

**MANAGEMENT RESPONSE TO
REQUEST FOR INSPECTION PANEL REVIEW OF THE
BRAZIL: PIAUÍ PILLARS OF GROWTH AND SOCIAL INCLUSION PROJECT
(P129342)**

Social Inclusion Project (P129342), received by the Inspection Panel on December 6, 2019 and registered on January 21, 2020 (RQ19/16). Management has prepared the following response.

February 20, 2020

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Map

Map 1. IBRD No. 44857

Annex

Annex 1. Claims and Responses

ABBREVIATIONS AND ACRONYMS

CPT	<i>Comissão Pastoral de Terra</i> (Pastoral Land Commission)
ESMF	Environmental and Social Management Framework
FCP	<i>Fundação Cultural Palmares</i> (Palmares Cultural Foundation)
GERCOG	<i>Grupo Especial de Regularização Fundiária e de Combate à Grilagem</i> (Special Group for Land Tenure Regularization and Combating Land Grabbing)
GRM	Grievance Redress Mechanism
HWMP	Health and Waste Management Plan
IBRD	International Bank for Reconstruction and Development
INCRA	<i>Instituto Nacional de Colonização e Reforma Agrária</i> (National Institute for Colonization and Agrarian Reform)
INTERPI	<i>Instituto de Terras do Piauí</i> (State Land Institute of Piauí)
IP	Indigenous People
IPN	Inspection Panel
IPPF	Indigenous Peoples Planning Framework
ISR	Implementation Status and Results Report
LTRC	Land Tenure Regularization Center
MTR	Mid-Term Review
OP	Operational Policy
PAD	Project Appraisal Document
PDO	Project Development Objective
PMP	Pest Management Plan
RPF	Resettlement Policy Framework
RTID	<i>Relatório Técnico de Identificação e Delimitação</i> (Identification and Demarcation Technical Report)

EXECUTIVE SUMMARY

Project

- i. The *Piauí Pillars of Growth and Social Inclusion Project* (the Project) is a US\$120 million multi-sectoral project approved in 2015. The objective of the Project is 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 poor family farmers in rural productive value chains.
- ii. The Project's land tenure component supports the formalization of the land tenure of 5,000 small-scale farmers located in State agrarian reform settlements and the formalization of the land tenure of three *Quilombola* communities located on State land. The Project also focuses on strengthening the capacity and modernizing the *Instituto de Terras do Piauí* (INTERPI, State Land Institute of Piauí), which is the competent agency for land administration in Piauí.

Request for Inspection

- iii. On December 6, 2019, the Panel received a Request for Inspection concerning the Project, submitted by three community members in the *Cerrado* region of Piauí.
- iv. The Requesters allege that local traditional communities have been left out of the land tenure regularization process under the Project. They claim that the Project promotes land regularization mainly for agribusiness and large landowners whose farming practices destroy biodiversity, soil and water. They further claim that the region has a history of land grabbing, which is now made legitimate through the Project. As a result, they believe that local traditional communities in the *Cerrado* region of Piauí are losing their lands, crops and subsistence. They also claim lack of social assistance, public safety and access to education.

Management's Response

- v. Management understands the Requesters' concerns with regard to the security of their tenure and illegitimate land acquisitions that could undermine their land rights. However, ***as demonstrated in this Response, the Project neither causes nor contributes to these concerns.*** To the contrary, the Project is strengthening the land tenure of small-scale farmers and *Quilombola* communities, by supporting access to land tiling, registration and legal ownership of the land these communities live on. To date the Project has helped to title and register the land of 896 small-scale farmers living in State agrarian reform communities and the process of titling and registration of three *Quilombola* territories is well underway. Since 2018, the Project is also supporting traditional communities in the *Cerrado* region of Piauí to address some of their land concerns (see paragraph 28).
- vi. ***Management notes that many of the allegations in the Request regarding the Project are inaccurate and do not reflect the Project's objectives and activities.*** The Project's stated objectives are set out in Project documentation, namely the Project Appraisal Document (PAD), the Legal Agreement, and the Project Operational Manual. Contrary to the allegations made in the Request, ***the Project neither supports nor promotes regularization for agribusiness and/or large landowners,*** nor are such groups entitled to receive any support through the Project. The Project is also not supporting the sale of State land to such groups.

- vii. ***Management notes that the Request neither cites any specific harm allegedly caused or likely to be caused by the Project, nor does it allege any violation of Bank Policy with regard to the Project causing such harm.*** The Request articulates broad concerns about land grabs in Brazil, which are not related to the Project. The Request does not cite any specific case where communities' land rights or claims to land have been or are likely to be undermined by the Project's activities. The Request and attached materials refer to the impact of the inflow of capital from foreign investors that are reportedly acquiring farmlands through Brazilian intermediaries. However, the Project has no relation to these investors, nor does the Project have any role in this process.
- viii. ***Management wishes to underline that the Project supports the State's efforts to combat land grabbing.*** This is done through the Project's assistance to the State Secretariat of Justice's Office of the Inspector General to better regulate notarial services, and support to the *Grupo Especial de Regularização Fundiária e de Combate à Grilagem* (GERCOG, Special Group for Land Tenure Regularization and Combating Land Grabbing) to actively investigate illegitimate land claims and fraudulent land titling. The Project also supports INTERPI's paper-to-digital transformation of land regularization processes, which will also enhance transparency.
- ix. ***Those concerns raised in the Request that relate to the Project represent unfulfilled expectations, such as complaints about alleged non-inclusion in the Project of traditional communities from the Cerrado region of Piauí, and the perceived slow pace of land regularization process.*** The selection of target communities (small-scale farmers and *Quilombola* communities) for land regularization support was part of the Project design; the consequent non-inclusion of other communities in the Project cannot be considered harm caused by the Project and is not a matter of policy compliance. Moreover, since 2018, the Bank has agreed to the use of Project resources to provide support to traditional communities in response to their request. Regarding the delays in the land regularization process for these traditional communities, it is important to understand that those delays are rooted in complex legal and procedural requirements for land regularization that are beyond the Project's control. It should also be noted that the progress with land regularization for these traditional communities would be slower in the absence of the support that the Project extends to INTERPI.

Conclusion

- x. ***In Management's view, the Bank has followed the operational policies and procedures applicable to the matters raised by the Request.*** As a result, Management believes that the Requesters' rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its policies and procedures.

I. INTRODUCTION

1. On January 21, 2020, the Inspection Panel registered a Request for Inspection, IPN Request RQ 19/16 (hereafter referred to as “the Request”), concerning the Brazil: Piauí Pillars of Growth and Social Inclusion Project (P129342), financed by the International Bank for Reconstruction and Development (IBRD, or “the Bank”).
2. **Structure of the Text.** The document contains the following sections: Section II presents the Request; Section III describes the Project; Section IV contains a discussion of the context and pertinent issues; and Section V contains Management’s response. Annex 1 presents the claims made in the Request, together with Management’s detailed responses, in table format.

II. THE REQUEST

3. The Request for Inspection was submitted by three members of traditional communities in the *Cerrado* region of Piauí (“the Requesters”). Attached to the Request were:
 - (i) A letter dated July 27, 2018 from the Secretary General of Land Tenure Regularization/Director General of the *Instituto de Terras do Piauí* (INTERPI, State Land Institute of Piauí) to the World Bank Country Director in Brazil.
 - (ii) An “International Statement: The World Bank’s land program in the State of Piauí, Brazil, is a license for land grabbing,” dated by March 21, 2018, endorsed by 31 nongovernmental and civil society organizations.
 - (iii) A report entitled “The Human and Environmental Cost of Land Business: The case of MATOPIBA, Brazil,” (2018), prepared by FIAN International, *Rede Social de Justiça e Direitos Humanos* (Social Network of Justice and Human Rights) and *Comissão Pastoral de Terra* (CPT, Pastoral Land Commission).
4. No further materials were received by Management in support of the Request.

III. PROJECT BACKGROUND

5. **The Project.** On December 21, 2015, the Board approved an IBRD loan in the amount of US\$120 million to the State of Piauí (the Borrower) in support of the Piauí Pillars of Growth and Social Inclusion Project (the Project) with the guarantee of the Federal Republic of Brazil. The Project has an expected implementation period of five years. It is a multisectoral operation that includes education, health, water, land and agriculture and makes use of an Investment Project Financing lending instrument, and disbursement-linked indicators.
6. **Project Objectives.** The Project Development Objective (PDO) is to: (i) reduce dropout of students in public secondary education; (ii) increase access to diagnosis and treatment for patients with chronic diseases; (iii) expand the registration of groundwater users in rural areas and land tenure regularization; and (iv) increase the participation of rural family farmers in rural productive value chains.

7. The progress towards achievement of the PDO was rated Moderately Satisfactory in the last Implementation Status and Results Report (ISR) dated December 2019. The overall implementation progress was also rated as Moderately Satisfactory in the December 2019 ISR, given progress of components and other implementation dimensions observed at that time. The last Implementation Support Missions were carried out in November 2019 and January 2020. Loan disbursements to date are US\$89 million, or 74 percent of total loan proceeds.

8. As per the request of the Borrower, the Bank team is currently pursuing a Level II restructuring that is a result of a Mid-term Review (MTR) carried out in June and July 2018, and the recent Implementation Support Missions. The Borrower requested the restructuring to adjust some aspects of the Project design, including: (i) changes in the Results Framework and Monitoring; (ii) changes to components and costs by introducing new technical assistance activities and dropping of others; (iii) reallocation between Disbursement Categories; (iv) change in disbursement arrangements and estimates; (v) considering triggering of Operational Policy (OP) 4.10 on Indigenous Peoples (see also Paragraph 58) and updating of safeguard instruments; and (vi) changes to indicators. The PDO would remain unchanged. The restructuring is still under discussion with the Borrower.

9. **Project Components.** The Project comprises two components. The first component, provision of support for the implementation of eligible expenditure programs, consists of the following five subcomponents: (i) improving retention in public secondary education; (ii) expanding access to health care for patients with chronic diseases; (iii) expanding the registration of groundwater users; (iv) strengthening real property rights; and (v) strengthening participation of rural family farmers in rural productive value chains. The second component, provision of technical assistance to strengthen the State of Piauí's public management, consists of the following three subcomponents: (i) modernizing expenditure and investment management in the public sector; (ii) building the Borrower's capacity for water resources management, land management, and rural development; and (iii) generating evidence to support policy-making and practice in education, health, gender, and citizen engagement.

10. Under subcomponent 1.4, the Project supports strengthening real property rights through (i) strengthening and modernizing INTERPI; (ii) carrying out the identification, demarcation and registration of State land; (iii) carrying out the land tenure regularization program, targeting small-scale farmers in State agrarian reform settlements and *Quilombola* communities; and (iv) supporting the operationalization of the Land Tenure Regularization Center of the Office of the Inspector General ("*Corregedoria*") of the State Secretariat of Justice in Piauí.

