

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Main report and annexes

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Map of the Project Area



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Map compiled by IFAD | 08-03-2024

Abbreviations and Acronyms

AECID	Spanish Cooperation Agency
AKSAAM	Adapting Knowledge for Sustainable Agriculture and Access to Markets Project
ANATER	National Agency for Technical Assistance and Rural Extension
ATER	Technical Assistance and Rural Extension
AWPB	Annual Workplan and Budget
BMZ	Government of Germany
BNDES	Brazilian National Development Bank
BRAM	Borrowed Resource Access Mechanism
CEFFA	Family Training Centers by Alternance
COI	Core Outcome Indicators
CONAB	National Supply Company
CONDRAF	National Council for Sustainable Rural Development
COSOP	IFAD's country strategy
DAKI-SV	Knowledge and Adaptation to Dry Areas Initiative Project
EMATER	Technical Assistance and Rural Extension Companies
EMBRAPA	Brazilian Agricultural Research Corporation
ESCMF	Environmental, Social and Climate Management Framework
ESCMP	Environmental, Social, and Climate Management Plan
FGTS	Severance Indemnity Fund
GBV	Gender-Based Violence
GCF	Green Climate Fund
GDP	Gross Domestic Product
GEF	Global Environmental Facility
GRM	Grievance Redress Mechanism
HDI	Human Development Index
IBGE	Brazilian Institute of Geography and Statistics
ICMS	Tax on the Circulation of Goods and Services
ICP	IFAD Client Portal
IDB	Inter-American Development Bank
IFRS	Interim Financial Reports
IICA	Inter-American Institute for Cooperation on Agriculture
IMF	International Monetary Fund
INCRA	National Institute for Colonization and Agrarian Reform
INSA	National Semi-arid Institute
INSS	National Social Security Institute
IPCA	Consumer Price Index
IRR	Internal Rate of Return
KM	Knowledge Management
LF	Logical Framework
LGBTQIAPN	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, Aromantic/asexual, Polyamorous/Pansexual, Non-binary
MAPA	Ministry of Agriculture and Livestock
MCTI	Ministry of Science, Technology and Innovation
MDA	Ministry of Agrarian Development and Family Farming
MDS	Ministry of Social Development and Assistance, Family and Fight against Hunger
MMA	Ministry of the Environment and Climate Change
MROSC	Regulatory Framework for Civil Society Organizations
NDB	National Development Bank
NPV	Net Present Value
PAA	Food Acquisition Program
PAGES	Amazon Sustainable Management Project
PCRP	Planting Climate Resilience in Rural Communities of the North-east Project
PCT	Traditional Peoples and Communities
PDHC	Policy Coordination and Dialogue for Reducing Poverty and Inequalities in Semi-Arid North-east Brazil
PIM	Project Implementation Manual
PLANAPO	National Plan for Agroecology and Organic Production
PMU	Project Management Unit

PNAE	Food Acquisition - PAA and School Feeding
PNAN	National Food and Nutrition Policy
PNATER	National Policy for Technical Assistance and Rural Extension
PNGATI	National Policy for the Territorial and Environmental Management of Indigenous Lands
PNPCT	National Policy for the Sustainable Development of Traditional Peoples and Communities
PNRA	National Agrarian Reform Plan
PPF II	Capacity Development for Overcoming Hunger and Mitigating the Effects of Rural Poverty and Extreme Poverty
PROCASE II	Paraiba Rural Sustainable Development Project
PRONAF	National Program for Strengthening Family Farming
PRONATER	National Technical Assistance Program
PSI	Piauí Inclusive and Sustainable Project
SAF	Agroforestry systems
SAT	Traditional Agricultural Systems
SEAB	Supply, Cooperativism and Food Sovereignty
SEMEAR	Knowledge Management Program for Semi-Arid Areas in Northeast Brazil
SESAN	National Secretariat for Food and Nutritional Security
SETEQ	Quilombola and Traditional Territories and Production Systems
SFDT	Secretariat for Land Governance, Territorial, and Socio-Environmental Development
SGA	ATER Management System
SMR	Rural Women
SSTC	South-South and Triangular Cooperation
TED	Decentralized Execution Arrangements
UFV	University of Viçosa
UMIC	Upper Middle-income Country
UN	United Nations
VTA	Virtual Technical Assistance

In line with IFAD mainstreaming commitments, the project has been validated as:

Be gender transformative Be youth sensitive Be nutrition sensitive Prioritize persons with disabilities Prioritize indigenous peoples Include climate finance Build adaptive capacity

Executive Summary

A. National context

Brazil is the largest country in South America regarding territory (8.54 million km²) and population (203 million inhabitants). Of these, 54.6 million (26.9%) are in the Northeast region. The country is considered upper middle income (UMICS), and in 2022 it was the twelfth largest economy in the world, with a Gross Domestic Product (GDP) of USD 1.9 trillion, an average per capita income of USD 8,140, and a GINI index of 0.518. The Human Development Index (HDI), which had risen from 0.723 in 2010 to 0.766 in 2018, fell back to 0.754 in 2021.

The Northeast has the worst socio-economic indicators compared to the rest of the country. In 2019, the region's contribution to the Gross Domestic Product (GDP) was only 13%, and the unemployment rate was 16%, higher than any other region. In the Semiarid Northeast, the largest poverty hotspot in Latin America, 50% of the population suffers from multidimensional poverty, and 82% of the municipalities have a low HDI¹.

The pandemic has increased food insecurity, affecting 125.2 million people across the country in 2022². Of these, 33 million were in a situation of hunger, with almost 50% concentrated in the North and Northeast regions (25.7% and 21% respectively). Hunger is still present in almost 20% of Brazilian rural households.

Regarding family farming, the latest Agricultural Census³ confirmed that it is the predominant agricultural production system in terms of number of properties (3.9 million in Brazil - 76% of the country's total, of which 1.4 million - 37% are in the semiarid region), occupying 23% of the land, accounting for 23% of the total value of agricultural production and employing 67% of all people in the sector (around 10 million people). Regarding production, the data shows that less than 1%⁴ of family farmers are registered as organic producers. In contrast, the same survey reports that, in 2017, 23.4% of farmers used pesticides. This figure is worrying, given that an increase in pesticide use of 17.63% was recorded between 2006 and 2017. Data from the 2017 Agricultural Census show that 92% of family farming establishments in the Northeast do not receive Technical Assistance and Rural Extension (ATER).

Poverty. The proportion of the population living in poverty and extreme poverty in the Project area is significantly higher than in the rest of the country. While in Brazil, 29.4% of the population is in poverty or extreme poverty⁵, in the Project area, this proportion exceeds 45.7%⁶. More than 14 million people live in poverty or extreme poverty in the PDHC III area. Despite having a higher education level than men, the average income of women is lower in the Northeast (86,5% of that of men)⁷.

Rationale for IFAD involvement. The strong partnership between IFAD and Brazil is based on a successful history, mainly in the semiarid region of the Northeast. This collaboration has focused on reducing rural poverty, introducing innovative ways of working with rural communities and targeting specific groups such as women, youth and Traditional Peoples and Communities (PCTs, in its Portuguese acronym)⁸. The funding available from IFAD represents a small portion of the total rural public spending budget, and the Brazilian government has access to alternative sources of funding. However, the federal government turns to IFAD funding in recognition of its understanding of the country and its institutions, its technical experience, and its significant role as a promoter of dialogue and innovations for improving and expanding policies aimed at the rural population in poverty⁹.

B. Description of the Project

Goal. The goal of PDHC III is to contribute to reducing rural poverty and food and nutrition insecurity in family farming.

Development objective. It aims to generate more sustainable, biodiverse food systems that strengthen family farmers' resilience¹⁰ to climate change. The Project seeks to improve income, food security and nutrition by strengthening family farmers' capacities to produce healthy food. PDHC III will also seek to reduce gender, generational, and ethnic-racial inequalities through access to public policies, technological innovations, and resources that promote sustainable, biodiverse, and climate-resilient food systems, as well as contribute to access to new jobs or sources of income.

