INTEGRATED SAFEGUARDS DATASHEET
APPRAISAL STAGE

I. Basic Information

Date prepared/updated: 06/13/2005 Report No.: AC1194

1. Project Statistics

Country: Brazil	Project ID: P089011
Project Name: Brazil Municipal Lending Program I - APL Uberaba	
Task Team Leader: Dean A. Cira	
Estimated Appraisal Date: March 8, 2005	Estimated Board Date: November 3, 2005
Managing Unit: LCSFU	Lending Instrument: Adaptable Program Loan
Sector: General water, sanitation and flood protection sector (100%)	
Theme: Pollution management and environmental health (P);Water resource management (P);Access to urban services and housing (S);Municipal governance and institution building (S)	
IBRD Amount (US$m.): 17.27 IDA Amount (US$m.): 0.00 GEF Amount (US$m.): 0.00 PCF Amount (US$m.): 0.00 Other financing amounts by source: BORROWER 11.51 Financing Gap 0.20 11.71	
Environmental Category: A - Full Assessment	
Simplified Processing Simple [] Repeater []	
Is this project processed under OP 8.50 (Emergency Recovery) Yes [ ] No [X]	

2. Project Objectives

To promote better living conditions for all residents of the municipality of Uberaba through the promotion of integrated urban sanitation, environmental preservation, and expanded parks, recreational and cultural opportunities.

Overall indicators of success will include:

? Guarantee of adequate drinking water supply without compromising relevant environmental legislation (principally water flow of Uberaba river).
? Improvement in water quality of the Uberaba river and Conquistinha stream (water quality).
? Citizen satisfaction levels pre- and post project relevant to project objectives (survey).

3. Project Description

Background: The Uberaba River Basin extends for approximately 150 km, passing though the municipalities of Uberaba, Ver?ssimo, Coceic?o das Alagoas and Planura. It

is an important water source for agriculture, industry and consumption and is a tributary to the Rio Grande River. Water quality varies, particularly once it passes through the urbanized portion of the municipality of Uberaba, where it fails to conform to Class 2 quality levels. This is due primarily to the direct dumping of untreated sewage into the river (downstream from the extraction source the city uses as its main sources of drinking water) by the municipality of Uberaba, impacting water quality downstream, including the Grande river.

Changing land uses over the years has contributed substantially to the degradation of the river?s water quality. In the 1960?s 41% of land in the basin was covered by native vegetation. By the 1990s this was reduced to less than 20%, with most of that land converting to agricultural and grazing lands, and urbanization. The changing land uses, deforestation and soil erosion have also contributed to the worsening water quality of the Uberaba river and loss of biodiversity resulting in the need to better manage the basin?s natural resources and land uses. Protection of the basin?s water resources, and other natural resources is a priority of the municipal government, for reasons of ensuring a viable, and sustainable water source for the community and to prevent the further general decline of the natural resources of the area, and ensure a sustainable mix of uses in the Environmental Protection Area (APA) within the basin corresponding the municipality of Uberaba, that will be supported under the project.

Key to the municipality?s integrated water resources management/urban environmental sanitation strategy is to ensure a high-quality and reliable water supply and sanitation service (WS&S) for the residents of the municipality, now and into the future. WS&S services are provide by the Centro Operacional de Desenvolvimento e Saneamento de Uberaba (CODAU), an autonomous, municipal agency. Coverage is high at 99%, with micro-metering approaching this same high percentage. Water supply is provided through Uberaba reservoir, with supplemental supply through deep wells. Treatment is conventional and the distribution systems adequate, but with problems of water losses, particularly in the older central city. Following a severe water supply crisis in 2002 induced by severe seasonal draught conditions CODAU began supplementing its water supply via the extraction of water from the Rio Claro, a stop gap measure, which has a legally binding termination date. To prevent a future crisis (one that would be likely without increases in available supplies) there is a need to increase the security of the city?s water supply through more permanent means. Making permanent the transfer of water from the Claro river to the Uberaba river is the most viable option economically, and the most environmentally sensitive. The supplemental source is only necessary during severe dry conditions, occurring only about 4% of the time.

Yet another leg of the municipality?s integrated strategy is to treat 100% of the collected sewage in the municipality. Currently 95% of sewage is collected, but less than 10% of it is treated. About 90% of the collected sewage is discharged untreated into the Uberaba and Conquistinha rivers. The Uberaba river is a major tributary to the Grande river, an important water source in Brazil. Upstream of the extraction point for the city?s water supply, the Uberaba river is of high quality at Class 2. Further downstream beginning at the point of the discharge of raw sewage, the river quality deteriorates rapidly to class 4,

and improves only to class 3 by the time it reaches the Rio Grande. Improving the river quality to class 2 (Uberaba) and class 3 (Conquistinha) will result from the construction of two waste water treatment plants that will treat 100% of the collected sewage.

The deterioration of the water quality of the Uberaba River is exacerbated by the severe macro drainage problems of the city, in particular in the city center. Moreover, the city?s macro-drainage problems lead to regular, severe flooding in much of the city center, resulting in high levels of property damage, lost commercial business, the snarling of traffic and occasional human injury. Flooding is so common and severe in the city center, that merchants, commercial establishments and other buildings there have devised ?personal dikes? in an attempt to divert water from entering their establishments. Retail goods are routinely kept elevated off the floor to prevent damage during periods of flooding. The causes of the flooding are mostly man-made due to the covering of once open drainage canals. The project will include investments in increasing macro-drainage capacity in order to reduce the incidence of flooding in the city center and to improve the water quality of the Uberaba River. These investments will also provide health improvements by eliminating the mixing of wastewater with storm water.

Rounding out the water resources/urban environmental sanitation strategy for the municipality is a comprehensive and integrated approach to planning and environmental management. The municipality is finalizing a process of undertaking a participatory planning process to update the 1991 Urban Master Plan. This process began in 2000 has been led by the Secretariat of Planning and the Municipal Council for Urban Development Planning and Environment, and has been overseen by the Municipal Council of Uberaba. The plan supports all the actions proposed in the Agua Viva project, and will serve as an instrument to provide for more sustainable long-term development of the city and the protection of the municipality?s most precious natural resources through support of an Environmental Protection Area (APA) to protect principally the water quality of the Uberaba River. Related to this integrated approach to urban environmental sanitation, is the closing of the controlled land-fill and the opening and operation of the new sanitary land-fill. While this new land fill is not financed under the project, it helps to complete the integrated package of WS&S, solid waste management, drainage, urban planning and environmental protection. The use of Carbon Credits to fund operations of the sanitary landfill was discussed with the Bank representative in charge of the fund. However, it was determined that the use of such funds would not be feasible, in part because the aggressive recycling program of the municipality has already greatly reduced gas emissions.