IV. CONTEXT AND ISSUES

11. The State of Piauí is roughly the size of the United Kingdom, spanning over 251,529 km². It has a population of 3.12 million inhabitants, of which 26 percent live in the State's capital city of Teresina and an additional 31 percent in urban centers that are over 20,000 inhabitants. It has a rural population of 1.07 million people and an average population density of 12 inhabitants per square kilometer.¹

12. ***Piauí's agrarian structure is characterized by pronounced land inequalities, as is the case in most Brazilian States.*** Land tenure data in Piauí has been historically very unreliable, which is one reason the Project aims to formalize land rights of target vulnerable groups and strengthen INTERPI's capacities and transparency in managing land tenure data. Nevertheless, in 2018, Brazil's *Instituto Nacional de Colonização e Reforma Agrária* (INCRA, National Institute for Colonization and Agrarian Reform, a Federal agency) identified 150,188 *small-scale farms* covering 6.8 million hectares; 10,566 *medium-scale farms* covering 4.8 million hectares; and 3,600 *large-scale farms* covering 13 million hectares in the State of Piauí.² Small-scale farms are on average 46 hectares. They account for 91 percent of Piauí's farms and cover 27.2 percent of its territory. By contrast, large-scale farms are on average 3,618 hectares, account for 2.2 percent of Piauí's farms, and cover 40 percent of the State's territory.

13. ***Piauí's small-scale farms include over 45,000 farms located in agrarian reform settlements, of which 475 are Federal, created by INCRA, and 234 are State, created by INTERPI.*** In Federal agrarian reform settlements, land ownership is retained by the Federal government. In State agrarian reform settlements, land is under State jurisdiction. As part of the State land tenure regularization program, INTERPI is transferring land ownership to small-scale farmers located in State agrarian reform settlements, and the Project's initial objective was to issue and register 5,000 land titles. This target is being reduced to 3,000 as part of the ongoing Project restructuring.

¹ Brazilian Institute of Geography and Statistics or IBGE (Portuguese: *Instituto Brasileiro de Geografia e Estatística*), 2010.

² In Brazil, small-, medium- and large-farms are defined based on a unit called a "fiscal module." The size of the fiscal module is defined by each municipality. In Piauí, it ranges from 30 hectares to 90 hectares. Per Brazil's definition, small-scale farms are rural properties smaller than 4 fiscal modules, which in Piauí translates as rural properties that are no larger than 120 to 360 hectares, depending on the municipality. These small-scale farms are on average 46 hectares. Medium-scale farms are between 4 and 15 fiscal modules, while large-scale farms are rural properties of more than 15 fiscal modules, which in Piauí means farms that are more than 450 hectares and 1,350 hectares, respectively, depending on the municipality.

Box 1. Types of Communities

Agrarian Reform Settlements: *These are small-scale farmers that were settled through the Brazilian Federal Land Reform program (launched in 1964) to provide unproductive land to landless peasants through the creation of Agrarian Reform Settlements. There are State- and Federal-level Agrarian Reform Settlements. In the State of Piauí there are 234 State-level agrarian reform settlements.*

Traditional communities: *Traditional communities (such as the “Brejeiros” and “Ribeirinhos” in Piauí) are culturally differentiated groups who have their own forms of social organization and economic production, often based on a specific location, family labor force and focus on subsistence. They typically do not have a separate language. Traditional communities are recognized by law in the State of Piauí.*

Quilombola communities: *Quilombola communities are remnants of settlements of escaped slaves, or quilombos. They typically do not have a separate language and do not self-identify as indigenous. They self-identify as Quilombolas and enjoy specific protection under Federal and State legislations. Piauí has 87 Quilombola communities certified by Fundação Cultural Palmares (FCP, Palmares Cultural Foundation).*

Indigenous communities: *These are communities that meet the criteria set out in the Bank’s OP 4.10, for the purpose of this report. In Brazil, they are distinctively identified by their historical continuity with pre-Columbian groups and enjoy specific protection under Federal and certain State legislations (in the State of Piauí no such indigenous communities have been formally recognized by competent Federal and State-level institutions until now, but there is an ongoing process of recognition at the State level as further explained below).*

14. ***Piauí has 87 Quilombola communities certified by the Fundação Cultural Palmares (FCP, Palmares Cultural Foundation), although the Coordination for Quilombola Communities in the State of Piauí estimates that there are over 200 Quilombola communities in Piauí.*** To qualify as *Quilombola*, communities need to self-declare as such and they must demonstrate that they have a distinct historic trajectory, specific territorial relations, and presumption of black ancestry related to resistance to historically suffered oppression (Federal Decree n° 4.887/2003). Since 2003, the FCP has certified 3,271 *Quilombola* communities throughout Brazil.

15. Piauí has a large number of rural communities scattered throughout the State, such as those of the *Cerrado* region mentioned in the Request for Inspection. Some of these communities are traditional communities, which were not originally beneficiaries targeted under the Project. However, since 2018, at their request, traditional communities, including *Melancias*, *Salto I* and *Salto II*, have benefited from the Project’s support. Per Brazilian law, communities can self-declare as *traditional* and must demonstrate that they are culturally differentiated groups, have their own forms of social organization, and have specific territorial relations. The CPT provided INTERPI with a list of traditional communities in need of assistance, but the overall total number of traditional communities in the *Cerrado* region of Piauí overall remains unknown.

16. Although initially the Project targeted only small-scale farmers in State agrarian reform settlements and *Quilombola* communities occupying State land, following explicit requests in 2018 by traditional communities living in the *Cerrado* region, the Bank agreed that INTERPI could use Project resources to help address the land concerns of traditional communities identified through the CPT (see paragraph 28 for more details).

17. ***There is limited accurate data on the legal status of rural land tenure in Piauí.*** It is known, however, that most of the rural land is occupied informally, and that a large part of the land is owned by the State. At Project Appraisal, INTERPI had 4,151 pending land regularization requests by small-scale farmers and the regularization of the territories of *Quilombola* communities

was stalling due to capacity constraints in INCRA and INTERPI. Baseline data at Appraisal showed that five *Quilombola* communities had received unregistered collective titles³ from INTERPI between 2006 and 2008. Another 55 *Quilombola* communities had pending regularization processes with INCRA, 45 of which had been filed more than ten years ago.

18. ***The Project only supports the issuance and registration of titles for small-scale farmers in State agrarian reform settlements and Quilombola communities.***⁴ INTERPI adjudicates these State lands to these beneficiaries free of charge (donation). However, INTERPI also has a broader mandate, as a State-wide public entity, to administer all State lands. As such, it also receives requests to regularize and title medium- and large-scale farms. When medium- or large-scale farmers want their land regularized, they must pay for all the expenses incurred and must pay INTERPI for the value of the land (sale). ***Project resources are not used to cover any expenses related to regularization of medium- or large-scale farms.***

19. ***Piauí has adopted numerous measures to speed up formalization of land tenure.*** In 2011, Piauí adopted Law n° 6.127/2011 redefining the principles for land regularization of small-scale farmers. The same year, Piauí established a State program for land regularization of *Quilombola* communities to be executed by INTERPI (Decree n° 14.625/2011). In 2015, Piauí adopted Law n° 6.709/2015 and instituted a State land regularization program with the goal of issuing 11,000 titles to small-scale farmers and six collective titles to *Quilombola* communities (Decree n° 16.324/2015). In December 2019, Piauí adopted Law n° 7.292/2019 and Complementary Law n° 244/2019 with provisions regarding land regularization of *traditional communities* and the verification of land registry records, and both laws are already in effect.

Table 1 – Piauí’s Agrarian Structure

Types of farms	Number of farms	Area (hectare)	Average farm size (hectare)
Small farms (1 to 4 fiscal modules)	150,188	6,846,182.8	45.6
Medium farms (4 to 15 fiscal modules)	10,566	4,813,182.7	455.5
Large farms (> than 15 fiscal modules)	3,600	13,025,951.2	3618.3
Total	164,354	24,685,316.8	150.2

Source: INCRA’s National Rural Cadastre System (SNCR), June 2018

³ i.e. Land titles that were issued but not recorded in the land registry.

⁴ The Project is also supporting, since 2018, some preliminary activities towards land regularization (e.g., anthropological studies and demarcation activities and the inception of the “*ação discriminatória*” and “*arrecadação*” process) to help address the land concerns of certain traditional communities.

V. MANAGEMENT'S RESPONSE

20. The Requesters' claims, accompanied by Management's detailed responses, are provided in Annex 1.

21. ***Management understands the Requesters' concerns with regard to security of their tenure and illegitimate land acquisitions that could undermine their land rights. However, as demonstrated below, the Project neither causes nor contributes to these concerns.*** To the contrary, the Project is strengthening the tenure of small-scale farmers and *Quilombola* communities through supporting access to land titling and legal ownership of the land they live on. Since 2018, the Project is also supporting *traditional communities* in the *Cerrado* region of Piauí to address some of their land concerns through some preliminary activities towards land regularization (see paragraph 28).

22. ***Management notes that many of the allegations regarding the Project set forth in the Request are inaccurate and do not reflect the Project's objective and activities.*** The Project's stated objective is set out in Project documentation, namely the Project Appraisal Document (PAD), the Legal Agreement, and the Project Operational Manual. With regard to the land regularization activities being supported under subcomponent 1.4 of the Project, which is the subject of the Request for Inspection, they are targeted at supporting small-scale farmers in State agrarian reform settlements and three *Quilombola* communities to receive registered land titles through the State land tenure regularization program. Contrary to the allegations made in the Request, the Project is not supporting or promoting regularization for agribusiness and large landowners, nor is it supporting the sale of State land to such entities.⁵

23. ***Management notes that the Request neither cites any specific harm allegedly caused or likely being caused by the Project, nor does it allege any violation of Bank Policy with regard to the Project causing such harm.*** The Request articulates broad concerns about land grabs in Brazil, which are not related to the Project. The Request does not cite any specific case where communities' land rights or claims to land have been undermined by the Project's activities. The Request and attached materials refer to the impact of the inflow of capital from foreign investors that are reportedly acquiring farmlands through Brazilian intermediaries. However, the Project has no relation to these investors, nor does the Project have any role in this process.

24. ***Management notes that the Project supports the State's efforts to combat land grabbing.*** This is done through the Project's assistance provided to the State Secretariat of Justice's Office of the Inspector General (*Corregedoria*) to better regulate notarial services, and support to the *Grupo Especial de Regularização Fundiária e de Combate à Grilagem* (GERCOG, Special Group for Land Tenure Regularization and Combating Land Grabbing) to actively investigate illegitimate land claims and fraudulent land titling.

25. ***Where allegations raised in the Request relate to the Project, they represent unfulfilled expectations,*** such as complaints about alleged non-inclusion of specific communities in the Project, and the perceived slow pace of Project implementation. The selection of target communities is part of the Project design, and the consequent non-inclusion of other communities in the Project cannot be considered as harm caused by the Project and is not a matter of policy compliance. Since 2018, the Bank has agreed to the use of Project resources to provide support to traditional communities in response to their request. In this regard, it is worth highlighting that

⁵ "Sale" does not refer to the purchase of vacant State land, but to the regularization of land already occupied and used by such entities.

efforts were made to support these traditional communities in addressing their land concerns, even though there was no Bank policy obligation to include under the Project other communities beyond those initially targeted. With regard to the delays in the land regularization process for some communities, it is important to understand that those are rooted in complex legal and procedural requirements which are beyond the Project's control. It should be noted that the progress with land regularization for these communities would be significantly slower in the absence of the support the Project extends to INTERPI. Below are more detailed responses to selected issues raised in the Request.

Alleged Exclusion of Traditional Communities from the Project

26. ***Management does not agree with the claim that traditional communities have been left out of the Project.*** Initially, the Project only supported issuance and registration of land titles to small-scale farmers in State agrarian reform settlements and *Quilombola* communities located on State land. In addition, at their request, traditional communities from the *Cerrado* region of Piauí started receiving support from the Project in 2018 to address some of their land concerns through some preliminary activities towards land regularization (see paragraph 28 for more details).