Criteria for geographic areas of intervention: The PDHC III will take a territorial approach to geographic targeting to avoid the dispersion of interventions and will promote integration between public policies, social participation, and federative coordination. Priority territories¹¹ (group of municipalities) will be chosen in each state based on parameters such as poverty, climate risk, food insecurity and concentration of family farming, agrarian reform settlements, and PCTs. In addition, the Project will ensure synergies and avoid overlap with other projects and programs implemented by IFAD, the Ministry of Social Development and Assistance, Family and Fight against Hunger (MDS), the Ministry of Agrarian Development and Family Farming (MDA), and state governments in the region. PDHC III covers 10 states in the semiarid region with a total area of 1.1 million km².

Target groups. The population of the Project area is estimated at 30,926,841 people, comprising around 8,836,240 families. Of the total population, 51% are women (15,774,866) and 23% are young people aged between 15 and 29 (7,197,689)¹². 283,747

indigenous people are living in the Project area, of which only 64,132 (22.6%) live on Indigenous Lands. There are also 560,428 quilombolas residing in the Project region, of which only 8.2% (46,669 people) live in titled quilombola territories¹³. PDHC III will benefit 90,000 families (around 1% of all families), with 50% participation by women, 30% by young people, and 7% by PCTs.

Direct targeting. The target group includes family farmers¹⁴ in poverty and extreme poverty; women; young people; PCTs; land reform settlers; and the LGBTQIAPN+ community belonging to rural families. The social targeting criterion adopted establishes that at least 60% of beneficiary families must be on the Single Registry (CADÚnico), while the remaining 40% must be family farmers, as defined by Federal Law No. 11.326 of July 24, 2006.

Components

Component 1 - Promoting Food Security and Nutrition from an Agroecological Perspective: This component aims to improve families' income, food security and nutrition by strengthening the productive capacity of family farmers. It also aims to strengthen family farming organizations so that they can absorb surplus production, transform it, and market it with added value. This component will work on resilient and diversified agroecological production; strengthening market access capacities; and Virtual Technical Assistance (VTA), face-to-face and hybrid.

Component 2 - Capacity Building, Innovation, and Dissemination: Aims to create an environment conducive to improving and updating the knowledge and capacities of the Project's professional teams, especially the extension and technical field assistance teams¹⁵, as well as some of the beneficiaries, to promote agroecological transition and sustainable and nutritious agri-food systems. This component will work on: Innovation and capacity building; Capacity building for young people; and Knowledge Management, South-South and Triangular Cooperation (SSTC) and policy dialogue.

Component 3 - Project Management and Monitoring and Evaluation (M&E): This component will carry out all the necessary project management activities to ensure efficient implementation through a Project Management Unit (PMU) under the responsibility of the Secretariat for Land Governance, Territorial, and Socio-Environmental Development (SFDT/MDA). The Monitoring and Evaluation (M&E) system will support the planning, monitoring, and evaluation of results. This component will work on: Project Management; and Monitoring and Evaluation (M&E).

Project costs and cofinancing strategy. The Project's total cost is US\$ 155 million over 6 years. IFAD's contribution will be made through a loan of US\$ 35 million (22.5% of the total), which will be regularly assigned to Brazil through the Performance-Based Allocation System. The Federal Government's contributions will come from two sources: US\$ 10 million in direct resources from the MDA contributed to the Project (6.5% of the total) and US\$ 90 million (58% of the total) in indirect resources through the participation of other Ministries and agencies linked to the government, along with the activities of the Components. The beneficiaries' contribution is estimated at US\$ 20 million (13% of the total).

C. Risks

In the macroeconomic context, there is a substantial inherent risk and a moderate residual risk that the Project will have difficulty mobilizing the federal government's contribution. However, the design period coincided with the preparation of the 2024-2027 Multiannual Plan, in which the Project is mentioned as a priority action of the MDA, guaranteeing budget provision for a contribution. Regarding implementation arrangements, the execution of the Project through various government entities via decentralized agreements presents substantial inherent risk and moderate residual risk. To mitigate this, the Project will adopt a robust implementation monitoring mechanism.

D. Implementation

Organizational framework. PDHC III will be implemented by the SFDT/MDA, which will be the decision-making body for the Project's activities. To inform its decisions and increase the capillarity and articulation with territorial, state, regional and national public policies, three other governance spaces will be established for information purposes and to prepare and align activities to enhance the participatory nature of the Project.

1. Context

A. National context and rationale for IFAD involvement

a. National Context

1. Brazil is a federal republic of 26 states, the federal district, and 5,570 municipalities. It is the largest country in South America regarding territory (8.54 million km²) and population (203 million inhabitants). Of these, 54.6 million (26.9%) live in the Northeast region. Data from the 2022 Census shows that there are around 1.7 million indigenous people and 1.32 million quilombolas living in Brazil.
2. Brazil is considered an upper middle-income country (UMICS), and in 2022 it was the twelfth largest economy in the world, with a Gross Domestic Product (GDP) of US\$ 1.9 trillion, an average per capita income of US\$ 8,140 and a GINI index of 0.518. The country has improved its macroeconomic indicators of inflation and unemployment, with interest rates falling and GDP and average income forecast to grow in the coming years.

3. The country has undergone an intense urbanization process in recent decades (currently, around 85% of the population lives in urban areas). However, this process has occurred unevenly between the regions. In the country's North and Northeast, a large proportion of the population lives in rural areas. This population suffers from the highest levels of poverty and extreme poverty¹⁶.
4. Despite having made significant progress in improving the population's living conditions in recent decades, the COVID-19 pandemic has set back a series of social and economic indicators. This requires even more robust public policies to generate a sustainable path to recovery in the coming years. The HDI, which increased from 0.723 in 2010 to 0.766 in 2018, fell back to 0.754 in 2021. Between 2012 and 2021, the prevalence of poverty increased from 27.3% to 29.4% of the population, while extreme poverty increased from 6.0% to 8.4%. In the Project area, the proportion of the population in poverty and extreme poverty exceeds 45.7%. In absolute terms, more than 14 million people are in poverty or extreme poverty in the project area¹⁷.
5. The pandemic has also increased food insecurity, affecting 125.2 million people in 2022¹⁸. Among them, 33 million were in a situation of hunger, and almost 50% of these cases were concentrated in the North and Northeast regions (25.7% and 21% respectively). Approximately 20% of Brazilian rural households continue to experience hunger.
6. Inequality remains persistent and high in the country, reflected in the inter-regional disparity, with the North and Northeast regions, especially rural areas, continuing to be the poorest in the country. The Northeast has the worst socio-economic indicators compared to the rest of the country. In 2019, the region's contribution to GDP was only 13%, and the unemployment rate was 16%¹⁹, higher than any other regions. In addition, the region had the highest concentration of income with the highest Gini index - 0.52 - in 2019. The multidimensional poverty index (MPI) for the Northeast is 47%. In the Semiarid Northeast, the largest poverty hotspot in Latin America, 50% of the population is affected by multidimensional poverty, and 82% of the municipalities have a low HDI²⁰.
7. The agricultural sector plays a vital role in the Brazilian economy, accounting for 40.6% of exports and employing 20.2% of the national workforce. Regarding family farming, the last Agricultural Census²¹ confirmed that it is the predominant agricultural production system in terms of the number of properties (3.9 million in Brazil - 76%, of which 1.4 million - 37% are in the semiarid region), occupying 23% of the land, being responsible for 23% of the total value of agricultural production and employing 67% of all the people in the sector (around 10 million people)²². Despite its significant role in food production, it is still characterized by low productive-economic dynamism and a high incidence of poverty. Regarding production, the data shows that less than 1%²³ of family farmers are registered as organic producers. In contrast, the same survey reports that, in 2017, 23.4% of farmers used pesticides. This figure is worrying, given that an increase of 17.63% was recorded between 2006 and 2017.
8. Data from the 2017 Agricultural Census shows that 92% of family farming establishments in the Northeast do not receive ATER. This situation results from fiscal restrictions in the states, aggravated by the recession in 2015 and 2016, as well as the reduction in the federal budget allocated to funding ATER by the National Agency for Technical Assistance and Rural Extension (ANATER). It is through ANATER that public and private companies access federal funds to provide services for family farming.
9. The main actors supporting family farming are the (re-established) Ministry of Agrarian Development and Family Farming (MDA), which is responsible for policies aimed at family farming, cooperatives, land regularization, agrarian reform, and the promotion of healthy agri-food systems, and the Ministry of Social Development and Assistance, Family and Fight against Hunger (MDS), responsible for policies to combat poverty, promote food security and nutrition and socio-economic inclusion. The MDA is overseen by important agencies that play a key role in these policies, such as the National Institute for Colonization and Agrarian Reform (INCRA), the National Supply Company (CONAB), and the National Agency for Technical Assistance and Rural Extension (ANATER).
10. In family farming, only 4.7% of producers are cooperative members. Therefore, the majority sell their produce without any kind of processing via informal markets and/or local markets (fairs, etc.). Productive associations need more support since there is little participation in agricultural cooperatives in the Project region.
11. Given the federative arrangement, states and municipalities play a key role in articulating and implementing public policies for development and combating rural poverty. This is particularly achieved through their secretariats for agriculture, social development and assistance, states technical assistance and rural extension companies (EMATERs) and land institutes, as well as state and municipal councils for Food and Nutrition Security (SAN), social assistance and rural development, and, since 2019, also through the work of the Interstate Consortium for Sustainable Development in the Northeast - Northeast Consortium (Consórcio Nordeste). In the semiarid region, there are also many civil society organizations, community-based organizations, and social movements that actively campaign for the rights of the rural population²⁴.
12. Government action is structured around a consolidated set of programs. The main milestones are the National Program for Strengthening Family Farming (PRONAF), the National Technical Assistance Program (PRONATER), and, in the future and under elaboration, National Plan for Agroecology and Organic Production (PLANAPO)²⁵. These programs are connected to complementary programs such as the Crop Guarantee, minimum price, land credit, and market access²⁶. Direct support for family farming is also linked to policies to combat poverty and promote food security and nutrition, which have been brought together in the recently launched Brazil Without Hunger Plan²⁷. There is also a cross-cutting dialogue between these frameworks and the National Policy for the Sustainable Development of Traditional Peoples and Communities (PNPCT), the Aquilomba Brasil Program, and the National Policy for the Territorial and Environmental Management of Indigenous Lands (PNGATI).