Finally, to further improve quality of life in the municipality, the project will include several parks and cultural components. This will address a critical lack of recreational space in the city while also serving an environmental function. In addition, the support of the Llewellyn Ivor Price Paleontology Research Center will help to preserve a rich cultural asset and an important research center, and possibly create tourism in the area. Uberaba is home to one of the world?s richest deposits of pre-historic fossils, including some unique species of dinosaurs.

The specific project components include the following:

Environmental Sanitation: This component will include three subcomponents, and has a total cost (including contingencies) estimated at US$30.60 million. It includes design/engineering and works costs.

Waste Water Collection and Treatment: This sub-component will include construction of interceptors in the central city, interceptor sewers for the Rio Uberaba and Conquistinha systems, the waste water treatment plants of Uberaba and Conquistinha, as well as the project and land acquisition costs for these works (US$ 13.80 million, approximately)

Urban Drainage: This sub-component will include macro drainage investments to reduce the incidence of flooding in the city center. The system will include the already constructed Leopolino retention basin, and the reinforcement of the actual system of canals and galleries, the urbanization of the are area around Leopoldino and a system of flood control in the Lajes basin. (US$11.75 million, approximately)

Water Supply: This sub-component will include making permanent the seasonal transfer of water from the river Claro to the Uberaba river in order to regularize the flow of the Uberaba River and secure the system?s main water supply. It will also include a program to reduce water losses, including modernization of commercial operations program along the lines of PMSS, improvements and automation in the operations of the supply system and water treatment plant and the acquisition of land where needed for works. (US$5.00 million, approximately)

Environmental and Cultural Preservation and Recovery: This component will include 3 actions aimed at improving quality of life by providing new recreational opportunities, preserving natural resources, in particular the city?s main drinking water source and expanding the research and tourist opportunities associated with the municipality?s rich fossil deposits and the research center that supports them. The component includes the following sub-components:

Environmental Recovery (APA): This sub-component will support a group of activities aimed at improving collection of information regarding occupation and uses of the resources within the APA with the specific aim of better managing and protecting water resources. Action will include, inter alia: environmental management plan of the APA; a system of water resources management/monitoring, including environmental mapping, as well as environmental recovery actions. (US$0.40 million)

The Lajes Corridor Linear Park: This will include a 25 acre linear park that will serve as an environmental enhancement of land acquired for the installation of part of the interceptor sewage network. It will include re-forestation actions as well as installation of equipment to create an urban park for a population with few such opportunities. (US$0.50 million approximately)

Fossil Vivo: Areas within the administrative boundaries of the Municipality of Uberaba include some of the worlds richest deposits of fossils between 65-80 million years old. It is a rich cultural asset of the municipality and one that warrants investment and protection. This component would support the Llewellyn Ivor Price Paleontology

Research Center by: restructuring the rescue and salvage capacity; reforming and expanding the dinosaur museum; reforming the research labs; reforming the Center for Tourism, Learning and Educational Extension; improve the grounds around the center; develop a new marketing and communication plan; purchase equipment for the thematic children?s park; improve the Paleontology Garden. Use of these funds, however, would be conditioned on the development of a satisfactory business plan for the proposed project, including a plan to leverage private sector resources for implementation of the plan (US$0.50 million, approximately)

Planning and Management: This component will include actions aimed at improving the capacity of municipal government entities. These activities will support actions that are directly related to the project?s core components, and are therefore focused on the environment, planning and project management.

Sanitation and Environmental Preservation: The municipality has recently created an Environmental Secretariat. This will be supported through strengthening of the Environmental Secretariat including, inter alia, development of the agency?s strategic plan. (US$0.37 million, approximately)

Environmental Education and Social Communication: This sub-component will support a public education campaign aimed at creating an environmental culture in the municipality, with particular emphasis on water resources. The social communication part will be used to make people aware of the program, and in particular serve as a public awareness campaign regarding the investments. (US$0. 17million, approximately).

Institutional Strengthening: This sub-component is aimed at providing technical training for personnel in key areas, such as CODAU, the Planning Secretariat and the Environmental Secretariat. It will also provide capacity building in planning and management, aimed at the agencies most involved with the project (US$0.22 million, approximately).

Project Management: This sub-component will cover the costs of a third party, specialized management firm to assist the municipality in the management and execution of this relatively large, multi-sector investment program. It will also include works supervision. (US$2.40 million, approximately)

4. Project Location and salient physical characteristics relevant to the safeguard analysis

The project is located in the Uberaba River Basin, in the Municipality of Uberaba, State of Minas Gerais, Brazil. The project intervention will by physically concentrated in the Uberba River Basin and the Conquistinha river basin. Investments will be primarily in the urbanized area, except for the transposition of the Claro River and the construction of the wastewater treatment plants.. The Uberaba River Basin environmental protection area will benefit under the Project, for better management and from improved river water quality.

5. Environmental and Social Specialists on the Team

Ms Paula Dias Pini (LCSEN)
Mr Jose Alexandre Monteiro Fortes (LCSFU)

6. Safeguard Policies Triggered	Yes	No
Environmental Assessment (OP/BP 4.01)	X	
Natural Habitats (OP/BP 4.04)	X	
Forests (OP/BP 4.36)		X
Pest Management (OP 4.09)		X
Cultural Property (OPN 11.03)	X	
Indigenous Peoples (OD 4.20)		X
Involuntary Resettlement (OP/BP 4.12)		X
Safety of Dams (OP/BP 4.37)		X
Projects on International Waterways (OP/BP 7.50)		X
Projects in Disputed Areas (OP/BP 7.60)		X

II. Key Safeguard Policy Issues and Their Management

A. Summary of Key Safeguard Issues

1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts: The Project was rated category A, pursuant to the environmental policies of the World Bank, and the following ?Safeguards? were considered: (i) Environmental Assessment (OP 4.01); (ii) Natural Habitats (OP 4.04); (iii) Cultural Property (OP 4.11.03); and (iv) Dams? Security. Project preparation properly addressed the impacts related to these safeguard, including mitigating measures.

