

IMRANA JALAL
Chair
The Inspection Panel

January 21, 2020

IPN REQUEST 19/16

January 21, 2020

NOTICE OF REGISTRATION

Request for Inspection

Brazil: Piauí Pillars of Growth and Social Inclusion Project (P129342)

Summary

1. On December 6, 2019, the Inspection Panel (the “Panel”) received a Request for Inspection concerning the Piauí Pillars of Growth and Social Inclusion Project (the “Project”) in Brazil, submitted by three members of communities in the *Cerrado* region of Piauí. The Requesters asked the Panel to keep their identities confidential. They allege that local traditional communities have been left out of the land tenure regularization process under the Project. They argue that the Project promotes regularization mainly for agribusiness and large landowners whose farming practices destroy biodiversity, soils and water. They claim that the region has a history of land grabbing, which is being legitimized through the Project. As a result, they argue, local traditional communities are losing their lands, crops and subsistence. They also claim lack of social assistance, public safety and access to education.

2. The Panel acknowledged receipt of the Request on its website on December 18, 2019. After conducting its initial due diligence and confirming that the Request meets the Panel’s admissibility criteria, I am notifying you that I have, on January 21, 2020, registered this Request.

The Project

3. The Piauí Pillars of Growth and Social Inclusion Project (P129342) was approved on December 21, 2015, for US\$120 million (IBRD Investment Project Financing). The total Project cost is about US\$1.13 billion, and the Borrower is the only co-financier. The expected closing date of the Project is December 31, 2020. It is a Category B project and was 74 percent disbursed at the time of receipt of the Request.

4. The development objectives of the Project are to “(a) reduce dropout of students in public secondary education; (b) increase access to diagnosis and treatment for patients with chronic diseases; (c) expand the registration of groundwater users in rural areas and land tenure regularization; and (d) increase the participation of rural family farmers in rural productive value chains.”¹ The Project triggered the following safeguard policies: Environmental Assessment (OP/BP 4.01); Natural Habitats (OP/BP 4.04); Forests (OP/BP 4.36); Pest Management (OP 4.09); Physical Cultural Resources (OP/BP 4.11); and Involuntary Resettlement (OP/BP 4.12).

5. The Project includes two components, with the first focusing on the provision of support for the implementation of Eligible Expenditure Programs in the areas of public secondary education, health care for patients with chronic diseases, water resources management, land management and rural productive chains. The second component includes the provision of technical assistance to strengthen the Borrower’s public management.² Subcomponent 1.4 focuses on carrying out activities aimed at supporting the implementation of the Land Tenure Regulation Program and strengthening real property rights through: (a) strengthening and modernizing INTERPI (*Instituto de Terras do Piauí*, Piauí State Land Institute), (b) carrying out the identification, demarcation and registration of state land, (c) carrying out the Land Tenure Regularization Program, and (d) supporting the operationalization of the Land Tenure Regularization Center.³

The Request

6. The Request explains that rural communities in the *Cerrado* (savannas) region of Piauí, which have existed there for many generations, have been expelled from their lands, have had their support systems destroyed and their soils and water sources polluted, and have faced threats from land grabbers and agribusiness firms. The Requesters allege that land speculation in the area has been encouraged by international financial companies and development projects. They explain that against this background, the World Bank decided to finance actions by the Piauí state government in the fields of education, social assistance, health and land tenure regularization through the Project.

7. According to the Requesters, one of the objectives of the Project was to guarantee land rights of rural communities, but despite the Project reaching an advanced stage, no traditional community has had its land regularized. The Requesters argue that only well-established communities as well as agribusinesses and large landowners, who use chemical products that destroy biodiversity, soils and water, had their areas regularized. According to the Requesters, local traditional communities have been left out of the Project. The Requesters argue that the land tenure regularization process is very slow, and the related uncertainty leaves communities vulnerable.

8. The Requesters also allege that they suffer threats to their lives and biodiversity on a daily basis. They explain that they are vulnerable in the presence of agribusiness and other

¹ Project Appraisal Document (PAD) for the Project, p. vii.