b. Special aspects relating to IFAD's corporate mainstreaming priorities

13. The Project is aligned with three of IFAD 12's cross-cutting commitments and will adopt a youth-sensitive, nutrition-sensitive, and climate-focused approach, as well as prioritizing indigenous peoples (See Annex 5 - SECAP). It will strengthen the social inclusion of traditional peoples and communities (PCTs)²⁸, women, youth, and the LGBTQIAPN+ community, promoting their participation to increase their capacities and empowerment at different levels (details in section 2.c of the PDR). The program's activities consider the major climate challenges facing the semiarid region and propose solutions for adaptation.
14. **Poverty.** The proportion of the population living in poverty and extreme poverty in the Project area is significantly higher than in the rest of the country. While in Brazil, 29.4% of the population is in poverty or extreme poverty, in the Project area, this proportion exceeds 45.7%²⁹. More than 14 million people live in poverty or extreme poverty in the PDHC III area. This is the poorest area in absolute terms in Latin America and the Caribbean and the region's poverty hotspot.
15. **Nutrition**³⁰. In the Northeast, in 2021/2022, 83.6% of family farming families faced some degree of food insecurity³¹, as many have not yet been able to return to pre-pandemic conditions, especially to fully re-establish their production and the quantities sold. In addition, malnutrition, in all its forms, is a major problem in the region. According to data from the Ministry of Health, 64.7% of the population in the Project area was overweight: 35.9% overweight and 28.8% obese³². Regarding children under 5, 7.7% were overweight, 6.9% were obese, 3.8% had low or very low weight for their age, and 4.8% had very low or low height for their age, indicative of chronic malnutrition³³. PCTs are more exposed to nutritional vulnerability. Research by the Ministry of Health showed that short stature in children under five still affected 9.8% of indigenous children in the Northeast in 2017, while 16% were overweight and obese, with the Northeast being the region with the highest number of overweight indigenous children in Brazil³⁴.
16. **Gender**³⁵. Gender inequality is a widespread problem in the Project area, with rural areas being most resistant to advances in women's autonomy and rights. In the patriarchal family model that persists in rural Brazil, women's crucial contribution to agrifood production and the social reproduction of family farming has historically been considered merely complementary to men's work despite its fundamental nature³⁶. In addition to the undervaluation of their productive labor, women's work in caring for the family and handling household chores is made invisible. In 2019, women in the Northeast spent twice as much time caring for people or doing household chores each week as men (22 hours compared to 11 hours)³⁷. Women also face constraints when it comes to accessing and managing resources (natural, social, and monetary). Only 24% of family farming establishments in the Project area are run by women, and only 3% by young women under the age of 35³⁸. Women are migrating to urban areas, which is reflected in the demographic data of a higher proportion of men in rural areas, in contrast to the demographic distribution observed in major cities in Brazil. Being primarily responsible for domestic work and caring for the family, rural women also face a double workload³⁹, which limits their participation in training, access to technical assistance, and education to improve their opportunities. Only 6.6% of women family farmers in the Project area have received technical assistance, compared to 8.7% of men⁴⁰. Part of women's productive activity is invisible because it does not involve monetary transactions. The combined effects of regional, gender, and ethnic-racial inequalities impact rural women in the Project area. Those who are part of traditional peoples and communities (PCTs) face even greater obstacles, being the groups of women who experience the highest rates of food insecurity, poverty, low access to health services, education, credit, and participation in political life⁴¹. Violence in Brazil's rural areas is increasing every year, as shown by the growing number of murders of rural women workers⁴². In 2018, 68% of women murdered in Brazil were black⁴³.
17. **Youth**⁴⁴. 33.2% of young Brazilians (aged 15 to 29)⁴⁵ live in poverty, with the majority being black women and men⁴⁶. Around 25% of young people in the Northeast neither study nor work, with young women of African descent having the highest percentages of being out of school and unemployed⁴⁷. Rural areas, in general, do not offer attractive job opportunities for young people, as they combine low income generation capacity and precarious working conditions. Given the context of poverty, rural youth entering the workforce encounter challenges in establishing their life in rural areas, prompting them to pursue improved conditions in urban centers. Comparing the last two Agricultural Censuses, the percentage of young family farmers under the age of 35 in the Project area went from 19% of all family farmers in 2006 to just 10.8% in 2017, confirming a historical trend of reduction in the young population in rural areas⁴⁸. This is a key issue for the socio-economic and cultural dynamics of rural Brazil, as the emptying of the rural areas due to the exodus of young people ultimately disrupts the family model of rural development and, consequently, impacts food production chains. Only 7.8% of young family farmers up to age 35 in the Project area receive technical assistance, 8.2% among young men and 6.8% among young women⁴⁹.
18. **Traditional peoples and communities**⁵⁰ and **Afro-descendants**. Indigenous peoples and traditional communities, such as quilombolas⁵¹, are particularly vulnerable due to the historical dynamics of exclusion and structural racism⁵², the high dependence on natural resources, the marginalization of their ways of life, exclusion from the formulation of public policies and poor access to services, including health, education, sanitation, infrastructure, and ATER services⁵³. Among the indigenous families registered in the Single Registry⁵⁴ (2023) in the Project area, 72% live in poverty or extreme poverty. Extreme poverty affects indigenous people six times more than the rest of the Brazilian population⁵⁵. Among the quilombola families registered in the Single Registry (2023) in the Project area, 74.7% live in poverty or extreme poverty. The Quilombola Nutrition Call (2006) found that garbage was not collected in 71% of homes, almost half of them (45.8%) had open sewers, 35.9% of the communities

did not have treated water, and 15% of children under the age of 5 were short for their age, expressing severe malnutrition.⁵⁶