OP 4.01 Environmental Assessment

An Environmental Assessment Report was prepared in compliance with the environmental policies of the Bank, applicable to Category A projects. The Project comprises interventions related to the improvement of environmental sanitation systems (water supply and sanitary sewage), flood control in the city center, environmental recovery of the Uberaba river basin, which has been legally defined as an environmental protection area, measures to support the preservation of city?s cultural inheritance, construction of an urban park, as well as complementary actions in planning, outreach and management. The proposed mitigation measures of the project?s negative impacts have been included in an Environmental Management Plan, which is referenced in this summary.

Public consultations were held during the environmental licensing of the Project?s components and during the preparation of the Project?s social assessment. They were complemented by an additional public consultation during Project preparation, which occurred on February 2nd, 2005, in which the Environmental Assessment Report was presented and discussed.

OP 4.04 Natural Habitats

The Safeguard Policy of Natural Habitat was triggered by the ?gua Viva Project because of the proposed interventions in the Uberaba river?s Environmental Protection Area. The APA is a maintenance unit of environmentally sustainable use and in permanent preservation (areas of 30 m of each side of the seasonal bed of watercourses) according to the Forest Code.

The APA was organized with the object of protecting the water resources of the basin as the main water supply source of the city of Uberaba. Initially, the Project planned the construction of a dam in the Uberaba river within the APA proper. During the Project?s elaboration, the dam was eliminated due to technical and environmental reasons opting instead for a water supply alternative that would result in the consolidation of transposition of the River Claro waters. This option is the most environmentally sustainable of the alternatives considered, and has the least impacts on the APA?s natural habitats, and is consistent with the objectives of the APA.

Regarding the intervention in the permanently protected areas, they are limited to the interceptor of the left margin of Uberaba river, which has already been constructed, to the interceptors that shall be implemented for the Uberaba and Conquistinha?s systems which are out of the urban area, and to the implantation of the linear park along the Lajes? stream. The environmental law allows the undertaking of these kind of actions in the permanently protected areas. In addition, recovery measures have already been identified and are being undertaken in the area affected by the already constructed interceptor, including re-vegetation. In relation to the interceptors that will be constructed under the Project, the licensing process advised special procedures in order to limit the damage to the area?s vegetation and include measures to recover the vegetation that might be affected. The construction of the Linear Park of the Lajes? stream is deemed a compensatory measure.

OP 4.11 Cultural Property

The Cultural Property Safeguard was triggered by the ?gua Viva Project due to the fact that Uberaba is part of one of the largest and more important paleontology sites in Brazil, with fossil records dated from 65 to 80 million years. Although the interventions expected by the Project are located in areas of non-potential occurrence of fossiliferous deposits, the Project includes special procedures which shall be adopted during the construction phase with the support and supervision of the Centro de Pesquisas Paleontol?gicas. These procedures comprised in the Environmental Manual of Construction foresee: (i) previous field inspection (before issuance of the notice to bid for the works) of all expected interventions by a team from the Centro Paleontol?gico to evaluate the possibility of sites? occurrences and the measures to be adopted; (ii) definition of the general procedures of a ?lucky safeguard? already defined in the manual, including training of the contractor?s team, provision of ?what to do in the case of? booklets, etc. These are measures in addition to those already include for the strengthening of the management capacity of the Center.

OP 4.37 Safety of Dams

The original conception of the Project foresaw: (i) the construction of a regulatory dam as a generator source for the water supply system of the city; and (ii) dams forming retention basins for the macro drainage system (i.e. the Leopoldino de Oliveira dam, already constructed, and three other proposed dams).

In compliance with the Bank?s policies and safeguards, a dam safety panel was formed during the development of the Project. In relation to the regulatory dam of the Uberaba

river, the Panel?s studies evidenced its technical non-feasibility, considering geotechnical and hydrologic aspects (required regularization ability).

In relation to the flood retention basins, the studies of the macro drainage alternatives evidenced its insufficiency as a solution for the reduction of floods in the city within a recurrence period greater than 5 years. As a result, the option to construct a series of flood retention basins has been eliminated. That notwithstanding, as one of the basins had already been built the Panel was charged with evaluating the safety of this basin. However, as the ?as built? drawings were unavailable, there was insufficient information to make a safe assessment of the existing basin. The Panel suggested undertaking technical surveys, review of reference files and site inspection to make an assessment of the safety of the basin. These studies will be performed during the first year of project execution as part of the preparation of the working drawings of the macro drainage system in order to assess the possibility of permanence of the retention basin as part of the overall drainage system.

It is important to emphasize that the studies of macro drainage alternatives, of the water supply alternatives, as well as the conclusions provided by the Dams Safety Panel itself, resulted in beneficial changes from a technical, economic and environmental perspective as regards the conceptual plan for the flood control and water supply systems, considering the elimination of the dams which were expected to be constructed.

2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:

The Environmental Assessment evaluated and interpreted the possible environmental impacts that may be caused by the implementation of the interventions proposed by the ?gua Viva project in its planning, implementing and operational phases and proposed mitigating measures of the negative impacts and ways to maximize the positive impacts. There assessment also included impacts of alternatives, even the dismissed ones, as these analyses were useful in the selection process of the most viable solutions. The project will directly or indirectly benefit all residents of the Municipality of Uberaba.

Positive Impacts

During the Planning and the Works Execution Phases

During the planning phase the main positive impacts are the convening powers of the project to bring together a number of municipal secretariats and agencies, including the Secretariats of Works, Planning, Finance, Environment and the municipal water company (CODAU). In addition, the planning stage served as a means to consult and communicate with potential winners and losers of the project, and served to identify project benefits and negative impacts, including compensatory measures. In order to reinforce these beneficial effects, the project includes social communication actions and a program of environmental education, community participation and social and environmental management measures. During the works execution phase, the main positive impact refers to an increase of employment opportunities to the city?s population and the possibility to give priority to the hiring of the local labor.

During the Operation Phase

The implementation of the Project is expected to yield the following positive benefits:

? Improvement in water quality: Lajes stream, Conquistinha stream and Uberaba river.
? Assurance of water supply to the city population even during critical dry seasons.
? Significant reduction of the flood events in the city, with the consequential economic benefits.
? Increase in public leisure areas to the population with the consequent social benefits.