² Ibid.

³ Ibid., p. 8.

land and agricultural development projects. They argue that public safety is being compromised and they lack social assistance and claim that their schools are being closed. According to the Requesters, this region has a history of land grabbing, which is being legitimized by the actions of the state using World Bank resources while communities are losing their lands. They argue that the *Cerrado*, with its enormous biodiversity and water sources, is being destroyed.

9. The Request contains as attachments a statement and report by civil society organizations (CSOs), as well as correspondence between the Bank and INTERPI providing further information about the Requesters' concerns.

Initial Due Diligence

10. After receipt of the Request, the Panel conducted its initial due diligence and verified that the Request meets the admissibility criteria for registration. The Request is not frivolous, absurd or anonymous, and was submitted by three community members in the *Cerrado* region of Piauí. The Request includes as attachments correspondence showing that the Requesters' concerns have been brought to the attention of the Bank prior to submitting the Request for Inspection. The Panel also verified that the subject matter of the Request does not concern issues of procurement and, at the time of receipt of the Request, the Project was 74 percent disbursed. The Panel has not previously made a recommendation on the issues raised in this Request.

11. During its review of the Request, the Panel corresponded with the Requesters to seek clarifications and to inform them about the Panel's process and mandate. As part of its due diligence, the Panel also met with Bank Management on January 16, 2020. Management provided information on the implementation status of the Project and explained that it aims at increasing transparency in the land regularization process and benefits mainly smallholder farmers on state lands. Management also explained that Project activities take place in three *Quilombola*⁴ communities, but that progress in these communities has been slow due to the process being more complex than for other communities and challenges in mobilizing teams. The Panel also learned that the Bank is assessing whether the Bank Policy on Indigenous Peoples (OP/BP 4.10) should be triggered during a planned restructuring of the Project following proposed changes in Brazilian law regarding the recognition of additional indigenous groups. Management told the Panel that an Indigenous Peoples Policy Framework is being prepared. Management further informed the Panel that anthropological studies for several additional communities are currently underway or planned.

Registration of the Request

12. As provided in paragraph 17 of the IBRD Resolution ("the Resolution") that established the Panel, "*the Chairperson of the Panel shall inform the Executive Directors*

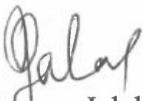
⁴ The PAD explains that *Quilombola* communities are self-declared Afro-descendant ethnic-racial groups that are found within specific territories and identify with their historically oppressed ancestors. PAD, p. 5.

and the President of the Bank promptly upon receiving a request for inspection.”⁵ With this notice, I am notifying you that I have, on January 21, 2020, registered the above-mentioned Request.

13. The Panel’s registration implies no judgment whatsoever concerning the merits of a Request for Inspection. As provided in paragraph 18 of the Resolution, and paragraphs 2 and 8 of the “*Conclusions of the Board’s Second Review of the Inspection Panel*” (“the 1999 Clarification”), Bank Management must provide the Panel within 21 business days (by February 20, 2020) a response to the issues raised in the Request for Inspection. The subject matter that Management must deal with in the response to the Request is set out in paragraphs 3 and 4 of the 1999 Clarification.

14. After receiving the Management Response, the Panel will, as outlined in the 1999 Clarification and as provided by paragraph 19 of the Resolution, “*determine whether the Request meets the eligibility criteria set out in paragraphs 12 to 14 [of the Resolution] and shall make a recommendation to the Executive Directors as to whether the matter should be investigated.*”⁶ These Request has been assigned IPN Request Number 19/16.

Yours sincerely,


Imrana Jalal
Chair

Attachments

Mr. David Malpass, President
International Bank for Reconstruction and Development

The Executive Directors and Alternates
International Bank for Reconstruction and Development

Requesters (confidential)

⁵ Resolution Establishing the Panel (September 22, 1993), Resolution No. IBRD 93-10, <http://ewebapps.worldbank.org/apps/ip/PanelMandateDocuments/Resolution1993.pdf>

⁶ Ibid.