19. **LGBTQIAPN+.** The lack of government data on the socio-economic and political challenges faced by the LGBTQIAPN+ community is indicative of the statistical invisibility and marginalization of this group. The lack of a social assistance policy, the rural exodus of the population to urban centers, the lack of family support, limited access to income and low employability in rural areas, and the difficulty of staying in the school environment due to prejudice are some of the factors that maintain the invisibility of data on the LGBTQIAPN+ population in rural areas. Between 2000 and 2022, 5,635 people died as a result of gender prejudice and intolerance. In 2022, there were a total of 273 deaths of LGBTQIAPN+ people, a national average of 1.31 deaths per million people⁵⁷. Most of the deaths occurred among young people aged between 20 and 29 and the Northeast region had the highest absolute number of violent deaths⁵⁸.
20. **Adapting to climate change.** The Brazilian semiarid region is among the most vulnerable regions in South America to climate change. The main climate stress factors are the decrease, concentration, and irregularity of rainfall, rising temperatures, and more frequent, longer, and more severe droughts. The Caatinga, the predominant biome in the Semiarid region, is the region most vulnerable to climate change in South America, exposed to an increase of 2 to 4° C in temperature by the end of the 21st century⁵⁹. The climate risks encompass soil degradation, desertification, reduced availability of natural resources, especially fresh water, and biodiversity loss. Approximately 200,000 km² (1,262 municipalities) are highly susceptible to desertification, and around 6.8 million people live in climate-stressed conditions (out of 27 million). Water scarcity, a common issue in these areas, is one of the most important challenges for agricultural production. Data from the 2017 Agricultural Census shows that in this area cisterns are the main means of water storage (used by 43% of farmers), followed by conventional wells (20%) and deep wells (13%). Despite this, there are approximately 579,000 establishments that do not have access to water resources (a third of the total)⁶⁰.
21. PDHC III aims to increase farmers' capacity to adapt to the challenges posed by climate change. To this end, it will invest in and support the adoption of agroecological practices that increase the resilience of production systems, such as the diversification and integration of production systems; the implementation of agroforestry systems for the recovery of degraded areas, agrobiodiversity and ecosystem services; soil management and integrated pest management; preparation and use of bio-inputs; conservation and reintroduction of seeds and creole species; among other activities. The Project will also invest in technologies for water capture, recycling, and storage through alliances with other ministries such as MDS.
22. **Environment.** The Northeast faces structural problems regarding the sustainability of food production systems. Combined with the adverse effects of climate change, such as prolonged droughts, these challenges hinder the maintenance and development of these systems. This results in soil and water deterioration, a decline in biodiversity, and environmental harm, contributing to the ongoing desertification. Unsustainable agricultural practices are the leading causes of the loss of native vegetation and biodiversity, with more than 100,000 km² of savannas and forests in the region converted to agricultural land between 1985 and 2020⁶¹. This is accompanied by the overexploitation of the Caatinga for firewood, hunting, fishing and the introduction of exotic animal and plant species⁶². Water is a significant limiting factor for food production. Relative water scarcity results from temporally concentrated low rainfall (800-1500 mm/year), recurrent droughts, overexploitation, and pollution of groundwater, as well as salinity challenges in some areas.
23. PDHC III will promote and operationalize forms of agroecological production based on the principle of coexistence with the semiarid region, the sustainable use of natural resources, and the management and conservation of soil and water, including agroforestry systems and other polycultures with an arboreal component. The development of sustainable agricultural practices will be in synergy with environmental recovery activities to ensure the conservation of ecosystem services and biodiversity.

c. Rationale for IFAD involvement

24. **IFAD's partnership with Brazil.** The strong partnership between IFAD and Brazil is based on a history of successful collaboration, mainly in the semiarid region of the Northeast. This collaboration has focused on reducing rural poverty, introducing innovative ways of working with rural communities, and targeting specific groups such as women, youth, and PCTs. The funding available from IFAD represents a small portion of the rural public spending budget, and the Brazilian government has access to alternative funding sources. However, the Federal Government turns to IFAD funding in recognition of its understanding of Brazil and its institutions, technical expertise, and its significant role as a promoter of dialogue and innovations for the improvement and expansion of policies aimed at rural people living in poverty⁶⁵.
25. **IFAD's joint portfolio in Brazil is undergoing a phase of major renewal,** with total investment reaching more than US\$950 million (including co-financing). Several new projects are currently being initiated or in the final stages of preparation. The new country program projects (PCRP/Sertão Vivo in the semiarid Northeast, PSI in Piauí, PAGES in Maranhão, PROCASE II in Paraíba, Parceiros da Mata in Bahia and Projeto Paulo Freire II in Ceará) strategically position IFAD for its partnership with Brazil as an upper middle-income country (UMIC) on a path of transition, while emphasizing IFAD's relevance as an actor in the development of Brazil's Northeast. It is worth noting that the new phase includes a gradual expansion of IFAD to other areas in the Northeast: In addition to the semiarid region, the Atlantic Forest (Bahia and Paraíba) and the Amazon (Maranhão) are now also part of IFAD's intervention area. It will also entail a programmatic approach (see below).
26. PDHC III will be the third phase of IFAD's successful collaboration with the federal government and will build on the lessons learned and experiences of the two previous phases, as well as IFAD's 25 years of experience in the semiarid region of Northeast Brazil. The main reasons justifying MDA's demand for the third phase are: 1) the decline in social, poverty, nutrition, and food security indicators in recent years; 2) first the reduction and now the reactivation of public policies for family farming

(FF); and especially 3) the fact that today, PDHC is considered a powerful and widely recognized "brand" and symbol of public policy and commitment to poverty reduction in family farming in the Northeast.

27. **PDHC II was a very successful project.** In 2023/2024, phase II was considered among top five projects by IFAD globally out of over 200 projects. The project achieved this success despite very adverse conditions: 1) four different federal governments (Dilma, Temer, Bolsonaro, and Lula⁶⁶); 2) each federal administration completely different public policies and priorities; 3) the COVID-19 pandemic; 4) the reduction or cancelation in public policies, especially for family farming in the period 2016 - 2022; 5) the biggest recession Brazil has experienced in a century in 2014-2015; and 6) severe drought 2012-2017 in the Northeast semiarid, the biggest of the last century, which had a profound impact on the project operations. Even so, the PDHC was a symbol of resilience and managed to continue as an important benchmark for initiatives to reduce rural poverty in the Brazilian Northeast. The impact assessment demonstrated PDHC II's major success⁶⁷.
28. **PDHC III has been prioritized as a key project for the MDA** by the Brazilian government due to the solid results of the second phase. PDHC III will encompass several innovative themes based on lessons learned from previous phases. The main ones include: 1) a new dynamic and organization approach based on Rural Territories, through which PDHC III will have a structuring role with the other interventions, projects and policies; 2) in a context of reactivation of public policies from various ministries, PDHC III will be a reference in the Northeast and will assume an articulating and policy dialogue role (see Annex H - diagram of PDHC relation with public policies); 3) given the potential of new technologies represents in rural areas and for family farmers, the MDA is keen for the Project to play a leading role in promoting, for example, Virtual Technical Assistance in addition to face-to-face technical assistance; 4) another innovative axis that is a priority for the MDA and to which the next phase of the PDHC will contribute, is the training of young people in rural areas, through the involvement of the Family Training Centers by Alternance (CEFFAs)⁶⁸ in the Project area; and 5) finally, there is a demand for the PDHC III to act as a catalyst for implementing effective agroecological practices, strengthening the resilience of family farmer's production systems to climate change, a cross-cutting agenda of the different ministries that will be involved in the PDHC III. This could have long-lasting effects as it could change the profile of the technical assistance services provided in the country. As mentioned above, IFAD is actively participating in the preparation of the PLANAPO.
29. The Project will continue to be IFAD's only project with the federal government since most projects in Brazil are carried out with sub-national (state) governments. The Project will strengthen cooperation with the MDA, which is IFAD's main technical interlocutor in the country. IFAD will also collaborate with the MDA through the Steering Committee of the Planting Climate Resilience in Rural Communities of the North-east Project (PCRP or Sertão Vivo). PCRP is IFAD's first project with a National Development Bank (NDB) and will be implemented by the Brazilian National Development Bank (BNDES). IFAD's state projects are all aligned with the public policies of the MDA and the federal government, and synergies with PDHC III will be created to ensure broader reach and enhanced impact.
30. IFAD's country strategy (COSOP) focuses on policy engagement for the active economic inclusion of the rural poor. This involves innovative territorial approaches that can be scaled up within the framework of national policies and programs and replicated in other countries through SSTC initiatives. As such, IFAD's objective in Brazil is to effectively complement the government's efforts to reduce poverty and inequality, demonstrating that IFAD is a strategic ally to improve the results and sustainability of rural poverty reduction and family farming development programs.
31. Based on the adoption and expansion of the innovations and approaches generated in the context of the funded projects, IFAD seeks to achieve two interlinked objectives in the country: i) promote innovations in the context of government programs to facilitate integration between social protection programs and productive development, providing pathways for the transition (graduation) to economic inclusion of young people, women, traditional communities, quilombolas and indigenous people living in the most marginalized territories; and ii) consolidate and elevate family farming to a new production paradigm that combines the conservation and sustainable management of natural resources, the economic viability, sustainability and resilience of production systems, and the generation of sustainable income through innovative market arrangements supported by the adoption of digital technologies to promote healthy and safe products from agroecological production systems.
32. **Development problem.** The semiarid region of the Northeast and Minas Gerais is among the poorest in Brazil. It also has the highest rates of food insecurity and malnutrition, with family farmers and PCTs being disproportionately affected. In the Project area, 14,129,614 people live in poverty (45.7% of the total population)⁶⁹. This rate is substantially higher than in other regions of the country, such as the Southeast, Midwest, and South⁷⁰. Among indigenous people, poverty reaches 82% and among quilombolas, 74.9%⁷¹. Approximately 84% of families face some degree of food insecurity⁷², 60.7% of the region's adult population is overweight (35.9% overweight and 28.8% obese) and, among children under 5, 3.8% are underweight⁷³. The main causes of food insecurity and malnutrition in the Project area are declining quality of and limited access to water for human consumption and food production, low productivity and limited productive diversification, low quality of the food consumed, and lack of food and nutrition education.
33. In general, family farming production systems are characterized by positively impacting the environment. This can be attributed to ecologically more balanced farming practices, such as residue recycling to improve soil fertility, crop rotation, intercropping, and agroforestry systems, the use of creole seeds and organic inputs or the production of diverse food, which in turn contributes to the country's food security and nutrition⁷⁴. Family Farmers are concerned about preserving the environment and biodiversity. Despite its positive attributes, family farming faces difficulties, mainly due to the adverse effects of climate change. This has led to the identification of family farming production systems with low diversification and sustainable intensification, resulting in low productivity and resilience. Such conditions can even lead to the degradation of natural resources, posing a threat to the survival of family farming. These challenges are accentuated considering: i) a context of climate change marked by increasingly frequent extreme events, such as droughts; ii) part of the population living in poverty and extreme poverty on family farming establishments and work in small, degraded areas; iii) the growing dependence on inadequate external inputs further