In addition, the interventions of the Project should yield the following positive impacts:
Sanitary Sewage System: (i) improvement of the water quality of the Uberaba and Conquistinha rivers; (ii) improvement of the population?s health conditions. These impacts shall be reinforced with measures aimed at eliminating the crossed sewerage/drainage connections and monitoring of water quality. The simulations made with Qual 2E evidenced the following impacts in relation to dissolved oxygen, under minimum flow conditions (Q7,10) of the receiver bodies: (i) no treatment: conditions consistent with class 4 (CONAMA Resolution 20/86), with the possibility of anaerobiosis along all of the Conquistinha river and along a length of 30 km of the Uberaba River; (ii) with a primary treatment, the same conditions as the previous ones noticed in the Conquistinha River and for a length of 10 Km of the Uberaba River; and (iii) treatment with a 90% reduction efficiency of the organic load resulting in class 2 conditions in the Uberaba river and class 3 in Conquistinha river. In relation to fecal coliforms, the class 2 conditions shall only occur with the implementation of wastewater treatment periodic (3-5% of the time) disinfections.

Water Supply System: (i) Assurance of water supply throughout the year, inclusively during the dry seasons; (ii) reduction of the water loss rate in the system, including recovery of part of the water treatment plant wash-water; (iii) environmental improvement due to the elimination of wastewater treatment plant?s residues discharge; (iv) reduction in the water supply system?s operational cost due to automation, which is likely to result in energy conservation. These impacts shall be reinforced by operational improvements and maintenance measures of the system?s operational units.
Urban Drainage System: Flood control in the central area of Uberaba is the significant impact obtained with the implementation of the drainage system proposed in the Project. The implementation of the drainage system assures the control for a recurrence period of 25 years. This will result in reduction in loss of property, productivity and possible loss of life. Separation of wastewater from rainwater drainage in the city center, will result in less pollution in the Lajes stream. Operational and maintenance measures shall reinforce these benefits.
Environmental and Cultural Preservation/Recovery: The positive impacts of this component are: (i) the physical and environmental recovery and preservation of the Uberaba environmental protection area; (ii) consolidation of cultural values with an environmental focus; (iii) expansion of the green and leisure areas in the urbanized portion of the municipality; (iv) valorization of real estate near the proposed park; (v) increase of fossil preservation capacity; (vi) potential increased ?scientific tourism? resulting in the potential improvement of social and economic conditions of Peir?polis (site of the Paleontology Research Center). These impacts shall be reinforced by the

implementation of environmental education measures and the project?s social communication plan.

Governing and Planning: The expected actions would result in positive impacts for the Project?s implementation adding to its sustainability in the long run.

Negative Impacts

During the Planning and Works Execution Phases

During the planning phase the main impacts are related to the generation of expectations in that part of the population that resides within the Project?s intervention areas. The development of the expected measures of social communication, environmental education and community participation in order to explain project impacts and engage the population shall be the instruments used to ensure full acceptance by the population, considering the Project?s costs and benefits. In relation to the population?s expectations regarding potential problems with operation of the wastewater treatment plants in the future, the local government arranged a visit for community members to Brasilia to study existing plants there, which use the same system planned for Uberaba.

During the works execution phases there are typical impacts expected in relation to the construction activities, especially in urban areas where the interface with the construction activity and the population is greater. The following impacts are those that might be expected during construction: (i) increase of noise, dust, motor gas; (ii) interdiction of paths, pavements and accesses; (iii) traffic deviations and traffic of heavy vehicles; (iv) transit of people strange to neighborhood; (v) damages to public equipment and houses; (vi) damages to local business; (vii) deterioration of the urban and streetscape conditions; (viii) risk to the water quality,; (ix) security of workers and passers-by, etc . These impacts are temporary and reversible and can be minimized through the adoption of proper preventive measures and constructive procedures which are detailed in the Environmental Manual of Construction that is an integrated part of the Environmental Report.

The need to discharge materials, especially those deriving from the construction of drain galleries, requires specific measures for the selection and protection of the areas that shall be used and for the transportation of these materials. There will be defined specific routes and security conditions for these purposes which are foreseen in the Environmental Manual of Construction.

The sanitary sewerage works will further require land dispossession and may cause vegetation suppression and destruction as well as the disturbance of the fauna, on a smaller scale. Some mitigating measures have been proposed in order to assure fair conditions for the compensation of the real estate owners and recovery of the vegetation affected.

Uberaba?s Municipal District has one of the largest and most important Paleontology sites in Brazil. During the implantation of the interventions, the soil excavation may expose a great amount of sedimentary rocks from the cretaceous period, which may present fossils. The implementation of joint specific procedures with the Centro de Pesquisas Paleontol?gicas and those listed in the Environmental Manual of Construction is the proper measure to avoid damages to this cultural inheritance. In addition, these procedures guarantee the recovery, rescuing and maintenance of this material.

During the Operational Phase

Sanitary Sewage System: The negative impacts of this system during the operational phase would be limited to: the possibility of obstruction and rupture of the collection networks, odor emissions in the treatment plants, eventual overflow of effluents to the watercourses and increase of the sewage fees collected from the attended population. Measures for the system?s operational improvement and maintenance, creation of a green belt around the treatment plants, social communication and creation of a social tariff have been suggested in order to mitigate the impacts considered herein.

Water Supply System: The negative impact of this system that is deemed significant is related to the flow alterations in the river Claro (downstream from the water taking) and the Saudade channel (downstream from the point where it receives the reverted flow of Claro river). The hydraulic/hydrological monitoring of these water courses is suggested in order to implement eventual control and repair measures, if necessary.

Urban Drainage System: The system causes impacts primarily during the works execution phase, as it has already been described. During the operation phase the transference peak flows downstream is the main negative impact of the proposed system. The system shall include the implementation of energy dissipaters.

Uberaba?s Cultural and Environmental Preservation /Recovery: Valorization of real property changes regarding soil use, environmental degradation, increase in water and energy consumption, vandalism and sound pollution are foreseeable consequences from an increase of the number of visitors to a place that is, presently, typically rural. The new direction of the economic activities requires qualification of the local labor, such as training to work in hotels, restaurant, execution of handcrafts and tourism guides. These are impacts that are manageable, and would need to be addressed in the proposed Fossil Vivo business plan.

3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.

Wastewater Treatment Alternatives considered. Originally, it was proposed to construct three new wastewater treatment plants: Uberaba, Conquistinha and Agua Santana. However, given the difficulties the Agua Santana posed regarding the technical options, and the possible contamination to the water supply should an accident occur in the site proposed, it was necessary to search for other alternatives. According to the Conceptual Study for the Wastewater System in Uberaba, treatment should depend on two wastewater treatment plants: Rio Uberaba and Rio Conquistinha. As part of the preliminary studies, four alternative systems were analyzed for both the Conquistinha and Uberaba systems, considering seven possible treatment alternatives:

1. Conventional waste stabilization ponds (WSP);
2. High rate WSP plus polishing pond;
3. ?Samambaia? WSP:
4. Up flow Aerator Sludge Blanket (UASB) reactor plus a series of series of aerated lagoons ;
5. UASB plus aerated bio-filters;
6. UASB plus biological filters;
7. UASB plus ?Unitank? system

After analyzing the alternatives, it was determined that the best option for both wastewater treatment plants would be a UASB reactor with a series of aerated lagoons. The waste water treatment plants will be a key factor in improving the water quality and class rating on the Uberaba river and Conquistinha stream.