27. ***Since the Federal Public Prosecutor's Office issued a recommendation to INTERPI in December 2017 in relation to the land concerns of eight traditional communities, and even though these communities were not initially targeted by the Project, INTERPI and Bank teams have regularly met with members of the traditional communities of the Cerrado region of Piauí and their representatives*** to understand their concerns and identify specific activities which could be supported by the Project. Field visits to some of these traditional communities took place in May and December 2018, and in June and November 2019. Meetings were also held with ActionAid and the CPT in Washington, DC, in March and October 2019.

28. ***In 2018, it was agreed that INTERPI could use Project resources to start addressing some of the land concerns expressed by traditional communities given the limited Project scope and mandate of INTERPI (land regularization over State land) and/or complexity associated with the process of land regularization of these communities (see examples in paragraphs 35 and 36 below).*** Specifically, these activities included the financing of anthropological studies, demarcation of territories, and the inception of the process through which INTERPI identifies and registers State land (called "*ação discriminatória*" and "*arrecadação*"). Additionally, Project resources were also used to support other overarching activities that benefit traditional communities in the *Cerrado* region of Piauí (see examples in the paragraph below).

29. The following activities, which have already been supported by the Project, also benefit traditional communities in the *Cerrado* region of Piauí:

- ***Operationalization of the Land Tenure Regularization Center (LTRC)*** – On April 17, 2018, the Office of the Inspector General of the State Secretariat of Justice (*Corregedoria*) inaugurated the LTRC, whose mandate includes: (a) preparing a proposal for revising Piauí's land law to explicitly address, *inter alia*, land regularization of traditional communities; (b) arbitrating land conflicts; and (c) preparing with INTERPI a State Plan for Land Regularization. The Project financed the hiring of a senior land governance advisor to the LTRC coordinator and, since December 2019, five consultants who support the activities of the LTRC, including in the investigation of land conflicts between private parties, including traditional communities.

- ***Supporting the participatory preparation and dissemination of State Law n° 7.292/2019*** – On April 17, 2018, the State of Piauí instituted a joint commission responsible for preparing a new land law. The preparation of the law was coordinated by the Advisory Council of the LTRC and involved the participation of traditional communities. Law n° 7.292/2019 was adopted on December 6, 2019. The law recognizes traditional communities and includes provisions for INTERPI to formalize their land rights. The Project will now finance the dissemination of the law.
- ***Provision of vehicles to INCRA and GERCOG*** – To support the activities of the GERCOG in the *Cerrado* region of Piauí, two vehicles were acquired with Project funding and were formally transferred to the State Public Prosecutor’s Office in June 2018. Since October 2019, INTERPI also made available two vehicles to the *Quilombola* Services of the INCRA to support land tenure regularization.
- ***Demarcation of the territories of the traditional communities of Melancias, Salto I and Salto II*** – INTERPI mobilized the Project’s anthropologist to prepare anthropological studies for the traditional communities of *Melancias, Salto I* and *Salto II*. The purpose of these studies was to characterize these communities and better understand their concerns before demarcating their territories. INTERPI also mobilized surveyors to demarcate the territories claimed by these traditional communities.
- ***Supporting the first regional seminar of the Northeast on Traditional Peoples and Communities*** – The Project co-financed the first meeting of Brazil’s Northeastern Traditional Peoples and Communities on November 11, 2019. Participants identified possible areas of intervention around land regularization and the productive inclusion of traditional peoples and communities.

Alleged Slow Pace of the Land Tenure Regularization Process

30. ***The Project is strengthening INTERPI’s implementation capacities to speed up the land regularization process for Project beneficiaries.*** In November 2019, it was agreed that INTERPI could use Project funds to hire 64 consultants and procure vehicles and equipment to accelerate the regularization of small-scale farmers in State agrarian reform settlements and *Quilombola* communities. INTERPI provided support to *Melancias, Salto I, Salto II* and also intends to support other traditional communities identified by CPT in 2020. INTERPI also plans to use Project funds to finance a study to characterize further traditional communities in the *Cerrado* region of Piauí, which is the first step for the land regularization process.

31. ***While Management understands the Requesters’ concerns about the slow pace of the land regularization process, the causes for these delays are entirely beyond the Project’s control, and that the pace would be even slower without the support that the Project provides. It is therefore not clear how the Requesters would be adversely affected by the Project.***

32. ***Management notes that even with the Project’s support, INTERPI’s capacity remains constrained to deliver on the land regularization of small-scale farmers and Quilombola communities in a timely manner.*** The Project’s initial objective was for INTERPI to issue 5,000 registered titles to small-scale farmers in State agrarian reform settlements and three registered titles to *Quilombola* communities. By the Project’s MTR in June 2018, INTERPI had issued and registered 253 titles to small-scale farmers but no collective titles yet to *Quilombola* communities. The Bank notes encouraging progress since the MTR, with the number of registered titles to small-

scale farmers increasing to 896. Moreover, INTERPI completed the paper-to-digital transformation of land regularization processes, which will allow for further reduction of processing time.

33. ***The land regularization of traditional communities is much more complex than that of small-scale farmers in State agrarian reform settlements.*** In these State agrarian reform settlements, the land is already registered in the name of the State, which makes the transfer of land rights to the beneficiaries relatively straightforward. However, in the case of traditional communities, the first step generally consists of characterizing the communities and demarcating their land claims, which is what the Project has already done for some traditional communities at their request and following exchanges with the Bank in 2018 and 2019. Then, INTERPI initiates a lengthy procedure (“*ação discriminatória*”) to identify all existing land rights over the areas claimed by the communities and detect unregistered State land. Once INTERPI has identified unregistered State land, it needs to start another lengthy procedure to register untitled State land (“*arrecadação*”) before it can then be regularized in the name of a claiming community. If the identified land is not State-owned, but Federal, municipal or private land instead, different institutions would be in charge of addressing such claims and, as such, the resolution of these claims cannot be supported by the Project since it is beyond the Project’s scope and the mandate of INTERPI.

34. ***In the specific case of the traditional community Melancias, a long-standing land conflict that predates the Project and is beyond the Project’s control, is still pending decision from the Bom Jesus Agrarian Court.***⁶ Management understands that a large part of the area claimed by the *Melancias* community is also claimed by surrounding farmers, which makes the land regularization process complex and uncertain. In his report prepared for *Melancias*, the Project’s anthropologist identified a long-standing land conflict that predates the Project and is pending decision from the Bom Jesus Agrarian Court. During the November 2019 mission, the Bank was informed about another conflict between members of the community and a farmer claiming to own a property with a registered title, also preceding the Project. INTERPI has also identified over ten parcels recorded in INCRA’s cadaster that are overlapping with the areas claimed by the community. These cases will be further investigated as part of the “*ação discriminatória*” that was initiated by INTERPI in December 2019.

35. ***INTERPI’s experience with the land regularization process for the rural community of Santa Fé, which is also cited in the Request, shows that even when once unregistered State land is identified, it can take years to register it under the name of the State.*** *Santa Fé* is a rural community of the municipality of *Santa Filomena* mentioned in the December 2017 letter from the Federal Public Prosecutor’s Office. INTERPI has made the land regularization of this rural community a priority because it occupies a part of a 30,033-hectare parcel known as *Riozinho* that is in the process of being registered under the name of the State of Piauí. Since the Bank started following up on this case in mid-2018, INTERPI has initiated the process of registering the parcel in the name of the State, but this has been delayed due to missing documentation, the replacement of the notary, and delays in obtaining a legal opinion from the judge.

36. ***In conclusion, Management notes that the slow pace of land regularization of traditional communities of the Cerrado in Piauí is rooted in lengthy legal and procedural requirements and uncertainties regarding the ownership of the land claimed. Delays with land regularization of traditional communities have not been caused by the Project and are beyond the Project’s***

⁶ The Agrarian Judicial Court located in *Bom Jesus*, Piauí was set up in 2012 and is specialized in solving land disputes.

control. Therefore, the Project has not adversely affected such communities when compared to the no-Project situation.

Alleged Delays in Land Regularization for *Quilombola* Communities

37. While the Request refers specifically to delays with the land regularization of traditional communities of the *Cerrado* region of Piauí, Management notes that *Quilombola* communities face similar issues.

38. Regularizing lands of *Quilombola* communities is also a complex legal process due to the procedural requirements, the uncertainties regarding the status and ownership of the lands claimed, as well as the need for inter-institutional collaboration between the Federal and State levels with jurisdiction on the matter. INTERPI is the State agency responsible for the land regularization of *Quilombola* communities but its role has mainly consisted in supporting INCRA, which is the Federal agency responsible for land regularization of *Quilombola* communities. INTERPI intervenes in INCRA's land regularization process when INCRA has concluded that the land claimed by a *Quilombola* community is owned or thought to be owned by the State.

39. ***The titling and regularization of lands of Quilombola communities is regulated by a number of legal instruments at both Federal and State levels.***⁷ The process of land regularization for *Quilombola* communities located on State land in Piauí, which is being supported under the Project, comprises the following phases:

- (i) *Self-identification as a Quilombola community.* The *Quilombola* community needs to present the "Self-Identification Certificate" that is issued by the FCP. In the State of Piauí, the FCP certified 87 *Quilombola* communities. Beyond self-identification as *Quilombolas*, the certification of a *Quilombola* community by FCP requires: (a) the presumption of black ancestry, (b) a history of collective resistance to oppression suffered during the slavery and post-slavery period, (c) common characteristics as a group (kinship, social organization and productive activities), and (d) special attachment to a territory.
- (ii) *Elaboration of the Identification and Demarcation Technical Report.* A *Relatório Técnico de Identificação e Delimitação* (RTID, Identification and Demarcation Technical Report) has to be prepared by INCRA to identify and demarcate the requested *Quilombola* territory, comprising geographic, cartographic, land tenure, agrarian, environmental, socioeconomic, historical and anthropological information gathered through field work and desk review. The RTID is prepared by an interdisciplinary technical group composed of an agronomist, anthropologist, cartographer, and registration technician.
- (iii) *Disclosure of the RTID.* The RTID is disclosed at least twice and its disclosure opens a period of 90 days for the presentation of disputes to INCRA. There are two instances to analyze these disputes within INCRA. Decisions about disputes can be appealed to INCRA's Board of Directors within 30 days from their notification. The RTID is also sent to several Federal and State agencies. If the required territory is within areas of interest of these agencies, a negotiation is opened in the Federal Conciliation and Arbitration Chamber of the General Advocacy of the Union.

⁷ Including through Federal Decree 4887/2003, INCRA's Normative Instruction 57/2009, and State Law 5.595/2006.