increases vulnerability and reduces resilience; iv) challenges in accessing public policies and programs due to lack of information, documentation and insufficient participation by local public bodies; v) the fact that most families have never received ATER services; and vi) agricultural establishments with low access to machinery and equipment adapted to family farming. Gender and generational disparities persist in access to ATER. Only 6.6% of women in the Project area receive technical assistance and 7.8% of young people under 35⁷⁵. Providing adequate and good quality technical assistance services is a challenge due to the geographical distribution of the properties in a region that is difficult to access and the limited number of qualified extension workers to serve this public profile.

34. The rural environment is unable to retain young people who, lacking economic and educational opportunities, migrate to urban centers. Despite their crucial role in agri-food systems in sustaining family farming and family nutrition and food security, rural women suffer from discrimination, systemic racism, and structural poverty. The PCTs, particularly the women of this group, face even greater obstacles to fully exercising their rights, accessing public policies, and participating in decision-making in their territories. They face the greatest degrees of poverty, food insecurity and malnutrition. Existing data for the LGBTQIAPN+ community indicates trends such as migration to urban centers, difficulty in staying in the school environment due to prejudice, limited income and employment opportunities in rural areas and a higher number of violent deaths of LGBTQIAPN+ people in the Northeast region.
35. The main climate stress factors are a decrease and irregularity of rainfall, rising temperatures and more frequent, prolonged, and severe droughts. The Caatinga, the predominant biome in the semiarid region, is the most vulnerable to climate change in South America. The conditions of water scarcity, to which farmers are systematically subjected, are one of the most important challenges for agricultural production. Water scarcity also enhances pre-existing socio-economic vulnerabilities, such as farmers' indebtedness, poverty, malnutrition, the spread of disease and rural exodus.
36. Family farmer's organizations face challenges related to low administrative, financial, and marketing management capacities. Also, they have little associative capacity to include new members to promote an inclusive participation of women, youth, and other target groups, and have poor access to technical assistance services for production value-adding and marketing.
37. To meet all these development challenges, phase 3 of the PDHC aims not only to strengthen the solid foundations built up in the first two phases, but also to increase the scale of technical assistance activities and introduce innovations, such as: i) offering hybrid technical assistance, with face-to-face and virtual modalities; ii) strengthening the technical capacity of extension workers for agroecological practices, oriented towards coexistence with the semiarid region and adapting production systems to climate change; iii) provide technical assistance aimed at including young people, empowering women and ethno-development of the PCTs; iv) design and implement a rural education program to strengthen the co-construction of agroecological knowledge with young people and contribute to promoting their economic and social autonomy; and v) emphasizing Knowledge Management (KM) and South-South and Triangular Cooperation (SSTC). These innovations will be built in dialogue with traditional knowledge and practices and based on partnerships with research institutions (EMBRAPA and INSA, among others), civil society organizations and universities or *think-tanks*, which are not always directed towards this type of public.
38. **IFAD's comparative advantage.** IFAD is widely recognized as a strategic partner of the Brazilian government for its experience, knowledge, and action in the inclusive and sustainable transformation of Brazil's semiarid region. IFAD's comparative advantage is based on successful models of targeting rural communities in poverty and vulnerability and differentiated approaches for priority groups such as youth, women, traditional communities, quilombolas, and indigenous peoples; providing a wide range of proven and innovative solutions to improve the productive capacities and climate resilience of family farmers; continuous technical assistance involving public and private entities for the promotion of resilient agroecological practices, including the adoption of digital technologies; investing in social technologies with proven effectiveness for access to water, sanitation and renewable energies suited to the conditions of vulnerable communities in the semiarid region; innovative approaches with private partners and NGOs to bring marketing innovations to cooperatives, including the use of digital technologies, and to add value and valorize sustainable products from the semiarid region. IFAD will apply this experience in PDHC III to support the adoption of sustainable and resilient production practices that promote environmental conservation, food security and nutrition, and income generation, ultimately reducing rural poverty.
39. **Programmatic country approach.** IFAD is developing a programme in Northeast Brazil totalling around USD 1 billion⁷⁶ by mobilizing cofinancing from various partners for diverse levels of intervention. These interventions range from state-level (PSI in Piauí, PROCASE II in Paraíba, PPF II in Ceará and Parceiros da Mata in Bahia); regional through PCR/P/Sertão Vivo, IFAD's first project with a national development bank (NDB), with cofinancing from the Brazilian Development Bank (BNDES) and the Green Climate Fund (GCF), federal with PDHC III mainly with technical assistance and policy dialogue and with local innovative climate and biodiversity actions (PAGES and CompensACTION). This array of projects means that IFAD has become a major "assembler of finance", channeling resources from partners such as BNDES, GCF, Inter-American Development Bank (IDB), the Spanish Cooperation Agency (AECID), the German Government (BMZ) and from the state and federal government in the form of counterpart financing. The complementary interventions are implemented in the same region to allow cross-fertilization and synergies. As a driver of policy implementation and development, PDHC will have the pivotal role of ensuring interministerial connections and learning in the delivery of the government's policy objective of poverty reduction (see Annex H - diagram of PDHC relation with public policies). It also paves the way for policy dialogue on the many interventions with federal policies ensuring alignment with national priorities and also the possibility of IFAD to have incidence in public policies. Instruments which will strengthen the programmatic approach are cohesive arrangements for supervision and strong collaboration with key policy-making actors such as the Northeast Consortium of Governors and the Forum of State Secretaries of Northeast Brazil.
40. **The justification for Phase III.** Through its phases I and II, PDHC has become well known in Northeast Brazil as a relevant and successful intervention that has gone beyond being a project to being considered equivalent to a governmental policy. Therefore, there is much interest in its continuity. It is considered by MDA among its top 10 priorities. It is also a well-known "brand" and demand for its continuation comes from many stakeholders including the state government and civil society. The

main reasons why MDA asked IFAD to continue its involvement are: i) the excellent dialogue and relationship with IFAD; ii) the innovations IFAD brings, such as KM and SSTC; iii) the support provided in the form of supervision and implementation support; iv) the connection with IFAD's portfolio (see programmatic country approach above); v) the possibility to enhance visibility of MDA's policies in the international arena; vi) the rigorous assessment made by IFAD through for example impact survey; vii) the potential shield IFAD could represent even in the event of major federal changes. For IFAD, PDHC is the main avenue for technical collaboration with the federal government and an instrument to influence public policies on inclusive and sustainable rural development at a regional level in northeast Brazil⁷⁷.