Uraba Drainage Alternatives: Previously, the municipality developed a Plan for the Control of Urban Floods whose hydrological and hydraulic studies recommended the implantation of 4 retention basins to dampen peak flows so as to reduce them to a level consistent with the discharge capacity of the existing macro drainage system. One of these basins, the largest one (Leopoldino de Oliveira), has been implemented previously to Bank involvement in the project. However, during the Project?s preparatory phase new hydrological and hydraulic studies were prepared by Funda??o Cristiano Ottoni of Universidade Federal de Minas Gerais ? UFMG (Federal University of Minas Gerais), in order to: (i) assess the rain water discharge conditions in the main channels and aisles under a variety or urban development sceneries; (ii) asses current and future risks and their consequences; (iii) identify flood control and risk reduction alternatives; and (iv) propose a more advantageous solution considering environmental, technical and economic criteria. The study proposed several alternatives: construction of retention basins; and the implementation of additional canals or tunnels in order to increase the discharge capacity of the flood flows. These alternatives were assessed individually and jointly in order to determine the best solution from a technical, economic and environmental perspective.

The results of the revised hydrological and hydraulic studies show that keeping the system with the originally proposed configuration of four retention basins would mean subjecting the population to losses and damages with a non-acceptable recurrence (every 2 years), also involving the risk of losing human lives. The initial proposal of complementing the existent system with retention basins in the drainage sub-basins of the Lajes stream also showed itself insufficient to guarantee the flood control with a recurrence period superior to 5 years. The solution was simply unacceptable.

Other alternatives were proposed and analyzed in order to guarantee flood control with a 25-year-recurrence. A total of seven alternatives were analyzed, including the current system. A comparison of the six alternatives to the status quo are indicated below:

Alternative	Estimated Cost R$
Three rain water retention pools and two tunnels (1)	21,200,000
Two rain water retention pools and two tunnels (2)	17,100,000
Transference of the Grande River Basin (3)	20,300,000
Tunnels Connecting GF with SD (4)	18,900,000
Tunnels Connecting GF and FR (5)	19,400,000
Reinforcement of Traditional Galleries (6)	20,600,000

Given its technical feasibility, understood risk levels and economic rate of return, the current option remains the reinforcement of the current system.

Water Supply Alternatives: New studies were developed during the Project?s preparatory phase and several additional or substitutive supply sources were analyzed, namely: (i) regularization of the Uberaba river?s flow with other dam possibilities; (ii) use of Claro river, either through the making permanent the current reversion or through a direct adduction to the water intake point; (iii) supply option using the Grande river; (iv) water supply capture in Araguari river, and (v) an increase of the number of artesian wells.

Figure 4-4: Cost comparisons of alternatives

The studies concluded that the best solution, under the technical, economic and environmental aspects, would be the permanent implementation of the currently temporary solution of transposition of the Claro river waters to the Uberaba river basin. This alternative, which shall be detailed during project execution, shall be submitted to IGAM in order to obtain the definitive grant for the right of use. It is worth reiterating that the transposition of the river Claro is the most economically and environmentally viable of options for augmenting the city?s water supply and is a solution that is only necessary during severe dry periods (less than 5% of the time).

4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.

ENVIRONMENTAL MANAGEMENT PLAN

The Environmental Assessment Report comprises several mitigating, compensatory and reinforcement measures to ensure the reduction of negative impacts and the optimization of the positive ones. These measures, as well as their costs, schedules and responsible parties constitute the Environmental Management Plan. Most components of the Environmental Management Plan are included in the engineering projects themselves and do not require a separate document.

Environmental Management System: The ?gua Viva Project shall have as Borrower, the Municipality of Uberaba and as the general coordinating body the Centro Operacional de Desenvolvimento e Saneamento de Uberaba ? CODAU. One Program Management Unit-UGP ? shall be implemented under the municipality?s coordination and will include the

Technical Units. The Environmental and Social Management System ? SGSA ? shall be an integral part of the project Management System and will be liable for: (i) coordinating the social and environmental measures of the Project; (ii) inspecting, following-up and directing the execution of the mitigating measures required in the environmental licenses and the recommendations of the Environmental Manual of Construction; (iii) implementing the subcomponents of environmental education and institutional strengthening. The costs of this activity are included in the Project?s Management and Administration.

Social Communication Program: The objective of this program is to promote participation of the population which will be directly or indirectly affected by the interventions, as well as the entire population. The most active segments of the public and private community shall be notified about the Project?s main activities and implementation phases and shall be encouraged to participate actively during the planning and works phases. The Planning Municipal Secretariat shall be in charge of this activity.

Sanitary and Environmental Education Program: An environmental and sanitary education program will be implemented, both broadly and locally. The broad approach aims at educating the general population on environmental values, concepts and information in order to increase the perception of the importance of the natural environment, water quality, biodiversity, the public health and, in short, overall health quality. This is expected to motivate the community to take active participation in environmental protection and preservation measures. The local approach shall be more directly focused on the population most impacted by the physical interventions and aims at increasing awareness of the value of the investments to take place, and their impact on the environment and human health. The program will also include a Social and Environmental Monitoring program for monitoring people?s perceptions towards the project and values towards environmental protection and health The Environmental and Sanitary Education program shall be carried-out during the Project?s implementation period and the Municipal Environment Secretariat ? SEMEA ? shall be in charge of it, under the coordination of a Project Management Unit in coordination with the Social Communication Advising Department, the Municipal Education Secretariat.

Program for the Elimination of Crossed Connections: The implementation of this program is essential to guarantee that the benefits arising from the improvement of the water quality comprised in the Project are accomplished. The city?s sewage and rainwater networks have been constructed along a number of years, often resulting in sewage discharge into drain pipes and vice-versa. This program would be implemented by CODAU, simultaneously with the interceptors works of each basin, and it shall be concluded six months after conclusion of the last interceptor.