- (iv) *Publication of the Recognition Ordinance of INCRA.* The publication of this ordinance in the Official Diary of the Union ends the identification stage and recognizes the boundaries of the *Quilombola* territory.
- (v) *Regularization of State land.* If INCRA concludes that the *Quilombola* community occupies State land, then INCRA requests INTERPI's support. If INTERPI determines that the land claimed is already registered under the name of the State, and provided that the claim is not contested, INTERPI may proceed with the issuance of a collective title for the corresponding area. However, if the land is presumably State land but has not yet been registered, it must register it through a lengthy sequential procedure ("ação discriminatória" and "arrecadação") before titling it to the *Quilombola* community. It should be noted that INCRA will engage with relevant bodies depending on the type of ownership of the land claimed. When the *Quilombola* territory is confirmed and overlaps with private landholdings, these are expropriated by a Presidential Decree and compensated accordingly.
- (vi) *Titling.* INTERPI issues and registers a collective title to the legally constituted *Quilombola* association found on State land.⁸

40. Given the complexity of the aforementioned process, no *Quilombola* titles have yet been issued and registered under the Project. During the January 2020 mission, INTERPI reported good progress with the land regularization of *Quilombola* communities and reiterate its commitment to meet the Project's target to issue titles for three *Quilombola* communities by the Project's Closing Date.⁹

41. ***The delays with regard to regularizing Quilombola communities are rooted in the applicable legal, procedural and inter-institutional requirements; have not been caused by the Project; and are beyond the Project's control. Therefore, the Project has not adversely affected such communities when compared to the no-Project situation.***

Alleged Support for "Agribusinesses and Large Landowners" through the Project

42. ***The Project neither promotes nor supports the regularization of agribusiness or large landowners.*** Pursuant to State law, the owners of medium and large farms must bear all the costs (procedural and material) related to regularizing their land claims. They are, hence, not entitled to receive any support through the Project.

43. ***The Project only supports the procedural costs for titling and registering individual and collective titles of small-scale farmers in State agrarian reform settlements and Quilombola communities, respectively, where the State donates the land to these beneficiaries.*** The initial objective was for INTERPI to issue and register titles to 5,000 small-scale farmers in State agrarian reform settlements and three collective titles to *Quilombola* communities. Following the MTR and as part of the proposed restructuring, this target may be reduced to 3,000 titles to small-scale farmers in State agrarian reform settlements, but no change to the three collective titles to *Quilombola* communities. The Project provides funds for INTERPI to purchase vehicles, field work

⁸ INTERPI only has jurisdiction over issuance of collective titles for *Quilombola* communities occupying State land. If *Quilombola* communities occupy Federal land, INTERPI has no jurisdiction and is required to submit the process to INCRA.

⁹ The Project Closing Date is December 31, 2020.

equipment, and hire technical staff such as surveyors, agronomists and Geographic Information Systems Analysts to carry out these activities.

44. ***Since the beginning of the Project, INTERPI has registered 7,020 new land regularization requests by small-scale farmers and issued 896 registered land titles¹⁰ for small-scale farmers*** living in 18 State agrarian reform settlements, covering a total area of 22,874 hectares. Between 2016 and 2019, INTERPI's technical staff spent 7,192 days in the field to prepare the documentation required to process regularization requests by small-scale farmers and *Quilombola* communities to regularize their land rights (see Figure 1). In 2020, INTERPI plans to issue and register an additional 2,000 titles to small-scale farmers and collective titles to three *Quilombola* communities.

45. ***The Project financed the acquisition of equipment, software and consulting services to support the paper-to-digital transformation of INTERPI.*** Since November 2019, all processes have been digitized, which brings more efficiency, transparency, and control to INTERPI's operations. The paper-to-digital transformation was essential for the Borrower to scale up investments in the land regularization of small-scale and *Quilombola* communities supported by the Project. It also provided the Borrower with better control over all land regularization processes.

46. ***The Project also directly supports the judiciary in order to further strengthen the State's overall fight against land corruption and limited transparency through INTERPI's partnerships with the LTRC and GERCOG,*** through the provision of equipment and consulting services. INTERPI's paper-to-digital transformation also allows for the GERCOG, LTRC and other institutions to access all land regularization processes, including those related to small and large farms.

47. ***The Project supports the State Secretariat of Justice's Office of the Inspector General ("Corregedoria") in its efforts to better regulate notarial services.*** Historically, in the *Cerrado* region of Piauí, one of the main sources of irregularities regarding land transactions has been the lack of control of notarial activities. One of the Project's objectives was for the *Corregedoria* to adopt an integrated real estate registration system for notaries, allowing the *Corregedoria* to better monitor notarial activities. This system was introduced in 2017 and is being progressively adopted by Piauí's 128 notaries.

48. ***The Project is not supporting INTERPI's activities to issue titles to medium and large farmers. Nevertheless, the Bank has requested INTERPI to review these activities in light of the concerns expressed in the Request.*** Information provided by INTERPI shows that it issued 227 titles for medium and large farms between 2016 and 2019, of which 195 (86 percent) are related to land regularization requests filed before the Project was approved. The Bank understands that INTERPI is reviewing these 227 transactions to ensure that there are no irregularities or pending disputes.

49. ***Management shares some of the concerns raised by the Requesters regarding the historical escalation of land grabbing in Piauí.*** This phenomenon has been occurring in Piauí over the past decades, and the Borrower has been unable to address the challenge due to INTERPI's weak capacity and difficulties in coordinating with the judiciary. Weak land governance is a driving force behind land grabbing in any national or regional context.

¹⁰ I.e., land titles that were issued and recorded in the land registry.

50. **Recognition of the importance of strengthening land governance motivated the State of Piauí and the Bank to include the “Strengthening real property rights” subcomponent in the Project.** Therefore, by design the Project allocates resources for the issuance and registration of titles only for small-scale farmers in State agrarian reform settlements and for *Quilombola* communities. Since 2018, at the request of traditional communities in the *Cerrado* region of Piauí, it was agreed that INTERPI could use Project funds to support key specific activities aiming at the eventual regularization of their land (preparation of anthropological studies, land demarcation activities and the inception of the “*ação discriminatória*” and “*arrecadação*” process). It should be noted that strengthening real property rights could not be achieved without the Project’s efforts to strengthen and modernize INTERPI, and to strengthen the role of the judiciary in addressing land tenure matters.

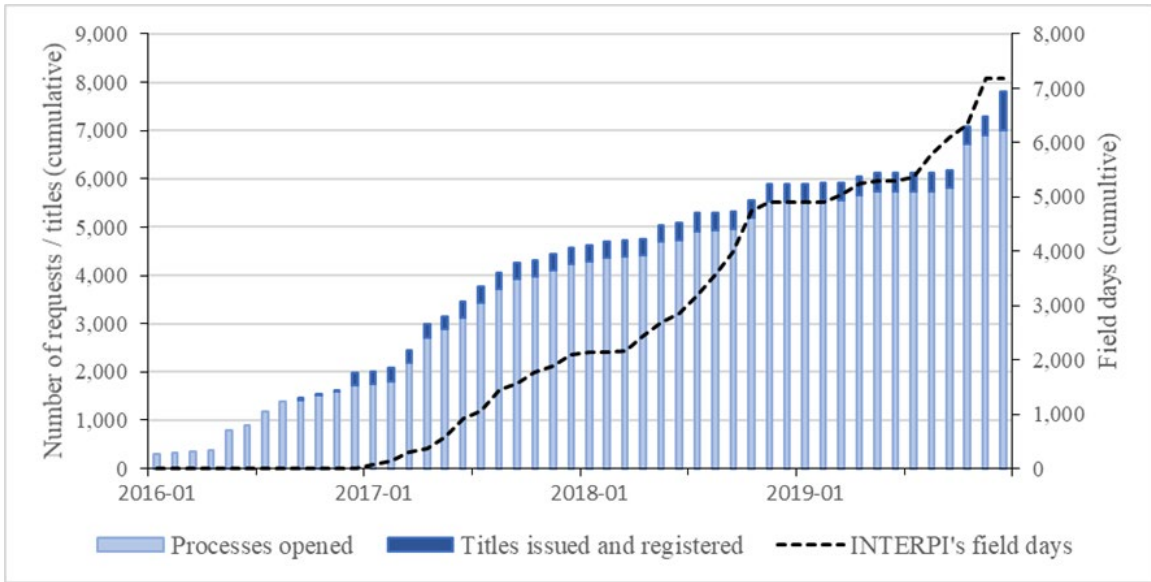


Figure 1. INTERPI's Land Regularization for Small-Scale Farmers and Quilombola / Traditional Communities

Alleged Lack of Public Safety, Social Assistance and Support for Schools

51. **Management notes that the Project does not include any activity related to public safety, social assistance or elementary education.** Management is aware of the communities’ concerns regarding school closures, which, however, are unrelated to the Project. During the January 2020 mission, concerns about the state of elementary education in the *Cerrado* region where traditional communities live were also shared by the CPT and members of the traditional communities *Vão do Vico* and *Salto II* (including related to school closings, poor state of infrastructure, and long distances to schools). The Project focuses on **secondary education** (grades 10-12), which is the

responsibility of the State of Piauí, and does not target or include elementary education (grades 1-9), which is the responsibility of municipal governments in Piauí.¹¹

52. The Project supports five programs that apply only to secondary education, namely: Youth Savings, Full Time Schools, Technical Education, Distance Learning, and Student Assessment programs. The overall objective of these programs is to improve retention in secondary education. ***The Project, however, does not support construction of new schools, their closing or relocation.***

53. Additionally, since *secondary* education activities supported by the Project are aimed at poor and remote rural areas, the Project is contributing to increasing access and retention of vulnerable communities in secondary education.

Application of Bank Safeguard Policies

54. ***Management notes that under the applicable Bank safeguard policies, the environmental and social risks and potential impacts of the Project were appropriately assessed by the Borrower with the support of the Bank, during Project preparation, and continue to be assessed and managed as they arise during implementation.*** Relevant safeguard instruments to adequately manage the Project's potential environmental and social impacts have been and are being prepared by the Borrower and reviewed and approved by the Bank.

55. At the Project concept stage in 2014, the Project triggered OP4.01 (Environmental Assessment), OP4.04 (Natural Habitats), OP4.36 (Forests), OP4.09 (Pest Management), OP4.11 (Physical Cultural Resources), and OP4.12 (Involuntary Resettlement). During Project preparation, the Borrower prepared an Environmental and Social Management Framework (ESMF), which comprises a socio-economic baseline of Project beneficiaries, including, for example, the *Quilombola* communities. A Resettlement Policy Framework (RPF), Pest Management Plan (PMP) and a Health and Waste Management Plan (HWMP) were also prepared. These documents were consulted upon and disclosed prior to appraisal and reviewed and approved by the Bank.

56. Management notes that OP4.12 on Involuntary Resettlement was triggered on a precautionary basis to address any potential Project-related resettlement in the context of demarcation of *Quilombola* territories. This was primarily due to the potential resettlement of non-*Quilombola* community members. Federal laws applicable to the regularization of the territory of *Quilombola* communities can lead to the expropriation and displacement of individuals who are not members of the community, as such territories are titled collectively. To date, no such displacement has occurred in the context of the Project.

57. During Project implementation, as a result of the recent Project engagement with traditional communities of the *Cerrado* region of the State of Piauí, additional social analysis (e.g., anthropological studies) was and is being carried out by the Borrower to provide an anthropological and socio-economic assessment of these communities to better understand their situation and concerns. In this context, in 2018 the Borrower started updating the Project's ESMF and RPF to reflect, among other things, the broader scope of the Project and the inclusion of the traditional communities within the scope of the Project.

