant environmental impact requiring Environmental Assessment and project redesign).

11. A Threshold Determination is a formal determination on the part of the Funbio staff person designated as the Focal Point for Environmental and Social Safeguards as to whether a proposed project action can be expected to significantly affect the environment. The Focal Point person either concurs with the Environmental Threshold Decision of the project preparer or requests reconsideration. In the vast majority of cases, the Initial Environment Examination

suffices to document and align environmental and social considerations with the Minimum Standards, without the need for a more detailed Environmental Assessment.

12. An Environment Assessment is a detailed independent study of the reasonably foreseeable significant adverse effects of proposed actions on the environment, used as a basis for defining courses of action to minimize, mitigate, offset, and monitor adverse impacts.

13. A Categorical Exclusion is considered for actions that do not have an effect on the natural of physical environment or for research activities that can be expected to have a limited effect on the natural and physical environment. Examples of actions considered for Categorical Exclusion are:

- Educational, technical assistance, or training programs
- Controlled experimentation confined to small areas and carefully monitored
- Analyses, studies, academic or research workshops and meetings
- Documentation and information transfer
- Institution building grants
- Programs involving nutrition and health care

14. A Negative Environmental Threshold Determination, declared in writing by the Focal Point for Environmental and Social Safeguards, indicates that proposed actions are expected to have no adverse impact on the environment, and project actions are allowed to begin.

15. A Negative Environmental Threshold Determination with Conditions, declared in writing by the Focal Point for Environmental and Social Safeguards, indicates that proposed actions are expected to have a minor adverse impact on the environment. Project actions are allowed to begin pending approval of written plans detailing technical, economic, and social alternatives to minimize, mitigate, offset, and monitor possible adverse impacts of project implementation.

16. A Positive Environmental Threshold Determination, declared in writing by the Focal Point for Environmental and Social Safeguards, indicates that proposed actions are expected to have a significant adverse impact on the environment, making a full Environmental Assessment necessary, involving further data collection and analysis, public participation, and consultation with appropriate government agencies to ascertain compliance with Brazilian legislative norms. Upon completion of the full Environmental Assessment by qualified outside consultants, a determination is made by the Focal Point for Environmental and Social safeguards whether sufficient financial and technical resources are available to minimize, mitigate, offset, and monitor possible adverse impacts, or whether proposed project actions should be redesigned.

17. Funbio Policy on Minimum Environmental and Social Safeguard Standards

Minimum Standard 1: Environmental and Social Impact Assessment

The Initial Environmental Examination is the design tool used by Funbio to assess project environmental and social soundness and sustainability as a means of preventing adverse environmental impacts when feasible, while documenting necessary efforts to minimize, mitigate, offset, and monitor unavoidable negative impacts.

Minimum requirements:

- The Initial Environmental Examination constitutes the in-house screening process used by Funbio to assess potential impacts of proposed project action on physical, biological, socioeconomic, and physical cultural resources, and potential impacts on human health and safety.
- All potential project activities must fully comply with existing norms of Brazilian environmental, health, and labor legislation and must fall within applicable international agreements covering the environment and human rights.
- The Initial Environmental Examination is the design tool used to determine project feasibility and to weigh project alternatives, documenting eventual costs to minimize, mitigate, offset, and monitor potential adverse impacts, including considerations of costs of associated institutional, capacity building, and monitoring requirements.
- Stakeholders, affected communities, and civil society organizations are involved as early as possible in project design to obtain advice and consent, and are included, as necessary, in monitoring efforts throughout the project implementation cycle.
- When full Environmental Assessments are called for, independent consultants are contracted. Independent advisory panels are called for during preparation and implementation of high risk projects.

Minimum Standard 2: Protection of Natural Habitats

Funbio pledges to ensure that environmentally sustainable development is promoted by supporting sustainable management, protection, conservation, maintenance, and rehabilitation of natural habitats and associated biodiversity and ecosystem functions.

Minimum requirements

- Through the use of the Initial Environmental Examination, Funbio employs a precautionary and ecosystem approach to natural resource conservation and management project design, weighing expected project benefits against potential environmental costs.
- Project design preference are given to locating physical infrastructure on land areas that have already been converted to other land uses.
- Under no circumstances does Funbio engage in or finance activities that lead to conversion of critical natural habitats or support activities that degrade critical natural habitats.
- In the rare case that Funbio considers support for a project adversely affecting non-critical habitats, the outcome of the Initial Environmental Examination methodology helps weigh alternative actions and guide mitigation measures.
- The Initial Environmental Examination methodology is used to screen as early as possible for possible impacts on ecosystem health and quality, and on the rights and welfare of forest-dependent populations.
- Funbio does not finance projects that involve forest harvest leading to conversion or degradation of critical natural habitats, including forest areas.
- Forest restoration projects supported by Funbio are designed to maintain or enhance biodiversity and ecosystem function, through enrichment planting that is environmentally appropriate, socially beneficial, and economically viable.
- Funbio discloses draft mitigation plans to key stakeholders in a timely manner, involving them to the greatest extent possible in project design, implementation, and monitoring and evaluation, including previous access to mitigation plans.