Operation and Security Program of Leopoldino de Oliveira Retention Basin: In compliance with the recommendations of the Dam Safety Panel, a plan for the operation and security of the Leopoldino de Oliveira dam will be implemented, in order to ensure: (i) the correct operation of the equipment in relation to its specific function of preventing floods; (ii) the security of the solid pieces of stonework of the dam against rupture risk and downstream damages; (iii) an alert system for all contingencies that may involve risks for the population; (iv) an assessment of the feasibility and security to use the area

with leisure activities during the dry seasons. The program was initiated in 2004 with the Dam Safety Panel will be terminated in mid 2005.

Monitoring of the Water Quality of the Uberaba River and Conquistinha Stream: A monitoring plan of the waters of the Uberaba river basin and of the Conquistinha stream will be implemented. The main objective of this plan shall be the verification of the efficiency of the measures implemented in the Project for the improvement of the water quality of these basins. It will also allow identification and repair of eventual problems concerning the water quality of the basins. Its results may be integrated to the Brazilian System of Information of water resources. The Environment Municipal Secretariat ? SEMEA - shall be liable for the implementation of the program. Other institutions shall take part in the production of information, diagnosis and monitoring of the waters within this Project scope, namely: FEAM, IGAM and CODAU.

Hydrologic Monitoring: The proposed hydrologic monitoring shall provide information in order to assess Uberaba?s urban drainage system, improve the consistency of the hydrologic studies, allow the use of standards of hydrologic simulation which are more reliable and implement preventive and corrective measures regarding urban drainage problems (i.e., to improve the urban drainage management system of the Municipal District). Its execution term is estimated in 5 years.

Construction Environmental Manual: This Manual was developed to be used as a tool for establishing proper environmental practices which will guide the companies to be contracted for the execution of the project works. It will be incorporated into the bidding process so that the companies may be previously instructed about the requirements. The Project Management Unit and the construction companies are liable for its implementation.

Institutional Strengthening: From the characterization and analysis of the institutional environment of the ?gua Viva Project, an harmonic set of measures was defined considering the improvement of the legal, technical and management abilities of the municipal organizations involved in the execution of the Project and in the operation of the systems resulting from the investments foreseen therein. This set of measures is the vehicle for ensuring the execution of the environmental and social programs of the ?gua Viva Project. As such the Institutional Strengthening Plan shall include actions to build capacity of those entities directly in charge of provision of public services related to environmental, urban infrastructure and sanitation management. This will include measures in order to equip the organizations, train personnel and develop technical and operational manuals

5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.
The social impact report was designed in consultation with the mayor?s office, relevant specialists within Uberaba?s municipal government and through a public forum. It presents an analysis of the relevant socio-economic data about the municipality, including a description of economic trends and descriptions of the provision and quality of public utilities and public services.

This socio-economic description of the municipality is supplemented by the mapping of those areas that will be directly influenced by the major public works under the Agua

Viva project. Areas were defined as being areas of ?direct social impact? through a process combining the mapping of the areas physical distance from a public works project with a visit to the areas to determine how they were populated.

Those areas that were populated and directly impacted by public works projects were then studied through ?social diagnosis?. Social diagnosis aims to describe the dynamic of the community before the intervention that will be brought through the public works project. This includes field study of the relevant areas by the research team and a sampled survey of community residents and businesspeople. Because many residents/business people were unaware of the Agua Viva program the survey included a description of the program, including those parts of the program that will directly impact them, and asked survey participants about their reactions to the program as it was described.

The social impact research team made predictions about project impact. The team analyzed the type and extent of impacts through the study of the proposed project, bibliographic research, and meetings with the client and the broader research team. Armed with knowledge of the needs and interests of the community, and based on their research and professional experience, the team was able to identify and describe the scope and magnitude of the positive and negative social impacts project implementation is likely to bring.

Based on research and analysis the social impact report presents two types of conclusions: First, the report compares expected socio-economic outcomes if the Agua-Viva program is implemented versus expected outcomes if it is not implemented. Second, the report makes a series of recommendations to mitigate the negative effects of program implementation and accentuate positive effects.

RESULTS

Uberaba is relatively well off and well serviced by public utilities when compared to other Brazilian municipalities. Uberaba is located in a strategic position about 500 km. from S?o Paulo, Bras?lia, and its state capital, Belo Horizonte. It is well connected to these cities by road, train and air. The municipality of Uberaba has an area of 4501 km?, of which 256 km? makes up the city. Of the municipalities 251,159 residents, 243,406 live within city limits.

Uberaba?s gross domestic product per capita was around R$6,200 in 1998, 20% above the national average. The economy is growing quickly. The average monthly income per capita in 1991 was R$279.30 (R$ of 2000) and grew to R$400.40 by 2000. Over the same period the percentage of the population in poverty (defined as those living in households where income per capita is less than half of the minimum wage) dropped from 19.2% to 12.1% of the population, despite continued high rates of income inequality.

The Index of Human Development (IDH) measured in Uberaba showed similar improvements over the 1990s. The overall IDH index increased from 0.763 in 1991 to 0.834 in 2000, showing improvements in each of the areas that make it up: education levels, longevity and income. This measure is the 95th highest among Brazil?s 5,507 municipalities and 4th highest among Minas Gerais? 853 municipalities. Infant mortality

in the city has improved from 26.9 per 1000 live births in 1991 to 18.0 per 1000 in 2000. Fecundity levels have dropped from 2.0 to 1.8 children per women in the same time period.

Uberaba?s employment base is also relatively diversified with a relatively high 23.38% of the population working in the city?s industries, which include several large companies. The service sector employs 47.94% of the working population, while the commercial sector employs 21.50% and the agricultural sector 7.18%. The city is a regional higher education center.

Public services in Uberaba reach almost all of the municipality?s population. Electrical supply run by has a capacity far above effective demand and reaches 99.97% of households in the urban area and 98.75% of households in the rural area. Trash collection is also spread throughout the municipality and 55% of the trash collected is recycled. However, the city does have trouble regularly collecting trash near streams that are blocked off by precarious housing.

Publicly supplied water reaches 99% of Uberaba?s residents and 99.4% of water connections are micro metered. Water use is charged at rates between R$ 0.84 and R$1.55 per cubic meter for residential, commercial and industrial use, with rates moving toward the higher end of the range for larger amounts of water used. Sewage is available to about 95% of urban residents. Sewage rates are charged at half the rate of water, and included on the same bill.