B. Lessons learned

41. Technical assistance and rural extension (ATER), especially linked to the MDS Rural Productive Development (Fomento), had a positive impact on the production and income of project participants in PDHC II, as demonstrated in the impact assessment⁷⁸ (IA) and confirmed by the University of Brasilia (UnB)⁷⁹. ATER will continue to be the central axis of the PDHC III.
42. The targeting of PDHC II was successful, as it benefited families living in poverty and extreme poverty, especially women. However, the selection of beneficiaries did not prioritize groups of families, associations, or organizations, and the territorial approach adopted in phase I was discontinued in phase II. As a result, the beneficiaries were geographically dispersed over large areas, which required technicians to travel long distances and made group work difficult. A territorial and community-based approach could have minimized these problems and made the project more cost-effective.
43. In the second phase of PDHC II, a series of training for ATER teams were implemented, partially informed by products and results from innovative partnerships developed by the project (EMBRAPA, INSA, etc.). This training was carried out in the second half of the implementation phase. However, they contributed to the alignment and strengthening of knowledge. This successful approach will be replicated and enhanced in phase III, with a more comprehensive planning strategy integrated right from the project's start.
44. Adopting the agroecological approach by family farming has been widely recognized in Brazil. It has been proven to increase resilience, especially in highly degraded and vulnerable biomes such as the semi-arid region. Agroecology is a holistic approach that promotes a set of agricultural practices, including diversification, utilization, and restoration of ecosystem services. It also promotes efficiency and recycling, reducing dependence on external inputs. Agroecology mitigates the risks of climate change and guarantees a greater variety of nutritious food. It also promotes the co-creation of knowledge and practices, resulting in more effective adoption of innovations and practices adapted to the local context, the environment, and the needs and realities of people and communities.
45. Inter-ministerial collaboration, mainly with the MDS, and the decentralized units of EMBRAPA and INSA, produced positive results by testing innovations and providing new capacities for technicians, family farmers, and their organizations. However, the conclusion of these partnerships came at the end of the project, which limited the dissemination of the innovations and knowledge materials developed among technicians and other stakeholders. Given the small number of PMU staff, monitoring these agreements was challenging for the team.
46. PDHC II innovatively provided "differentiated" and targeted technical assistance to quilombola communities. This approach will be maintained in PDHC III and extended to other target groups, such as rural youth, women and indigenous peoples and other traditional communities.
47. The joint efforts to issue documentation to rural women, carried out in collaboration with the National Institute for Colonization and Agrarian Reform (INCRA), was an important activity to increase access for women and other family members to basic documents, such as identification, necessary for accessing various public policies.
48. Support for the improvement of the ATER Management System (SGA) of the National Agency for Technical Assistance and Rural Extension (ANATER), especially the mobile SGA, was fundamental to enhancing and improving the national ATER approach and has become an important legacy for ATER services at the national level, replicating the experiences of PDHC II.
49. Collaboration with universities, such as the University of Brasilia (UnB) and the Federal University of Viçosa (UFV), was key to advancing the monitoring, evaluation, and Knowledge Management agenda, as well as providing an evidence-based approach to the project's interventions.
50. The project elevated its impact by establishing a series of strategic partnerships (various EMBRAPA units, INSA, Technical Institutes, etc.). These partnerships were implemented through decentralized execution arrangements (TED). Conducted in research and development formats, these activities have introduced innovative themes directly related to the objectives of PDHC II. In addition to increasing the project's visibility, these partnerships generated reference materials widely disseminated and valued in exchanges and learning routes at national and international levels.
51. The PMU, based in Brasilia, at the MDA headquarters, played a key role in ensuring that PDHC II was fully integrated into the MDA structure and aligned with federal policies and programs, also enabling inter-ministerial collaboration. However, it is necessary to improve the instruments and tools for monitoring decentralized agreements, including for monitoring field activities.
52. Knowledge Management should be planned in advance to record and document good practices and extract lessons learned that will inform improvements in the work process during project implementation. IFAD grant projects, such as SEMEAR and then SEMEAR International⁸⁰, paved the way in this area and were succeeded by initiatives such as AKSAAM⁸¹, DAKI-SV⁸², and INNOVA-AF⁸³, which played an essential role in developing the PMU's capacities in KM, SSTC, as well as introducing

innovations and new lines of activities. The PMU must play a leading role in the strategic selection of KM products from the different decentralized execution arrangements (TED s). This involves ensuring the promotion of high impact sharing and replicability, emphasizing synergies, avoiding content overlap, and prioritizing innovative products that cross IFAD's core themes (gender, youth, environmental sustainability, and climate change). The PMU is responsible for monitoring the process of preparing KM products to ensure high quality and deliveries within the agreed deadlines. The PDHC III was also selected to integrate IFAD's Reducing Agricultural Methane Project, which received grant financing from the Global Methane Hub⁸⁴. The IFAD Office in Salvador (BA) played a fundamental role in supervision and implementation support and was key to avoiding cancellation of phase II and guaranteeing the successful project implementation. It also played a pivotal role in ensuring high level policy dialogue with the new federal administration. This ensured that dialogue with the federal government continued at the highest level (even during the federal transition) and made it possible to strengthen a network of partners in the field which led to the identification and preparation of phase III⁸⁵. The continued support of a permanent network of IFAD specialists (consultants) in the country was key to ensuring the success of PDHC II.

53. **Financial Management** The importance to ensure the project counts with an auxiliary financial system which allows for automated generation of Budget Monitoring reports by IFAD category and component and the generation of the Interim Financial Reports (IFRS) required by IFAF for justification of expenditure and requests for disbursements from IFAD. Considering the reliance of other entities for decentralized implementation ensure agreements signed with contracted entities include adequate arrangements for disbursements aligned with clear deliverables, reporting requirements and anti-corruption and anti-harassment clauses. In addition, the importance of counting with a well-developed PIM which details arrangements for coordination and supervision of implementation by contracted entities.

2. Project Description

C. Project objectives, geographic area of intervention and target groups

54. The **goal** of PDHC III is to contribute to reducing rural poverty and food and nutrition insecurity in family farming. The **Development Objective** aims to generate more sustainable, biodiverse food systems that strengthen family farmers' resilience to climate change. The Project seeks to improve income, food security and nutrition by strengthening family farmers' capacities to produce healthy food. PDHC III will also seek to reduce gender, generational, and ethnic-racial inequalities through access to public policies, technological innovations and resources that promote sustainable, biodiverse, and climate-resilient food systems, as well as contributing to access to new jobs or sources of income.
55. **Project Area.** The Project will cover the semiarid region⁸⁶ of the 9 Northeastern states and the state of Minas Gerais, totaling 10 states. The population of the Project area is estimated at 30,926,841 people, 51% of whom are women (15,774,866) and 23% young people aged 15 to 29 (7,197,689)⁸⁷. 283,747 indigenous people live in the Project area, of which only 64,132 (22.6%) live on approved Indigenous Lands. In addition, there are 560,428 quilombolas living in the Project region, of which only 8.2% (46,669 people) live in titled quilombola territories⁸⁸. The population of the Project's intervention area is among the poorest in Brazil (45.7% in poverty and extreme poverty)⁸⁹, with limited access to basic social services, high levels of social, environmental, and climatic vulnerabilities and high rates of food insecurity (approximately 68%)⁹⁰.
56. **Geographical targeting.** The PDHC III will have a territorial approach with a geographical focus to avoid the dispersion of interventions and promote integration between public policies, social participation, and federative coordination. From 1 to a maximum of 3 priority territories (group of municipalities) will be chosen per state, preferably contiguous within the state, based on the following technical criteria:
- i) incidence of poverty measured by the percentage of people enrolled in the Single Registry in relation to the total number of resident families;
 - ii) climate impact risk index (MCTI's Adapta Brasil indicator);
 - iii) food insecurity index (MDS);
 - iv) concentration of rural establishments owned by family farmers;
 - v) concentration of agrarian reform settlements; and
 - vi) concentration of Traditional Peoples and Communities (PCT).
57. The Project should ensure potential synergies and avoid overlap with other relevant IFAD, MDS, and MDA projects and programs.
58. In addition, it was agreed that no state should have more than 15% of the families benefiting from the Project and no state should have less than 5%. Also, a minimum number of families per territory should be established.
59. **Target group.** The Project will benefit approximately **90,000** family farming **families** (around 315,000 people), of which 60% will have a Single Registry profile. **50% of the activities will focus on women, 30% on young people and 7% on traditional peoples and communities (PCTs).**
60. The Project's main target groups are: i) family farmers living in poverty and extreme poverty, ii) rural women, iii) rural youth, iv) PCTs, v) land reform settlers, and vi) the LGBTQIAPN+ community.
61. Family farmers living in poverty and extreme poverty are the Project's main and largest target group due to their high levels of

food insecurity and malnutrition. This target group consists of rural families in poverty and extreme poverty living in the Project area, whose livelihoods are based on low productivity family farming, mainly for self-consumption with the sale of surpluses and some cases of activities exclusively for sale, extractive practices, and small animal husbandry. The Project will work with family farmers to promote agroecological production systems to increase diversification, climate resilience, restoration of environmental services, production, and income. Among family farmers, the target subgroups will be land reform settlers, women, and young people.