Minimum Standard 3: Involuntary Resettlement

Funbio avoids or minimizes involuntary resettlement to the greatest extent possible. When not feasible, Funbio ensures that displaced persons are assisted in restoring and improving their livelihoods and standards of living in real terms relative to pre-displacement levels.

Minimum requirements:

- All viable project design alternatives are considered to avoid or minimize involuntary resettlement.
- Through access to existing census and socioeconomic survey data, using the Initial Environmental Examination methodology, Funbio assesses the potential

economic and social impacts caused by involuntary taking of land or involuntary restriction of access to legally designated parks and protected areas.

- For projects that involve involuntary restriction of access to legally designated parks and protected areas, Funbio conducts consultations with host communities and affected stakeholders prior to design of resettlement plans.
- In cases when resettlement is unavoidable, Funbio works to assure that persons being resettled have the opportunity to participate in planning, implementation, and monitoring of the settlement program, with special attention to determination of compensation benefits to vulnerable groups.
- Funbio works to inform persons being resettled of their legal rights, consults with them on options, and presents technically and economically feasible resettlement alternatives and assistance.
- For individuals without formal legal rights to land, Funbio works to provide resettlement assistance in lieu of compensation for land to restore livelihoods.
- Funbio works to disclose draft resettlement plans to key stakeholders in a timely manner, before formal project appraisal.

Minimum Standard 4: Indigenous Peoples (this standard is dealt with in a separate statement)

Minimum Standard 5: Pest Management

Funbio policies and practices assure that environmental and health risks associated with pesticide use are minimized and managed by the adoption of safe, effective, and environmentally sound pest management practices.

Minimum requirements:

- Funbio promotes practices and mechanisms for pest control that make use of ecologically-based biological and environmental management practices, reducing reliance on synthetic chemical pesticides.
- Assessment of the possible need for pest management practices is an integral part of the Initial Environmental Examination methodology.
- Funbio follows the recommendations and guidelines described in the United Nations Food and Agriculture Organization (FAO) International Code of Conduct on the Distribution and Use of Pesticides (Rome, 2003) in procurement, manipulation, and application of pesticides in projects that involve pest control.
- Funbio promotes the development of institutional capacity of its partners for use of Integrated Pest Management and Integrated Vector Management.

- Funbio discloses draft mitigation plans involving pest management to key stakeholders in a timely manner before project appraisal begins.

Minimum Standard 6: Physical Cultural Resources

Funbio policies assure the preservation of physical cultural resources, avoiding their destruction or damage, including archaeological, paleontological, historical, architectural, and sacred sites, in full compliance with Brazilian historic preservation standards.

Minimum requirements:

- Funbio promotes analysis of feasible project alternatives to prevent, minimize or compensate for adverse impacts and to enhance positive impacts on physical cultural resources through project design and site selection.
- If possible, Funbio avoids financing projects that could cause significant damage to physical cultural resources, engaging when appropriate, field-based surveys using qualified specialists in the area.
- Funbio consults local populations and key stakeholders to document the presence and significance of physical cultural resources.
- Funbio requires prior management and conservation plans on the part of project field implementers to deal appropriately with chance finds of physical cultural resources.
- Funbio requires disclosure of draft mitigation plans to key stakeholders in a timely manner before project appraisal.

Minimum Standard 7: Safety of Dams

Funbio requires mechanisms that assure quality and safety in the design and construction of dams and in the rehabilitation of existing dams, on a scale appropriate to Funbio's mission.

Minimum requirements:

- Funbio policies assure the quality and safety of existing dams on which a project may have impact, or that may affect the outcome of a project.
- Funbio requires systems to monitor the construction, maintenance, and operation of dams, as well as plans for emergency preparedness in situations in which a project may have impact, or that may affect the outcome of a project

- Funbio uses independent consultants to verify the design, construction, and operational procedures of dams on which a project may have impact, or that may affect the outcome of a project
- Funbio requires periodic safety inspection and appropriate follow-up action after construction or rehabilitation of dams on which a project may have impact, or that may affect the outcome of a project
- Funbio discloses draft mitigation plans to key stakeholders in a timely manner before project appraisal in situations in which a project may have impact, or that may affect the outcome of a project

Minimum Standard 8: Accountability and Grievance Systems

Funbio bylaws and code of ethics ensure compliance with its environmental and social safeguard policies and practices, and assure accountability in case of non-compliance. The Funbio accountability and grievance system addresses potential breaches of FUNBIO policies and procedures, is transparent and effective, and is accessible to project-affected people.

Minimum requirements:

- Rosa Lemos de Sá, Secretary General of Funbio, is the staff person designated to receive and respond to complaints related to compliance with the Funbio environmental and social safeguards system.
- The designated staff person maintains records and works proactively with the complainant to resolve disputes determined to have merit.

ⁱ GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards (GEF/C.41/10/Rev.1).

ⁱⁱ The person designated for this position in Funbio is Fulano e Tal.

ⁱⁱⁱ A training course designed to introduce Funbio technical staff to Initial Environmental Examination procedures and practices will be delivered during the first semester of 2013.

^{iv} The Initial Environmental Examination methodology described here is an adaptation of the methodology used by the United States Agency for International Development to comply with the U.S. National Environmental Policy Act (http://transition.usaid.gov/our_work/environment/compliance/reg216.pdf).