The whole city is affected by problems related to sewage treatment and management. Principal among these are:

? Almost all sewage is dumped into the river. The level of pollution of this sewage is much greater than the ability of the Rio Uberaba to purify itself;
? Lack of adequate treatment in valleys where sewage flows, leading to water-borne illnesses for those living nearby;
? An absence of environmental education programs leading to the misuse of public services related to sewage treatment and the lack of participation by the community in environmentally beneficial programs;
? Improper dumping of solid waste, despite municipal efforts to contain it.

There are also water supply problems. A large part of the Rio Uberaba?s flow is used for public consumption and irrigation, and there can be water shortages during droughts.

The three Agua Viva construction projects that will have the most dramatic social impacts on their neighboring communities are: 1) The construction of one of the two wastewater treatment plants (ETE Uberaba); 2) the construction of macro drainage works to reduce flooding near the city center; and, 3) the urbanization/creation of a park around the Leopoldino retention pool and the Lajes corridor. The other wastewater treatment plant (Conquistinha) will be located in a location surrounded by pasture, and will not have a significant social impact.

A corner of the residential neighborhood ?Conjunto Alfredo Freire? is located within a kilometer of one of the two wastewater treatment plants, ETE Uberaba. There is particular concern that the plant might devalue the neighborhood or augment an already existing stigmatization of the neighborhood as foul smelling. At the same time, as this neighborhood is near the river, the sewage treatment plants will benefit the neighborhood by making the river less polluted. The rest of the land around ETE Uberaba, besides the river and an electrical transmission line, is pasture.

The Conjunto Alfredo Freire was has been developing since 1981 along side an industrial district and has an estimated population of 9,010 inhabitants. The area located within a one kilometer circumference of ETE Uberaba is composed of 344 dwellings, of mostly precarious construction. While there is a neighborhood association and other community groups they do not work closely together.

The social impact research team held community meetings about the Agua Viva project and conducted a sampled survey of 58 individuals with equal representation of genders and age groups. Responses revealed that area residents were poorer on average than those in the city as a whole. Respondents described the biggest problems with public services in the area are a lack of public transport, a lack of recreational areas and a lack of urban sanitation. Social problems described by respondents included drugs, violence/lack of security and unemployment.

A full 89% of those interviewed were not aware of plans to build a wastewater treatment plant. Because of the general lack of knowledge and the initial disapproval of a project which would presumably smell bad, the social impact consultants urged the mayor to organize a trip to neighborhoods near other water treatment plants. The trip eventually visited similar plants in Bras?lia and included 40 social actors from Conjunto Alfredo Freire. The trip had a markedly positive effect on its participants in relation to their expectations of the water treatment facility. Information about the water treatment plants was also made available to the public through public meetings.

The construction of drainage works near the city center is another project with a large social impact that will be felt in a specific community. The ad hoc construction of many sections of the drainage system over the years, the geographic characteristics of the water basin in which the most of the city of Uberaba lies, and the closing off of some drainage channels, has created a situation of frequent flooding in the area. This affects the following groups:

? Commercial establishments in the city center. One interviewee described how shoppers avoid the city center on rainy days;
? Those who need to transit through the city center on foot, by bus or by car to go to school, work or the Hospital Santa L?cia;
? Students who attend schools in the area;
? Firefighters/Civil Defense members who suffer increased workloads during flooding.

The qualitative part of the social impact study, which included meetings with social actors and the community as a whole, noted that there were a large number of community services, but that these were not coordinated under a collective action plan. The region has about 6,000 thousand residential units and 4,000 commercial units. A survey of 197 people who live or work in the area was conducted. The survey revealed a more educated population with higher average incomes than the city as a whole.

Flooding was cited by 56.3% of the respondents as one the three major physical problems in the city center. The next most common problems cited by residents were lack of leisure areas (35.0%), inadequate health care services (33.5%), problems with sanitation (32.5%) and insufficient public transport (32%).

Central city residents are unhappy about flooding but are not well informed about what to do about it. Almost half of survey respondents evaluated the municipal government?s actions to control flooding negatively and another third evaluated the actions as mediocre. The construction of a rainwater retention pool was the most well known possible intervention, cited by 18.8% of respondents, but 44.2% of respondents stated that they did not know a solution or did not respond to the question.

Over 80% of survey respondents were unfamiliar with the plan to construct drainage works near the city center in the Agua Viva program. Nonetheless, ? of respondents evaluated interceptors as a positive solution, preferring tunnels to open interceptors (despite a general lack of knowledge of the subject). For the most part, residents claimed that building drainage works would not affect their daily lives (64%). Those who saw problems were concerned about traffic congestion, difficulty of access for pedestrians and a decline in business during construction. The survey population was divided on whether they preferred to trade off of greater inconvenience for quicker completion of works (48%) or moderate inconvenience for a moderate time period for work completion (42%).

The final aspect of the project with a major direct social impact is the construction of the Parque dos Lagos around the wastewater retention pool Piscin?o Leopoldino. There are 398 residences that would be directly influence by the proposed park. On one side of the retention pool is Condominio Flamboyant (sector 1), a gated community of well-built residences (sector 1). On the other side are 64 mostly precarious buildings in areas known as Conjunto Frei Eug?nio and Conjunto Guanabara (sector 2). One hundred people who will be impacted by construction were surveyed, 50 from sector 1 and 50 from sector 2.

The principal public service problem described by residents was a need for improvement of trash collection services (30%), followed by improvements in public transportation (22%), public health improvements (17%), the need to improve the environment (17%) and the need for leisure/sports facilities (15%). Sector 2 respondents were more likely to be concerned about transportation and health issues, while Sector 1 respondents were more likely to be concerned about the environment. Drugs, violence and unemployment were signaled as the major social problems.

The support for park construction/urbanization of the area around the drainage pool was striking. Nearly 90% of respondents evaluated this aspect of the Agua Viva plan as having a positive impact and nearly 95% of respondents said that it would not interfere with their daily lives.

The complex of public works in the Agua Viva project will have a significant impact on the directly affected communities and the city as a whole over the course of project planning, implementation and completion. Analysis of the type and severity of impacts was based on the consulting team?s professional experience in similar projects, along with the results of the social impact study in preparation of this report. Impacts were then characterized as being positive or negative, direct or indirect, temporary or permanent, among other vectors. This summary discusses major impacts in the planning and implementation stages, and in the long term. The pattern that emerges from impact analysis is one of short-term negative impacts during project implementation that are more than offset by long term improvements.

The major impact of the planning stage was uneasiness about the Uberaba sewage treatment center in the Conjunto Alfredo Freire even though they understood the plant?s importance. The uneasiness was somewhat mitigated by the trip to visit similar plants. Residents noted that construction hiring could be done locally to address a community need during community meetings.