58. ***OP4.10 was not triggered during Project preparation in 2014 as Bank Management determined, through a screening assessment, that no groups in the Project area met the required***

¹¹ According to the Brazilian education system, elementary education (or “ensino fundamental”) covers grades 1-9, and secondary education (or “ensino medio”), grades 10-12.

criteria for Indigenous Peoples set forth in OP4.10. Although, at the time, and as reflected in the PAD and Integrated Safeguards Data Sheet, three groups in Piauí claimed to be indigenous, based on research, field visits and consultations with those groups and other stakeholders, Management concluded that they did not meet the criteria of OP 4.10 to be considered Indigenous Peoples. Nevertheless, the ESMF mentioned the need to assess their socio-economic conditions and undertake further analysis of whether they would require a specific treatment for purposes of social inclusion.

59. ***Since 2018, the Bank team has been considering whether to trigger OP 4.10 on a precautionary and proactive basis, as part of the Borrower's proposed Project restructuring. This has been under consideration due to an ongoing and evolving process of acknowledgement, at the State level, of certain groups that self-identify as and claim to be Indigenous Peoples (IPs).*** This State process recently resulted in the submission of a proposed law (*projeto de lei* No 54 of December 16, 2019) to the State-level legislature, which would acknowledge self-identification as the determinant for being considered IPs in the State of Piauí (the proposed law has not been voted yet). The Federal institution in charge of IP matters in Brazil has to-date not recognized any groups in the State of Piauí as being IPs. The Bank acknowledges the ongoing process of recognition of IP groups in Piauí under the Borrower's national legal framework, which is why the Bank is considering triggering OP4.10 on a precautionary basis. As part of this process, and since it is not yet known whether any of these groups would be in specific Project intervention areas, the Borrower has already prepared an Indigenous People Planning Framework (IPPF), which was comprehensively consulted upon with the representatives of the groups and is currently being reviewed by the Bank.

60. ***Management would like to note not only the proactive approach taken to this evolving situation, but also, importantly, that the Request neither cites any specific harm allegedly caused or likely being caused by the Project to IPs, nor does it allege any violations of OP4.10 with regard to the Project or the alleged harm.***

61. ***Grievance Redress.*** The Project supports the strengthening of the existing system for addressing grievances in the State of Piauí (Ombudsman office), through capacity building support and inter-institutional coordination. The State's General Ombudsman office also functions as the Project-level grievance redress mechanism (GRM).

62. The General Ombudsman Office is located under the *Controladoria Geral do Estado* and has several channels to receive complaints, including a three-digit free-toll phone line, an institutional phone line, e-mail and boxes located in several agencies as well as its office located in Teresina. All complaints are registered through an electronic system (e-Ouv). Complaints received are screened and referred to the sectoral ombudsman offices organized and operating in several State secretariats and agencies (including INTERPI and each one of the other Project implementing agencies). In the last year, only one of the complaints received by the General Ombudsman Office (an average of 180 per month) was referred to INTERPI and it concerned a dispute among private third parties in relation to an urban land plot in Teresina. In addition to the e-Ouv system and under the same *Controladoria Geral do Estado*, there is a e-Sic system, which receives requests for information and other feedback in accordance with the Access to Information Law. Since 2014, the e-Sic system registered 25 requests related to INTERPI but none of them mentioned the Project. Both e-Ouv and e-Sic must respond to the requests they receive within a 21-day time limit.

Conclusion

63. In Management's view, the Bank has followed its policies and procedures with respect to the Project activities and matters raised by the Request. As a result, Management believes that the Requesters' rights or interests have not been, nor will they be, directly and adversely affected by a failure of the Bank to implement its policies and procedures.

Annex 1. Claims and Responses

No.	Claim	Response
	FROM REQUEST	
1.	<p>The rural communities who have lived for many generations in the <i>Cerrado</i> (savannahs) region of Piauí have suffered expulsion from their lands, destruction of their means of support, pollution of the soil and sources of water, and threats from land grabbers and agribusiness firms as a consequence of the land speculation encouraged by international financial companies and major (UNDER) development Projects. Because of this scenario, the World Bank created the Project “Piauí: Pillars of Growth and Social Inclusion,” to finance actions by the Piauí state government in the fields of education, social assistance, health, and land tenure regularization. With respect to land tenure regularization, the Piauí: Pillars of Growth and Social Inclusion Project was to have as one of its objectives a guarantee of the land rights of rural communities.</p>	<p><i>The PDO is to (i) reduce dropout of students in public secondary education; (ii) increase access to diagnosis and treatment for patients with chronic diseases; (iii) expand registration of groundwater users in rural areas and land tenure regularization; and (iv) increase the participation of rural family farmers in rural productive value chains.</i></p> <p>With regard to the land tenure regularization activities under the Project, the Project’s subcomponent 1.4 targets small-scale farmers in <i>State agrarian reform settlements</i> (the initial target was the issuance and registration of 5,000 titles, which may be reduced to 3,000 as part of the Project’s ongoing restructuring) and three <i>Quilombola</i> communities to receive registered collective land titles through the State land tenure regularization program.</p> <p>Although initially the Project targeted only small-scale farmers in State agrarian reform settlements and <i>Quilombola</i> communities occupying State land, following explicit requests in 2018 by traditional communities living in the <i>Cerrado</i> region of Piauí, the Bank agreed that INTERPI could use Project resources to help address the land concerns of traditional communities identified by the CPT. Specifically, to address such concerns, the Project is financing anthropological studies, demarcation of territories, and the inception of the process through which INTERPI identifies and registers State land (“<i>ação discriminatória</i>” and “<i>arrecadação</i>”). The Project will also finance a study to identify and characterize traditional communities in the <i>Cerrado</i> region of the State of Piauí.</p> <p><i>Management notes that the objective of subcomponent 1.4 is not to “guarantee the land rights of rural communities” as erroneously cited in the Request for Inspection.</i></p> <p>The Project also does not support social assistance activities as incorrectly stated in the Request.</p>
2.	<p>However, the Project is now well underway, has reached an advanced stage, and no community has had its land regularized.</p>	<p><i>To date, 896 small-scale farmers in 18 State agrarian reform settlements have benefited from the land tenure regularization activities under the Project and received registered individual land titles.</i></p> <p>Specifically, as of January 2020, INTERPI had issued and registered individual land titles for 896 small-scale farmers living in 18 State agrarian reform settlements, covering a total area of 22,874 hectares.</p> <p>The regularization of the territories of <i>Quilombola</i> communities has</p>

No.	Claim	Response
		<p>moved more slowly than expected due to different legal, procedural and inter-institutional requirements that apply to them and which are different from the ones applicable to the State agrarian reform settlements. For State agrarian reform settlements, the land in question is already owned by the State, which facilitates and expedites the land regularization process.</p> <p>Regularizing lands of <i>Quilombola</i> communities is a much more complex and lengthy process due to the procedural requirements and uncertainties regarding the ownership of the lands claimed. The legal requirements and the bureaucratic process applied here are beyond the control of the Project or the State of Piauí.</p> <p>Therefore, no <i>Quilombola</i> collective land titles have been issued and registered yet under the Project, but the process of land regularization for the <i>Quilombola</i> communities that the Project is supporting is well underway.</p> <p>Since 2018, and as noted under Item 1 above, following explicit requests by traditional communities living in the <i>Cerrado</i> region, the Bank has agreed that INTERPI could use Project resources to help address some of the land concerns of such communities. In this regard, Management would like to clarify that it was agreed that the Project would only support preliminary activities leading to land regularization of these traditional communities, namely the preparation of anthropological studies and land demarcation activities for these communities (which have already been carried out for <i>Melancias</i>, <i>Salto I</i> and <i>Salto II</i>), and the start of the process through which INTERPI identifies and registers State land (“<i>ação discriminatória</i>” and “<i>arrecadação</i>”). Additionally, Project resources were also used to support the process to revise Piauí’s land law, which culminated with the adoption of law n° 7.292/2019, on December 6, 2019, which recognizes traditional communities and includes provisions to formalize their land rights.</p> <p>To speed up land regularization for all Project beneficiaries, the Project is strengthening INTERPI’s implementation capacities. In November 2019, it was agreed that INTERPI would hire 64 consultants and procure vehicles and equipment. In line with the Project’s targets and objective, INTERPI will continue to support the regularization of <i>Quilombola</i> communities and small-scale farmers in State agrarian reform settlements. INTERPI also intends to continue to support the communities of <i>Melancias</i>, <i>Salto I</i> and <i>Salto II</i> in relation to starting the process through which INTERPI identifies and registers State land (“<i>ação discriminatória</i>” and “<i>arrecadação</i>”). INTERPI plans to support preliminary activities referenced above, including the demarcation of the land of additional traditional communities identified by the CPT.</p> <p><i>The delays with regard to the progress to regularize Quilombola and traditional communities are beyond the Project’s control and have not been caused by the Project. Therefore, the Project has</i></p>

No.	Claim	Response
		<i>not adversely affected such communities when compared to the no-Project situation.</i>
3.	Only communities that were already well-established have had their areas regularized.	<p><i>Consistent with the Project’s objective and targets, INTERPI has prioritized land regularization (i.e., titling and registration) in State agrarian reform settlements and Quilombola communities.</i></p> <p>Under the Project, INTERPI was able to title and register the land of 896 small-scale farmers living in State agrarian reform settlements, which follows a process that is faster than that for <i>Quilombola</i> communities because the lands occupied by State agrarian reform settlements were already registered in the name of the State.</p> <p>By contrast, titling <i>Quilombola</i> communities’ territories takes much longer before the collective land title can be issued and registered to the <i>Quilombola</i> community. As for other traditional communities, see Items 1 and 2 above.</p>
4.	And the local traditional communities have been left out of the Project.	<p><i>Management does not agree with the claim that traditional communities have been left out of the Project.</i></p> <p>The Project includes support for small-scale farmers living in State agrarian reform settlements and <i>Quilombola</i> communities. Moreover, the Bank agreed with INTERPI that the traditional communities from the <i>Cerrado</i> region of Piauí identified by CPT would receive support from the Project (see also Item 1 above). These traditional communities were not part of the initial design of the Project. They were included following their own request in 2018 and after discussions with the CPT.</p> <p>Since 2018, in response to the request of traditional communities and their representatives, the Project has already supported the following activities:</p> <ul style="list-style-type: none"> (i) <u>A commission was established on April 17, 2018, to review the State land tenure regularization law.</u> The process of reviewing and revising this law involved extensive participation of members and representatives of traditional communities. The law n° 7.292/2019 adopted on December 6, 2019 recognizes traditional communities and includes provisions to formalize their land rights. The Project will now finance the dissemination of the law; (ii) <u>The Project’s anthropologist (hired to support <i>Quilombola</i> communities) was mobilized to prepare anthropological studies for the traditional communities of <i>Melancias</i>, <i>Salto I</i> and <i>Salto II</i>.</u> The purpose of these studies was to characterize these communities and better understand their concerns; (iii) <u>INTERPI mobilized teams to demarcate the territories claimed by the communities of <i>Melancias</i>, <i>Salto I</i> and <i>Salto II</i>.</u> INTERPI also initiated the process whereby INTERPI