62. **Gender equality and the empowerment of rural women.** Women will represent at least 50% of the total beneficiaries (45,000 families with activities focused on women). The Project will consider the poverty level and socio-economic characteristics of women subgroups to prioritize those women who are most poor and vulnerable. To reduce the gender gap in the target group, the Project will develop activities aimed at including women, in particular women whose work is invisible, families headed by women, women from traditional peoples and communities, and young women. The PDHC III Project will promote an integrated approach to promoting gender equity in rural areas and strengthening the agency of rural women in the semiarid region, based on the concept that women have a high capacity to change their own reality, to reject imposed patterns and to resist the limitations established by the environment. To do so, the Project will draw on lessons learned and good practices from Brazil's portfolio to: i) promote economic empowerment and equal access to and control over resources and assets; ii) foster changes in the dynamics of the sexual division of labor, addressing women's overload in combining productive and reproductive work; iii) increase and strengthen the participation of women's groups and associations; and iv) contribute to expanding decision-making spaces for women's participation in rural institutions and organizations. The Project will use Technical Assistance and training methodologies to achieve these objectives. This includes the Agroecological Logbooks (ALs), an important tool for measuring, valuing, and giving visibility to women's fundamental contributions to the family economy and community development. This methodology promotes women's self-esteem and confirms their important contribution to a healthy, diversified, and safe family diet. The Project aims to further reduce challenges of women's work through the introduction of social technologies, especially those related to access to water. Rural women will be prioritized in the activity to issue documentation to rural workers and to provide specific gender-sensitive Technical Assistance, and all technical assistance teams will receive gender training.
63. **Rural youth inclusion.** Young people between the ages of 15 and 29 will represent at least 30% of the Project's total beneficiaries (27,000 families with activities focused on young people), half of whom must be women. The project will ensure that youth from different social contexts are included, particularly the most vulnerable youth, and avoid the inclusion of only the better-off. The target sub-groups will be: i) young people who are involved in agricultural or non-agricultural activities with interest in expanding their activities or undertaking them individually and/or collectively in associative and cooperative organizations; ii) young people who want to implement productive projects, agricultural or non-agricultural, but find it difficult to make themselves heard and represented in family decisions; iii) young people from indigenous peoples and traditional communities; and iv) young students from CEFFAs and similar institutions, leveraging the experiences of the alternance pedagogy in the multiplication of good practices of contextualized education, productive and technological inclusion, and income generation for rural youth, associativism, cooperativism, and solidarity economy. The Project will take an integrated approach to tackling the root causes of youth exclusion, using successful approaches from other IFAD- supported projects in Brazil. Examples of these approaches are i) support for the involvement of young people in the adoption of practices, approaches and techniques based on the principles of agroecology, climate-resilient agriculture and coexistence with the semiarid region, which encourage the sustainable use and management of natural resources; ii) the creation of new employment and income generation opportunities; iii) the promotion of social skills and involvement in processes of social transformation of the territories; iv) the empowerment of young people in decision-making at the community, territorial, and organizational levels, as well as fostering policy engagement; v) specific Technical Assistance calls for young people and technical assistance services adapted to their differentiated needs and incorporating young people into their teams, especially those coming out of CEFFAs and similar institutions.
64. **Traditional Peoples and Communities (PCTs)**⁹¹ will represent at least 7% of the Project's total beneficiaries (6,300 families). Women and young people from these communities will be target sub-groups. PDHC III will implement IFAD's Policy on Indigenous Peoples (2022)⁹² with its focus on the empowerment of traditional communities (PCTs) in the Project areas. The Project will adopt Free, Prior, and Informed Consent (FPIC) in activities involving traditional peoples and communities (PCTs) and will prioritize them whenever present in the selected territories. This will be approached from a perspective that considers the multidimensionality of the territories of the PCTs, oriented towards the governance and sustainable collective management of their territories, ethno- development, the sustainability of their food systems, the conservation and use of biodiversity, and agrobiodiversity based on traditional knowledge, as well as access to markets for the promotion of cultural identity. The technical assistance approach will consider these socio-cultural aspects, traditional knowledge and ways of life, and a specific Technical Assistance call for PCTs will be promoted. These communities will also benefit from greater access to water through adapted social technologies that improve their living conditions and will be prioritized in receiving productive development. The Project will also contribute to valorizing and disseminating traditional knowledge related to production (Traditional Agricultural Systems - SATs) and nutrition, through participatory nutritional education activities. The MDA's Secretariat for Quilombola and Traditional Territories and Productive Systems will be a key partner in implementing the Project's strategy for including PCTs.
65. **Inclusion of the LGBTQIAPN+ Community.** PDHC III will seek to include the LGBTQIAPN+ community in its activities, considering LGBTQIAPN+ diversity, to promote their inclusion and guarantee respect for their rights. It will seek to implement IFAD's Diversity, Equity, and Inclusion Strategy (2021). Initially, the Project will map LGBTQIAPN+ movements and conduct consultations to hear their main demands, as well as surveying the socio-economic and political challenges they face in family farming. Based on the diagnosis and consultations, a strategy for the social inclusion of this group will be defined. Awareness campaigns on the rights of the LGBTQIAPN+ community will be promoted, as well as support for LGBTQIAPN+ movements in rural areas.
66. **Nutrition Strategy.** The PDHC III Nutrition Strategy has three main pathways: i) production - increasing the availability of and

access to healthy food at the family level by diversifying production, improving sustainable management practices for natural resources, and enhancing and ensuring the safety of food storage, processing and preservation; ii) knowledge - improving knowledge about nutrition, water and sanitation and disseminating traditional knowledge related to nutrition; and iii) empowering women by increasing income controlled by them, introducing social technologies that reduce working hours and increasing decision-making power in rural organizations and at the community and territorial level. Nutritional education will be integrated into technical assistance and work with rural schools. It will cover basic nutrition concepts, food safety practices, sanitation and hygiene and the promotion of nutrition-sensitive processing and conservation practices. The Project includes a partnership with the National Secretariat for Food and Nutritional Security (SESAN), linked to the MDS, ensuring alignment with national food security and nutrition policies.

67. **Social targeting.** The Project's main social targeting criterion will be that at least 60% of the beneficiary families must have the Single Registry profile. The remaining 40% must be family farmers, as defined by Federal Law No. 11.326 of July 24, 2006. Among the direct targeting measures, the Project will introduce training processes, participation quotas, investments and activities aimed specifically at women, young people, and PCTs.
68. **Empowerment and capacity-building measures.** PDHC III will provide differentiated technical assistance to those historically excluded from public policies, facilitating their access to them, encouraging more active participation by the target groups in the Project's activities and in decision-making processes at the family, association, community, and territorial levels.
69. **Self-targeting measures.** The services provided by the Project will respond specifically to the priorities, strengths, and working capacity of the target groups. Income-generating activities will be planned with the target groups' participation, considering their needs, their livelihood difficulties, and what they consider relevant and within their reach. The Project will act according to the territorial approach to rural development, promoting, among other things, the social participation of organizations representing family farming in territorial councils and their influence on dialogue, deliberation, and monitoring of the Project's activities.
70. **Facilitating measures.** The PDHC III will promote sustainable and socially equitable development through awareness-raising activities and policy dialogue. The Project's technical assistance bodies will receive training focusing on gender, generation, race/ethnicity, nutrition, and climate resilience issues. Dialogue will also be fostered with the government to influence its actions and policies regarding investments in family farmers, young people, women, and traditional peoples and communities; advocating approaches in favor of the most vulnerable rural populations, gender equality, and youth empowerment; conducting policy studies on aspects of social inclusion, ensuring research agendas that address issues of relevance to farmers in poverty, women, young people and PCTs.
71. Other targeting measures are detailed in Annex 8 - PIM.

