

---

**President's report**  
**Proposed loan**  
**Federative Republic of Brazil**  
**Piauí Inclusive and Sustainable Project**  
**Addendum**

---

Document: EB 2022/136/R.28/Add.1

Agenda: 16(a)(i)(a)

Date: 12 September 2022

Distribution: Public

Original: English

**FOR: APPROVAL**

---

## Addendum

The Executive Board is hereby invited to consider the amendments to document EB 2022/136/R.28. The changes to the document are reflected as follows: deleted text with strikethrough, added text underlined.

Central Programme Management Unit (CPMU) should read Project Management Unit (PMU) throughout the document.

Page 3, paragraph 18:

18. "The project objective is to improve the income, food security, nutrition, access to basic services and adaptation to climate change of the rural population living in the semi-arid region of Piauí. The specific objectives are to: (i) improve access to water for domestic use and production; (ii) improve the environmental conditions of rural families and their surroundings; and (iii) increase the adoption of agricultural technologies, with emphasis on climate change adaptation and mitigation and the integration of small-scale producers in the value chain, especially women, youth and Afro-descendants."

Page 3, paragraph 22:

The following paragraph should replace the previous one:

22. "**Component 2 (adaptation to climate change and inclusive social and environmental recovery)** will fund four types of intervention: (i) productive adaptation plans (PAPs); (ii) business plans (PNs); (iii) environmental recovery plans (PRAs); and (iv) land and environmental regularization. The plans will benefit producers' organizations, with a focus on women, youth and traditional communities, especially Afro-descendants, who will participate in their formulation and implementation. Land and environmental regularization will be carried out mainly in Afro-descendant communities. PAPs will benefit producers' groups and finance mainly inputs, tools, equipment, technical assistance and small-scale works, and will focus on strengthening food security and nutrition. PNs will finance cooperatives and economic organizations and will include mainly specialized technical assistance and finance to enhance the production, storage, processing and marketing of products. The PRAs will fund technical assistance and investments by community producers' groups to restore vegetation cover in deteriorated areas of the Piauí-Canindé watershed. The component will also provide funding for land and environmental regularization for the collection of information, georeferencing, Rural Environmental Registry (CAR) registration and issuance of property titles."

Page 5, paragraph 29:

29. "Total project costs amount to US\$147.5 million, consisting mainly of costs for components 1 and 2 (40 per cent and 48 per cent, respectively). Project management will take up about 7 per cent of the total costs. The project costs will be financed by a US\$100 million loan from the IDB, a US\$18 million loan from IFAD (Borrowed Resource Access Mechanism [BRAM]) and US\$29.5 million as State of Piauí counterpart financing. In addition, project beneficiaries will provide an in-kind contribution of US\$13 million, which has not been included in the total project costs of the design report, pursuant to IDB procedures. Their contribution will amount to approximately 10 per cent of the cost of each PAP and 20 per cent of the cost of each PN."

## Page 5, Table 1:

Table 1  
**Project costs by component and financier**  
 (Thousands of United States dollars)

Component	IFAD loan		IDB loan		State of Piauí		Total	
	Amount	%	Amount	%	Amount	%	Amount	%
1. Water security and rural sanitation	7 238	40	40 222	40	11 865	40	59 325	40
2. Adaptation to climate change <u>and inclusive social</u> and environmental recovery	8 690	48	48 265	48	14 239	48	71 194	48
3. Institutional strengthening	864	5	4 801	5	1 416	5	7 081	5
<u>Management, monitoring, evaluation, knowledge management and auditing</u>	1 208	7	6 712	7	1 980	7	9 901	7
<b>Total</b>	<b>18 000</b>	<b>100</b>	<b>100 000</b>	<b>100</b>	<b>29 500</b>	<b>100</b>	<b>147 500</b>	<b>100</b>

## Page 6, Table 2:

Table 2  
**Project costs by component and project year (PY)**  
 (Thousands of United States dollars)

Component	PY1	PY2	PY3	PY4	PY5	PY6	Total
	Amount	Amount	Amount	Amount	Amount	Amount	Amount
1. Water security and rural sanitation	2 950	9 687	16 115	17 490	13 083	-	59 325
2. Adaptation to climate change <u>and inclusive social</u> and environmental recovery	4 144	10 372	17 401	19 503	12 546	7 228	71 194
3. Institutional strengthening	625	1 610	2 066	1 440	720	620	7 080
<u>Management, monitoring, evaluation, knowledge management and auditing</u>	1 301	1 720	1 929	1 929	1 720	1 301	9 901
<b>Total</b>	<b>9 021</b>	<b>23 389</b>	<b>37 511</b>	<b>40 362</b>	<b>28 067</b>	<b>9 150</b>	<b>147 500</b>

## Page 6, paragraph 32:

32. "The State of Piauí will open a designated account in United States dollars, to be used exclusively for resources provided by IFAD. Funds will be transferred in local currency from the designated account to the operational accounts of the State of Piauí. ~~Pari passu will be applied for components cofinanced by IDB and IFAD. The pari passu will be monitored during project implementation and achieved at the end of the project.~~ The project will submit withdrawal applications to the IDB. IDB will review withdrawal applications to ensure compliance with the provisions of the IFAD financing agreement and provide written confirmation to IFAD that the conditions for disbursement have been met and authorizing payment to proceed."

## Page 8, paragraph 42:

42. "The PSI's design included a stakeholder consultation involving 250 people from the entire project area. A project ~~steering~~ coordination committee with operational responsibilities will also be formed, composed of project representatives, the operational teams of SAF, SEMAR and INTERPI and representatives from civil society and beneficiaries. In addition, the project will hold mobilization and consultative workshops and meetings in the field to increase the participation of local actors and beneficiaries."