No.	Claim	Response
		<p>identifies the parts of these territories that are owned by the State (“<i>ação discriminatória</i>”);</p> <p>(iv) <u>GERCOG agreed to investigate land conflicts reported by members of the <i>Melancias</i> community.</u> In January 2020, INTERPI informed the Bank that this is a long-lasting land conflict between members of the communities and the fazenda Cosmo, which predates the Project. INTERPI provided the Bank with information on the court case, which is still pending decision from the Bom Jesus Agrarian Court. Disputes between private parties are beyond the mandate of INTERPI.</p> <p>(v) <u>The first regional seminar of the Northeast on Traditional Peoples and Communities was supported.</u> The Project co-financed the first meeting of Brazil’s Northeastern Traditional Peoples and Communities on November 11, 2019. Participants, including representatives of traditional communities, identified possible areas of intervention around land regularization and the productive inclusion of traditional peoples and communities.</p> <p>(vi) <u>The Land Tenure Regularization Center (LTRC) was operationalized.</u> On April 17, 2018, the <i>Corregedoria</i> inaugurated the LTRC, whose mandate includes: (a) preparing a proposal for revising Piauí’s land law; (b) land conflict conciliation chamber; and (c) preparing with INTERPI a State Plan for Land Regularization. The Project financed the hiring of a senior land governance advisor to the LTRC coordinator and, since December 2019, five consultants who support the activities of the LTRC, including in the investigation of land conflicts.</p> <p>In 2020, INTERPI plans to conduct similar activities in other traditional communities (in addition to <i>Melancias</i>, <i>Salto I</i> and <i>Salto II</i>) being supported by the Project and identified with the support of the CPT. INTERPI will also commission a study to identify traditional communities in the <i>Cerrado</i> region of the State of Piauí.</p> <p>Management notes that these recent activities are in direct response to the traditional communities’ requests for assistance. However, Management would like to highlight that the overall process of regularization of traditional community lands is complex and slow, particularly due to uncertainties regarding the ownership of the lands claimed and the legal procedures that are applicable. It should also be noted that despite the Project’s effort to strengthen the capacity of INTERPI to process land tenure regularization requests, it remains limited. The State of Piauí is approximately the size of the UK, INTERPI is already dealing with a backlog of over 5,000 land regularization requests from small-scale farmers, and an even larger number of requests have yet to be filed.</p>

No.	Claim	Response
5.	<p>Hundreds of communities have been affected by the expansion of agribusiness in the region, and even those best able to organize, who have already sent letters to the World Bank and petitions to INTERPI, are dealing with the sluggishness and near stagnation of the land tenure regularization process as it applies to their areas.</p>	<p><i>The Project neither promotes nor directly supports the expansion of large agribusiness in the region.</i></p> <p>The land regularization process in <i>Quilombola</i> and traditional communities (which are not part of State agrarian reform settlements) faces the following challenges:</p> <ul style="list-style-type: none"> (i) the legal and procedural complexity of the land tenure situation in these areas; (ii) the uncertainty regarding the State’s jurisdiction over some of these lands; and (iii) the limited capacity of INTERPI to respond to multiple and growing demands. <p>To address these capacity constraints, the Bank agreed with INTERPI to use Project resources to hire 64 consultants and purchase additional vehicles and equipment to speed up the process. Part of these resources will be mobilized to support anthropological studies and land demarcation activities for additional communities indicated by the CPT (these are the first steps in the process of land regularization for these communities). INTERPI will also commission a study to identify traditional communities in the <i>Cerrado</i> region in the State of Piauí (see also Item 4).</p> <p><i>While Management understands the Requesters’ concerns about the slow pace of the process, this is beyond the Project’s control. The pace would be even slower without the support that the Project provides. It is therefore not clear how the Requesters are adversely affected by the Project.</i></p>
6.	<p>This uncertainty leaves communities vulnerable, since the Project promotes regularization only for agribusiness and the large landowners who are expanding their crops, (monoculture), by using chemical products that destroy biodiversity, soils, and water.</p>	<p><i>The Project neither promotes nor supports the regularization of agribusiness or large landowners.</i></p> <p>Pursuant to State law, medium- and large-scale farmers must bear all the costs (procedural and material) related to regularizing their land claims. They are, hence, not entitled to receive any support through the Project.</p> <p>The Project only finances the procedural costs for titling of small-scale farmers in State agrarian reform settlements and <i>Quilombola communities</i>, where the State donates the land to these beneficiaries.</p> <p>Since the beginning of the Project, INTERPI has issued and registered 896 individual land titles of small-scale farmers in State agrarian reform settlements where land was donated to these beneficiaries by the State.</p> <p>Since 2018, the Project also has been financing multiple activities to address the land tenure concerns of traditional communities from the <i>Cerrado</i> region identified in consultation with CPT, at their own request (see also Items 4 and 5 above). Support provided by</p>

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		the Project includes the preparation of anthropological studies, the demarcation of the land claimed by these communities and the inception of the process through which INTERPI identifies and registers State land (“ <i>ação discriminatória</i> ” and “ <i>arrecadação</i> ”).
7.	We know that this agricultural model is one of the primary causes of climate change, which has disastrous consequences for local communities that are losing their lands, their crops, and their subsistence, while it also has catastrophic effects on society as a whole	The Project neither promotes nor supports the agribusiness model of large farms (see also Items 5 and 6). The Project supports regularization of the land rights of small-scale farmers in State agrarian settlements, and <i>Quilombola</i> communities. Since 2018, at their request, the Project supports preliminary activities towards land regularization for other traditional local communities in the <i>Cerrado</i> region of the State of Piauí (see details on Project support to traditional communities in Items 1 and 4 above).
8.	Prior Contact. [M]eetings were held with representatives of the World Bank and from INTERPI. Letters have been sent (copies attached), and partner organizations have already met with representatives of the World Bank in Washington, but so far the work of surveying the territory and conducting the anthropological study has been done in only two communities. All the communications gave promises that progress would be made, but at every new meeting or even reply from the World Bank countless allegations are made by INTERPI, but progress in the work has not been observed, since there is sluggishness in the process of regularization of our areas. Even knowing that we are daily suffering threats and violations against our lives and the biodiversity of our very environment. It is	<p>Management notes that the concerns of some traditional communities from the <i>Cerrado</i> region of Piauí were first brought to the attention of the World Bank by a recommendation issued by the Federal Public Prosecutor’s Office to INTERPI on December 21, 2017, which also contained some recommendations for the Bank in relation to the Project. The Bank replied to such recommendations on January 22, 2018. On March 21, 2018 the Bank was notified by FIAN International of its International Statement regarding land activities in Piauí, to which the Bank replied on April 3, 2018.</p> <p>Since then, the Bank has been meeting regularly with community members, their representatives, and partner organizations. Field visits to some of these communities took place in May and December 2018, and in June and November 2019. Meetings were also held with ActionAid and the CPT in Washington, DC, in March and October 2019.</p> <p>As indicated under Item 4, some key actions have been already undertaken under the Project to support the referenced traditional communities. This includes the process of revising Piauí’s land law, which culminated with the adoption of law n° 7.292/2019, on December 6, 2019, which recognizes traditional communities and includes provisions to formalize their land rights. As requested, INTERPI also mobilized the Project’s anthropologist initially hired to support <i>Quilombola</i> communities to document the status of the communities of <i>Melancias</i>, <i>Salto I</i> and <i>Salto II</i>. It also mobilized technical staff to demarcate the lands claimed by these three communities and is now assessing the legal ownership of these areas (“<i>ação discriminatória</i>” and “<i>arrecadação</i>”).</p> <p>In 2020, INTERPI intends to proceed with the anthropological studies and demarcation of the land claimed by the traditional communities identified with the support of the CPT. The Project</p>

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	<p>absolutely essential that someone take a close look at this situation since we are vulnerable in the presence of agribusiness and other land and agricultural development Projects.</p>	<p>will also finance a study to identify and characterize traditional communities in the <i>Cerrado</i> region of the State of Piauí.</p> <p>Management notes that it has responded and continues to respond to the requests of traditional communities. However, the process of regularization of traditional community lands is different and slower than that applicable to small farmers in State agrarian reform settlements, due to the legal and procedural complexity of the land tenure situation in traditional communities as opposed to those of small farmers in State agrarian reform settlements. It is also beyond the mandate of INTERPI (and the scope of the Project) where traditional communities are claiming land that belongs to private parties, or Federal and municipal entities.</p> <p><i>While Management understands the Requesters’ concerns about the pace of the process, this pace would be even slower without the support that the Project extends to INTERPI. Therefore, the Project has not adversely affected traditional communities when compared to the no-Project situation.</i></p>
<p>9.</p>	<p>Furthermore, we are dealing with a lack of public safety and social assistance. Our schools are closing. We are afraid of what might happen in our communities and to the physical safety of each man or woman who lives in the communities of our <i>Cerrado</i>.</p>	<p><i>The Project does not include any activity related to public safety and social assistance.</i></p> <p><i>Management is aware of the communities’ concerns regarding school closures, which are unrelated to the Project.</i> During the January 2020 mission, concerns about the state of elementary education in the <i>Cerrado</i> areas where traditional communities live were also shared by the CPT and members of <i>Vão do Vico</i> and <i>Salto II</i> (including related to school closings, poor state of infrastructure, and long distances to schools).</p> <p>Management notes that the Project supports five programs that apply to <i>secondary education</i> (grades 10-12) (and not elementary education, or grades 1-9), namely: <i>Youth Savings, Full Time Schools, Technical Education, Distance Learning, and Student Assessment programs</i>.</p> <p>The overall objective of these programs is to improve retention in secondary education. The Project, however, does not support construction of new schools, their closing or relocation. Furthermore, Management notes that the Project focuses on secondary education, which is the responsibility of the State level. Elementary education in Piauí is the responsibility of municipal governments and is not targeted or included in the Project. Finally, since education activities are aimed at poor municipalities and remote rural areas, the Project is contributing to increasing access and retention of vulnerable communities in secondary education.</p>
<p>10.</p>	<p>Policies violated. The World Bank says that its policies are intended to promote social welfare, but this Project sparks</p>	<p><i>The Project neither promotes nor supports the advances of agribusiness, nor does it regularize land grabs. On the contrary, the Project supports State efforts to combat land grabs by</i></p>

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	<p>insecurity in rural communities that are losing their means of support because of the advances made by agribusiness, which is now legalized with World Bank funds. This region has a history of land grabbing, which is now made legitimate by the actions of the state, using World Bank resources, while communities are losing their lands and the <i>Cerrado</i>, with its enormous biodiversity and water sources, is being destroyed. Furthermore, the Project calls for regularization of the communities, but none of them have seen the work be completed.</p>	<p><i>supporting the special group responsible for investigating land grabs (GERCOG).</i></p> <p>The Project does not support the regularization of medium and large farms as it targets specific communities, namely small-scale farmers in State agrarian reform settlements, <i>Quilombola</i> communities and, since 2018, traditional communities. Project resources have been used to hire staff, and acquire vehicles and equipment required for INTERPI to conduct field work in these areas.</p> <p>Regarding small-scale farmers in State agrarian reform settlements, their land rights are being strengthened through titling and registration. In the case of <i>Quilombola</i> communities, the process involves coordinating with INCRA, assessing the legal ownership of land claimed, identifying State land and registering it under the name of the State so that a collective title can then be transferred and registered on behalf of the respective <i>Quilombola</i> communities. The Project has since 2018 sought to address the land concerns of traditional communities, at their request, and in this regard, agreed to support some preliminary activities to support their land tenure regularization (see details in Item 1 above).</p> <p>During Project Implementation Support Missions, the Bank team regularly meets with community members and their representatives, as well as with GERCOG, the <i>Corregedoria</i> and other key stakeholders from both the executive and judiciary. Management has not heard from communities that the Project has sparked “insecurity in rural communities.”</p> <p>Under the Project, INTERPI has provided registered titled to 896 families from 18 communities of smallholder farmers in State agrarian reform settlements. The slow pace of titling <i>Quilombola</i> communities and the Project’s support to address land tenure issues of other traditional communities are explained in Item 5 above.</p> <p>Moreover, Management notes that the Project supports the State of Piauí’s efforts to combat land grabs through a partnership between INTERPI and GERCOG.</p> <p>GERCOG is a group of State Public Attorneys within the structure of the General Justice Internal Affairs (<i>Corregedoria</i>) that responds to grievances about invasions of State lands. GERCOG carries out investigations of these grievances through site inspection visits and on that basis, it may open the process to cancel the unlawful registration/attempt at registration of land titles in the Agrarian Courts. To support the activities of GERCOG in the <i>Cerrado</i> region of Piauí, two pickup trucks were acquired with Project funding and were formally transferred to the State Public Prosecutor’s Office in June 2018.</p> <p>Management also notes that the Project supports the State’s efforts to reduce the scope for fraud and corruption in the land sector</p>