The implementation stage will concentrate the most negative impacts but also have some positive impacts. Impacts during project implementation will be augmented because work will be done in heavily trafficked commercial areas, local community organization is fragile and not coordinated, municipal authorities do not have established modes of communicating with the public and because of the socio-economic conditions of some of the effected neighborhoods.

The contracting of employees for the project will generate a number of significant impacts. Large public works project such as this one tend to generate a mass of short-term migrants who, employed with the project or not, bring increases in criminality, prostitution etc. as people mill around the area searching for opportunities. The mass of short-term migrants will also increase demand for public services. Public authorities should be aware of take measures to mitigate these negative effects. Positive effects include increases in employment and commerce.

Completion of the project will also mark a tense period as work/commercial patterns established during construction will be disrupted. The tensions produced could increase community frustration and compromise public security. However, the infrastructure improvements will have a long-term, positive, indirect influence of public security.

The noise/dust/traffic associated with construction will also negatively affect residents in all areas where construction will take place.

The central city will suffer negative impacts while interceptors and canals are being installed. These impacts will be significant, prejudicing central city businesses and even the way business is done in the city. Negative effects will also be localized and temporary, however, and the long term effect will improve transportation, not to mention reduce flooding, in the city and the central city?s commercial climate.

As noted, the Agua Viva program will increase monthly sewage bills. Where sewage is currently billed at half the cost of water, it will rise to equal the cost of water once wastewater is treated. The study recommends consideration of subsidies in certain areas to mitigate this increase for low-income residents. Currently, 40% of the population uses less than 10 m? per month, thus paying the lowest rate.

A long-term impact of the Agua Viva program will be an improvement in the health conditions of city residents related to water-borne illnesses.. It is recommended that the water company (CODAU) coordinate with the public health service to track the incidence of water-borne illness.

The urbanization of the area around retention pool Leopoldino, the cleaning of the streams, and the implantation of the Parque das Lajes will also have a long-term positive impact on the well-being of the community.

Public meetings, before, during and at the end of project implementation will have the effect of strengthening civil society. This is due to the contact that public meetings will generate between members of currently uncoordinated civil society groups. The project should also strengthen linkages between the municipality and civil society.

RECOMMENDATIONS

The social impact analysis demonstrates that Agua Viva should continue its social communication, social mobilization and education programs throughout project implementation. The social communication program has already impacted the community given that the components of the Agua Viva program were not well known to the population. Social communication programs such as public information campaigns and community meetings need to be continued to keep the public informed and mitigate public hostility to temporary negative impacts.

It is also recommended that social communication programs be wedded with environmental education programs to generate further benefits for the community. By keeping in touch with the public, the municipality increases public involvement and co-responsibility for improvements. This produces a range of improvements, from improving the sustainability of infrastructure projects because of the greater interest and involvement of civil society, to improving the interaction and cohesion within civil society and between civil society and government.

In conjunction with the social communication program, it is recommended that steps are taken to control local transit patterns by delimiting appropriate routes and hours for heavy

trucks. Signs should be posted. The public should be given prior warning about route changes for private and public transportation.

It is recommended that Municipality orient companies that win contracts under the program to hire local workers as this would mitigate the negative impacts and costs associated with an influx of temporary laborers to the city. It is recognized that the municipality cannot compel companies to hire local workers, as opposed to other Brazilian workers, under the Brazilian constitution.

Project implementation will entail an expansion of demand for water, sewage, public cleaning, energy, telephone and public transportation services. It is recommended that the municipality make provisions with the public service companies to attend to the elevated demand.

Contract employees need to have an estimate of when they will be laid off. As most contracts will be for a defined time period, training programs should include topics that prepare employees for the time they will be separated from the contracting company. This measure will help to reduce tensions near the end of project implementation and could be done at little extra cost because the contracting companies will already be running training courses. An additional possibility is to work with the Associa??o Comercial e Industrial de Uberaba (Uberaba Commercial and Industrial Association) to elaborate work training programs to coincide with the end of the project.

?Social tariffs? might be introduced to offset the increased cost of wastewater services for certain sectors of the population, although experience suggests these are often regressive.

Residents of Conjunto Alfredo Freire are very unhappy with public transportation in the area. The need to bring workers to the plant construction site provides an opportunity to improve this situation and could be extended after construction is complete.

Land appropriations where the wastewater treatment plants will be built are in process and should continue to be executed. No people are resident in the areas to be appropriated.

B. Disclosure Requirements Date

Environmental Assessment/Audit/Management Plan/Other:	
Date of receipt by the Bank	02/22/2005
Date of "in-country" disclosure	01/26/2005
Date of submission to InfoShop	02/28/2005
For category A projects, date of distributing the Executive Summary of the EA to the Executive Directors	03/16/2005

*** If the project triggers the Pest Management, Cultural Property and/or the Safety of Dams policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.**

If in-country disclosure of any of the above documents is not expected, please explain why:

C. Compliance Monitoring Indicators at the Corporate Level (to be filled in when the ISDS is finalized by the project decision meeting)

OP/BP/GP 4.01 - Environment Assessment	
Does the project require a stand-alone EA (including EMP) report?	Yes
If yes, then did the Regional Environment Unit review and approve the EA report?	Yes
Are the cost and the accountabilities for the EMP incorporated in the credit/loan?	Yes
OP/BP 4.04 - Natural Habitats	
Would the project result in any significant conversion or degradation of critical natural habitats?	Yes
If the project would result in significant conversion or degradation of other (non-critical) natural habitats, does the project include mitigation measures acceptable to the Bank?	Yes
OPN 11.03 - Cultural Property	
Does the EA include adequate measures related to cultural property?	Yes
Does the credit/loan incorporate mechanisms to mitigate the potential adverse impacts on cultural property?	Yes
BP 17.50 - Public Disclosure	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes
All Safeguard Policies	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes
Have costs related to safeguard policy measures been included in the project cost?	Yes
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes

D. Approvals

Signed and submitted by:	***Name***	***Date***
Task Team Leader:	Mr Dean A. Cira	06/13/2005
Environmental Specialist:	Mr Douglas J. Graham	04/07/2005
Social Development Specialist	Ms Elena Correa	04/07/2005
Additional Environmental and/or Social Development Specialist(s):		
Approved by:		
Regional Safeguards Coordinator:	Mr Jean-Roger Mercier	04/07/2005
Comments:		
Sector Manager:	Mr Abel Mejia	04/07/2005
Comments:		