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		through the digitization of land services. The Project financed the acquisition of equipment, software and consulting services to support the paper-to-digital transformation of INTERPI. Since November 2019, all processes have been digitized, which brings more efficiency, transparency, and control to INTERPI's operations.
11.	<p>Lack of Dialogue. [D]ialogue between the state and the communities is practically nonexistent. We are afraid that after this letter that direct relationship between the state and the communities will be even more limited.</p>	<p>Management notes that since INTERPI was issued a recommendation by the Federal Public Prosecutor's Office in December 2017, INTERPI, with the support of the Project and the Bank, has maintained a dialogue with several traditional communities in the <i>Cerrado</i> region and their representatives (mainly the CPT). As documented in the mission's Aide Memoires, the Bank regularly meets with member of traditional communities and/or their representatives, often in the presence of INTERPI. Representatives of traditional communities are represented in the Advisory Council of the LTRC of the <i>Corregedoria</i>, and it is Management's understanding that traditional communities actively participated in the preparation of the new land law (State law no 7.292/2019), which includes specific provision regarding traditional communities. CPT has confirmed on a number of occasions that the law was prepared in a participatory way. Also, on November 11, 2019, the State Secretariat for Family Farming and INTERPI organized the first regional seminar of the Northeast on Traditional Peoples and Communities.</p>
	FROM INTERNATIONAL STATEMENT	
12.	<p>The escalation of land grabbing in Piauí and the northeastern part of the Brazilian <i>Cerrado</i> is directly related to the inflow of hundreds of millions of dollars from foreign pension funds, university endowments and other financial companies that are acquiring farmlands by way of Brazilian intermediaries. Internal documents show that the World Bank is aware of the extent of land grabbing in the area.</p> <p>Through a 120 million USD loan, the World Bank</p>	<p><i>Management confirms that the Project neither promotes nor supports land grabbing in Piauí. More generally, the Bank has promoted global awareness and carried out studies related to the issue of land grabbing.¹²</i></p> <p><i>Moreover, the Project has no relation to the cited injection of capital into investor-driven agriculture. To the contrary, the Project supports State efforts to protect small-scale farmers, Quilombola communities and traditional communities, by financing activities that support the land regularization process and by strengthening the capacities of the State public entities tasked with investigating land grabs.</i></p> <p>Management notes that Project funds allocated to land activities amount to US\$5.3 million under Component 1 and US\$2 million under Component 2 (Technical Assistance to INTERPI). Loan disbursements under Component 1 are made against the achievement of two results related to the registration of land tenure regularization requests by small-scale farmers located on State agrarian reform settlements and <i>Quilombola</i> communities on State</p>

¹² Deininger and al. (2010) Rising Global Interest: Can it yield sustainable and equitable benefits? The World Bank.

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	<p>thus supports a land titling program that risks sanctifying these land grabs and paving the way for a new rush of 'legalized' land grabbing, with more catastrophic social and environmental consequences.</p>	<p>land and the mobilization of teams to carry out land regularization activities.</p> <p>The environmental and social risks and potential impacts of the Project were appropriately assessed by the Borrower with the support of the Bank, and the required plans were put in place to mitigate negative risks and impacts related to Project activities.</p> <p>In this regard, the following safeguard policies were triggered for the Project: OP4.01, OP4.04, OP4.36, OP4.09, OP4.11, OP4.12. and the related required safeguard instruments (ESMF, PMP, RPF, EMP, HWMP) were prepared, consulted upon and disclosed prior to Project appraisal.</p> <p>Management notes that OP4.12 on Involuntary Resettlement was triggered on a precautionary basis and an RPF was prepared to address any potential Project-related resettlement, primarily due to the potential resettlement in the context of demarcation of <i>Quilombola</i> territories. Federal laws applicable to the regularization of the territory of <i>Quilombola</i> communities can lead to the displacement (“<i>desintrusão</i>”) of individuals who are not members of the community, as such territories are titled collectively.</p> <p>During Project implementation, additional social analysis (e.g., anthropological studies) was carried out by the Borrower focusing specifically on land regularization in the three traditional communities in the <i>Cerrado</i> region that were added to the Project during its implementation. Anthropological studies will be carried out in 2020 for traditional communities identified by CPT.</p> <p>The ESMF and RPF have been in the process of being updated to reflect the engagement with these additional communities and the broader scope of the Project after 2018.</p> <p>The Bank team is considering triggering OP4.10 on a precautionary and proactive basis, as part of the proposed Project restructuring. This was done to reflect an ongoing and evolving process of acknowledgement, at the State level, of certain groups that self-identify as and claim to be Indigenous Peoples (IPs). An IPPF is being finalized to reflect this ongoing process of recognition.</p>
13.	<p>The World Bank Project contains no concrete safeguards to ensure that it actually secures people’s tenure rights against dispossession by local agribusiness and speculators, and to guarantee that it does not formalize the dispossession of communities in the context described above.</p>	<p><i>The Project does not support regularizing the landholdings of medium- and large-scale farmers.</i> As explained under Item 1, the Project supports exclusively the regularization of the land tenure of small-scale farmers and <i>Quilombola</i> communities, and provides support to address land concerns of traditional communities. Pursuant to the land law of the State of Piauí, small-scale farmers are those who possess or own less than four fiscal modules, which means areas that do not exceed between 120 hectares and 360 hectares in Piauí, depending on the municipalities. In the case of the 896 small-scale farmers in State agrarian reform settlements who</p>

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	<p>As such, the <i>Project</i> does not close the gaps of the state of Piauí’s law on land regularization and is not in line with the <i>UN Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests</i> (Tenure Guidelines).</p>	<p>have already received registered land titles with the support of the Project, the average size of the lot is 25.5 hectares.</p> <p>The Tenure Guidelines (or VGGTs), to which the Request refers, represent a voluntary, non-binding consensus among participating countries as to key principles and best practices that should guide each country’s approach to tenure governance issues. The Bank is not a party to the VGGTs and the VGGTs do not constitute World Bank policy approved by the Bank’s Board.</p> <p>That said, the Bank supports the efforts of its members to implement the VGGTs. In this respect, every effort has been made in Project design and implementation to ensure that the regularization processes supported by the Project respects and does not undermine existing tenure rights, and that principles of transparency and accessible grievance mechanisms are observed.</p> <p>The Project supports the strengthening of the existing system for addressing grievances in the State of Piauí (Ombudsman office), through actions such as digitization, capacity building and inter-institutional coordination. The State’s Ombudsman office also functions as the Project-level GRM.</p>
14.	<p>The Brazilian Public Prosecutor’s Office intervened on December 18, 2017 by issuing a formal recommendation to the World Bank to suspend the land program and to adopt measures to remedy the violations of the land rights of traditional peoples and communities that have already occurred. The World Bank has yet to respond.</p>	<p>Management acknowledged receipt of the letter from the Federal Public Prosecutor’s Office to INTERPI on December 21, 2017, to which the Bank also replied on January 22, 2018. On March 21, 2018 the Bank was notified by FIAN International of its International Statement regarding land activities in Piauí, to which the Bank replied on April 3, 2018 (See also Item 8 above).</p> <p>The Federal Public Prosecutor’s Office also issued a recommendation to INTERPI on December 21, 2017. In its recommendation, the Federal Public Prosecutor’s Office recommended that INTERPI suspend land tenure regularization in the areas that are occupied by traditional people and communities.</p> <p>The Project is not supporting INTERPI’s activities to issue titles to medium and large farmers. Nevertheless, the Bank has requested INTERPI to review these activities in light of the concerns expressed in the Request. Information provided by INTERPI shows that it issued 227 titles for medium and large farms between 2016 and 2019, of which 195 (86 percent) are related to land regularization requests filed before the Project was approved. The Bank understands that INTERPI is reviewing these 227 transactions to ensure that there are no irregularities or pending disputes.</p>
15.	<p>On January 17, 2018, INTERPI responded to the recommendation of the Public Prosecutor’s Office. In its letter, INTERPI states that the regularization process includes public</p>	<p><i>Management notes that the cited cases pertain to land that had already been registered prior to the Project. The Project has not supported the regularization of land to private entities on which traditional communities live.</i></p> <p>Management notes that when the land claimed by a particular traditional community has already been registered by another party,</p>

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	<p>lands that are occupied and used by peasant communities and that it has, on some occasions, issued collective titles, in particular in the case of <i>Quilombola</i> communities. INTERPI's response also contains information regarding the communities in the municipalities of Santa Filomena and Gilbués, also visited during the international fact-finding mission. According to the letter, all these communities, with the exception of Santa Fé, are situated on lands that are already registered in the name of owners and can therefore not be regularized by INTERPI (This applies to the communities of Sete Lagoas, Brejo das Meninas, Baixão Fechado, and <i>Melancias</i>). At the same time, the letter claims that INTERPI's procedures contain safeguards to ensure that lands that are occupied by other groups, in particular local communities, cannot be registered by big landlords.</p>	<p>as is the case for <i>Melancias</i>, INTERPI initiates a review procedure (“<i>ação discriminatória</i>”), which entails a review of the public registry and a public invitation to present land-related documentation and any conflicting claims. If, during this process, INTERPI identifies that some of the contested land rights were illegally registered, the registration is invalid and, therefore, legally cancelled. In the case of <i>Melancias</i>, the land had already been registered by another party prior to the Project.</p> <p>For the traditional communities of <i>Sete Lagoas</i>, <i>Brejo das Meninas</i>, and <i>Baixão Fechado</i>, INTERPI intends to proceed with the demarcation of their respective territories in 2020, and subsequently assess the legal ownership of the areas claimed. Should that process reveal that a third party has illegally acquired ownership over the land claimed by the community, the above review process would be initiated to ensure that no illegal claims undermine the community's land rights.</p>
16.	<p>According to the World Bank's most recent Implementation Status & Results Report (dated 17 January 2018), so far 258 beneficiaries have received registered land titles under the current loan, while another 336 beneficiaries were in the final stages of receiving their title before the end of 2017, bringing the total so far to 694 beneficiaries</p>	<p><i>Management notes that the last supervision mission of January 2020 concluded that 896 small-scale farmers in State agrarian reform settlements received registered land titles under the Project (the initial target was 5,000 farmers and may be reduced to 3,000 as part of the Project's ongoing restructuring). By the end of 2020 INTERPI expects to reach a target of 3,000 registered titles to small-scale farmers and three titles to Quilombola communities.</i></p> <p>The goal of titling and registering the land of three <i>Quilombola</i> communities by the end of the Project has not yet been achieved, but increased resources are being allocated to prioritize these activities and progress is well underway.</p>

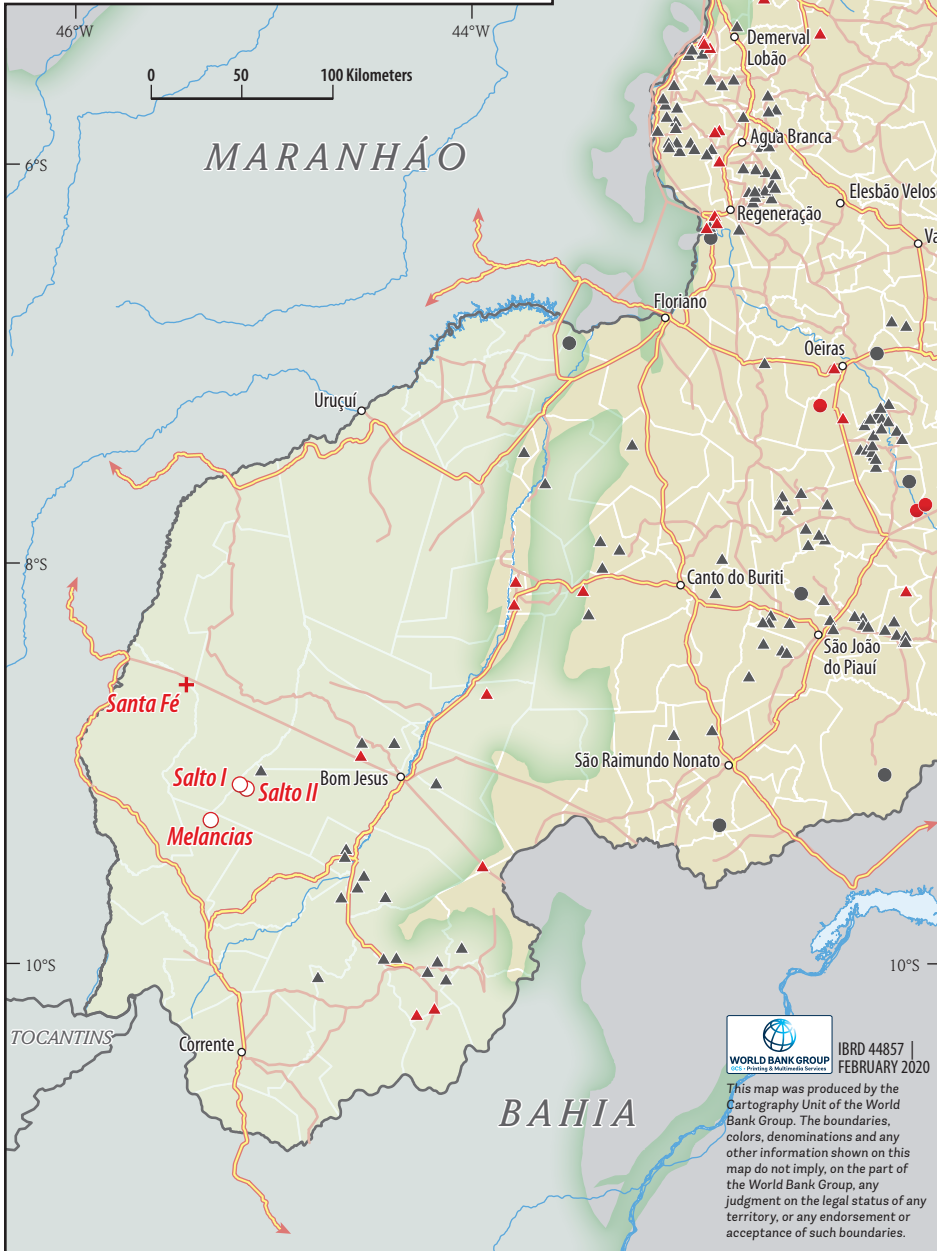
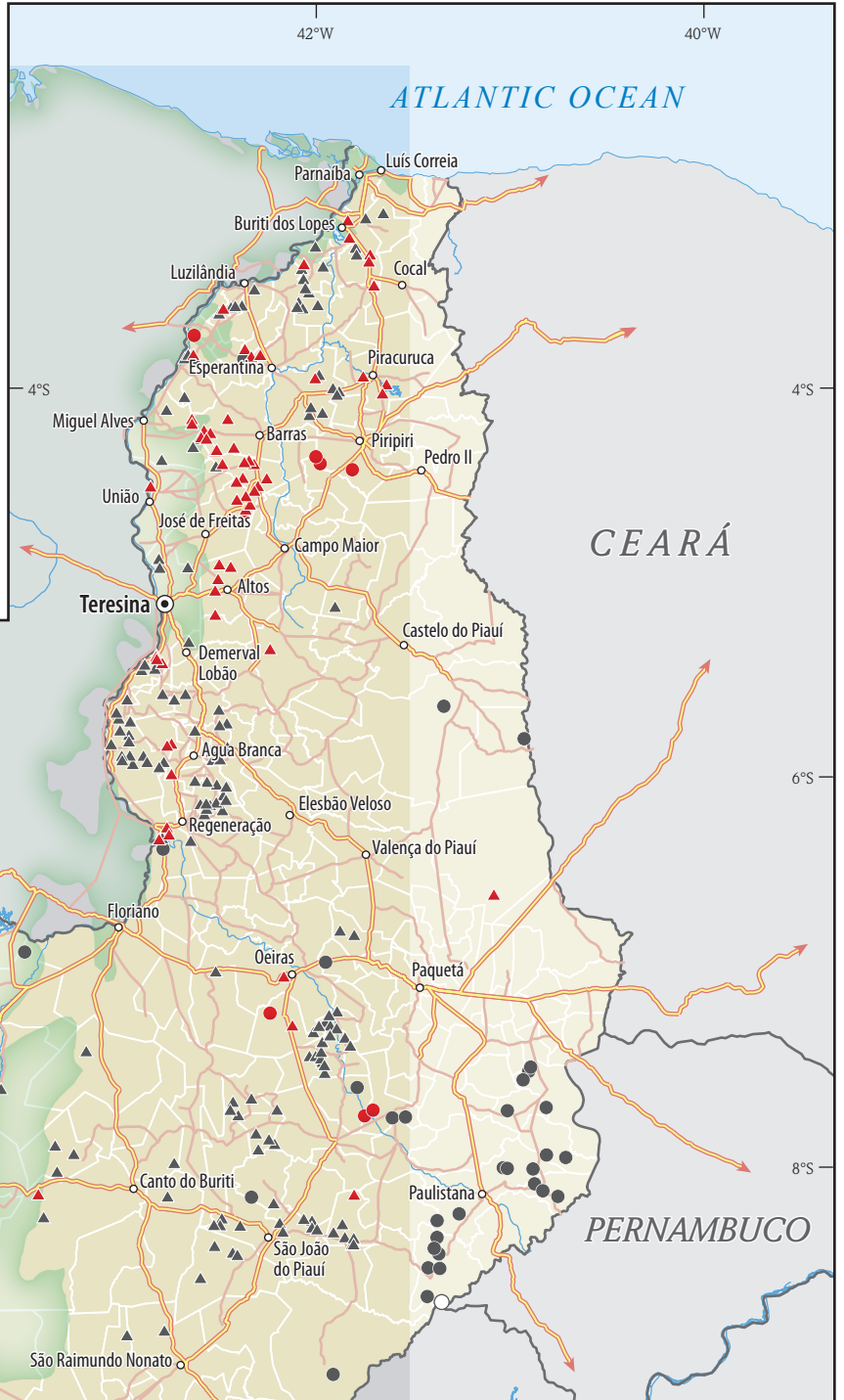
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	<p>with a received a registered land title. This means that the Project target of 2000 land titles issued in 2016 and 2017 (cumulative) was not achieved. According to the same report, there are currently 7,937 requests filed by small-scale farmers for land titles through the state program and eight teams in place to “execute land tenure regularization activities.” Five <i>Quilombola</i> communities have further received land titles under the Project.</p>	<p>The five <i>Quilombola</i> communities to whom the Requesters refer received their titles before the Project started.</p>
17.	<p>The World Bank Project is intervening in a region, which is currently facing high degrees of land grabbing and land-conflicts, which are linked to the expansion of monocultures into the region known as MATOPIBA, and the Brazilian <i>Cerrado</i> more generally. Extensive research by CSOs and an international fact-finding mission, which took place in September 2017, has documented severe impacts on local communities and the ecosystem. Loss of land, food insecurity, disputes over water use and pollution of water, violence against community leaders, deforestation and loss of biodiversity through the destruction of the <i>Cerrado</i> biome are among the most critical impacts. The research has also documented the links to the ongoing land grab and</p>	<p>The Project neither promotes nor supports land grabbing, nor does it promote or support any particular crop production. Moreover, the Project does not work with or provide support to the cited investor-driven agricultural production. The Project has no relationship with the cited pension funds and their investments (see also Items 5, 6, 7 and 12).</p>

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	transnational financial actors, in particular pension funds in the USA and Europe.	
18.	The expansion of soy monocultures into the <i>Cerrado</i> has led to an explosion of land prices and speculation. Companies and individual investors are making a business with land, by enclosing areas that are without property title and creating farms/fazendas, which are then sold. Fraud and falsification of land titles is common (grilagem) as land grabbers seek to legalize the appropriation of lands, including those that have been occupied and used by local communities over generations.	<p><i>As documented in the PAD, Management notes that cases of disorderly appropriation of lands in the Cerrado region of Piauí precede Project design or implementation.</i></p> <p><i>A part of the Project is geared towards supporting State efforts to review and rectify such instances of illegal land appropriation.</i></p> <p>Precisely because of the precarious land tenure situation throughout the State, at Project design a deliberate decision was made to finance (i) titling and registration of lands belonging to small-scale farmers in State agrarian reform settlements and <i>Quilombola</i> communities, and (ii) strengthening of INTERPI capacities to carry out its legal mandates more effectively and transparently. Specifically, the Project supports INTERPI's paper-to-digital transformation; the renovation of its headquarters in Teresina and the opening of a satellite office in Bom Jesus; the improvement of INTERPI's human and technical capacity, and the development of partnerships with other State agencies and with the judiciary.</p> <p>The Project also directly supports the judiciary in order to further strengthen the State's overall fight against land corruption and limited transparency. The Project has supported the regulation of notarial activities, the creation of the LTRC and the operationalization of GERCOG.</p>

BRAZIL
PIAUI: PILLARS OF GROWTH AND SOCIAL INCLUSION PROJECT
Request for Inspection

- | | | | |
|-------------------------|-----------------------------|---|--|
| Targeted by the project | Not targeted by the project | ▲ | INTERPI SETTLEMENTS |
| ● | ● | ▲ | QUILOMBOLA COMMUNITY |
| ○ | ○ | ▲ | TRADITIONAL COMMUNITIES |
| + | | ▲ | RURAL COMMUNITY |
| ■ | | ▲ | CERRADO BIOME |
| ○ | | ▲ | CITIES WITH MORE THAN 10,000 INHABITANTS |
| ⊙ | | ▲ | STATE CAPITAL |
| — | | ▲ | PAVED MAIN ROADS |
| — | | ▲ | OTHER ROADS |
| — | | ▲ | MUNICIPALITY BOUNDARIES |
| — | | ▲ | STATE BOUNDARIES |

Source: IBGE



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