D. Components/outcomes and activities

72. The Project is structured around three interconnected components to strengthen farming families and their organizations, improve access to public policies and innovation, and encourage young people to participate in CEFFAs, strengthening their agroecological knowledge and practices.
73. **COMPONENT 1: PROMOTING FOOD SECURITY AND NUTRITION FROM AN AGROECOLOGICAL PERSPECTIVE**
74. It aims to improve families' income, food security and nutrition by strengthening the productive capacity of family farmers living in poverty and extreme poverty. It also aims to strengthen family farming organizations so that they can absorb surplus production, transform it, and market it with added value. This will be achieved through a territorial approach, with agroecological characteristics for coexistence with the semiarid region. The technical assistance to be provided by the Project, including Technical Assistance and Rural Extension (ATER), Virtual Technical Assistance (VTA), training, exchanges, and other individual and collective training processes, will act as a means of interaction and exchange of knowledge, and as the primary inducer of technological innovations in the field.
75. The operational strategy will be based on the sustainable use of biodiversity by strengthening the productive capacities of family farmers living in poverty and extreme poverty. The component will focus on production for self-consumption, the generation of surpluses for marketing, and access to public policies.
76. This component will strongly contribute to productive inclusion and strengthen the capacities of family farmers, especially the priority target groups of women, young people, and PCTs.
77. The association of ATER activities with Productive Development resources (such as productive backyards, beekeeping, small livestock production and agroforestry systems, irrigation based on water reuse) , will create more resilient and diversified production systems, which should contribute to mitigating the effects of climate change, also considering the reduction or mitigation of CO2 emissions.
78. **Subcomponent 1.1: Resilient and diversified agroecological production**
79. This sub-component aims to provide ATER services, training, and exchanges to strengthen production systems.
80. The technical assistance services will follow the principles of coexistence with the semiarid region and adaptation to climate change by implementing agroecological systems to produce healthy food. The approach involves sustainable technologies, enhancing traditional knowledge and innovative good practices, activities for the sustainable management of natural resources, recovery of degraded areas and access to water, the introduction of diversified agroforestry systems and other polycultures,

nutrition education as well as activities aimed at knowledge and access to the main public policies for family farming.

81. For part of the beneficiary families, the Project will provide technical assistance services through a decentralized process monitored by the PMU, through public and private entities contracted by ANATER. Specific contracts will provide technical assistance for target groups such as women, young people, and PCTs. In addition, and in coordination with these services, non-reimbursable financial resources will be made available for productive investments via the MDS Rural Productive Development. In certain instances, beneficiaries may also receive cisterns for collecting and storing water (human consumption and productive use), financed by MDS public policies.
82. The Technical Assistance services will consist of individual and collective visits, thematic workshops, courses, and exchanges. They will take place over at least a year and a half, both in person and hybrid. The Project will adopt participatory methodologies that promote experiential learning, co-creation and sharing of knowledge, combining farmers' traditional knowledge with scientific innovation. Among other criteria, the methodologies must meet the specific needs of the Project's target groups (women, young people, and PCTs). Priority will be given to strategies that use Information and Communication Technologies (ICTs) and tools whenever possible.
83. Through Technical Assistance services, access to the main public policies aimed at family farming will be promoted, such as the National Program for Strengthening Family Farming (PRONAF)⁹³, the Food Acquisition Program (PAA)⁹⁴, the National School Feeding Program (PNAE)⁹⁵ and the National Land Credit Program (PNCF)^{96,97} (see Annex H - diagram of PDHC relation with public policies)). To this end, information workshops will be held on policy rules and procedures to enhance access to public policies including for credit and markets. Also, support will be provided to meet the requirements of each policy. These activities, which are considered fundamental from the point of view of the sustainability and expansion of the Project's actions, will be aimed at families, groups of families, and their organizations.
84. For another group of families, there will be a specific activity to implement agroecological systems for producing healthy food (such as productive backyards, beekeeping, small livestock production (goat and sheep), chicken, pigs, and agroforestry systems). These investments, will be implemented together with "social technologies" for sanitation and water reuse (bio-water, SARA⁹⁸, among others). As part of these contract modalities, specific ATER will be offered as part of a public call for tender carried out by the PMU.
85. Strategic partnerships will be established with research institutions (EMBRAPA, INSA, Universities, Federal Institutes, and others) and civil society organizations, in dialogue with traditional knowledge and practices, to implement social and technological innovations adapted to the beneficiary public, such as the SARA system, the use and conservation of Creole (native) seeds, mechanization for small-scale family farming, etc.
86. **Subcomponent 1.2: Strengthening market access capacities**
87. This subcomponent aims to promote collective organization, strengthening capacities, as well as making investments so that organizations can add value to their products and services, which will allow them to access different markets under better conditions.
88. It will be implemented through incentives for market diversification, the establishment of short marketing chains for the local market, as well as for wider markets, considering the potential of family farming products from the Caatinga biome from agroecological practices. Collective organizations of women and/or with women in decision-making spaces will be prioritized.
89. The component will implement two complementary lines of activities. The first will focus on strengthening the capacities of the organizations' teams, through qualified technical assistance on topics such as financial and administrative management, modernization of processes, access to financing and, in particular, working capital, diversified marketing strategies and access to different types of market (institutional, private, etc.), access to health, origin, quality and identification labels (including the Quilombola, Indigenous, PCT and Family Farming label), development of new products, dissemination and use of digital technologies.
90. The second line of activity will focus on purchasing specific goods and equipment to adapt or complete the organizations' physical facilities. The investments should make it possible, among other things, to improve value-adding processes, implement certification processes, organize local fairs, or improve internet access.
91. These two lines of activities will be implemented through calls for tenders conducted by the PMU to: i) hire qualified technical assistance services to strengthen capacities; and ii) acquire the goods and equipment needed to improve production processes.
92. All the activities in this subcomponent will also strengthen the PDHC III's priority cross-cutting themes, such as increasing the participation of women and young people in management processes and decision-making positions, improving the quality of food regarding food safety and nutritional characteristics, and introducing practices, technologies and innovations beneficial for the environment and fostering climate change adaptation, such as installing solar panels to generate electricity.
93. Obtaining distinctive labels of health, quality, identification, and origin will be an activity to seek recognition and reach specific markets that value these labels. Mechanisms will be created and implemented to increase the participation of family farming products, preferably from cooperatives, associations, and traditional peoples and communities, in public food procurement programs.
94. This subcomponent will also provide training so that these organizations can supply the PNAE and PAA in a more structured and meaningful way.

95. Regarding integrated implementation strategy at Project level, priority will be given to complementarity between the organizations benefiting from the marketing point of view and the families supported within the framework of building sustainable production under subcomponent 1.1. For example, by ensuring that part of the families is or can be associated with these organizations.

96. **Subcomponent 1.3: Virtual technical assistance (VTA)**

97. This subcomponent aims to design and implement a VTA pilot⁹⁹¹⁰⁰, as a complement to the face-to-face Technical Assistance provided by the PDHC III.

98. To prepare the VTA pilot, studies on existing tools, methods, potential, limits, and innovations on the subject are planned to allow the definition of which methodology will be applied to the PDHC III. At the same time, specific studies will be carried out on the quality of the tool's application to adapt it and check its scope, effectiveness, and ineffectiveness.

99. Initially, the VTA is expected to provide relevant information for farmers, such as meteorological data, market prices, soil conditions, information on public policies, agroecological pest management, etc. This will enable farmers to adapt to climate change, obtain higher prices, and improve the quality of their products, always from an agroecological perspective of coexistence with the semiarid region.

100. The possibility of including a direct communication channel with ATER technicians will be evaluated, allowing personalized and timely assistance, and supporting more urgent queries, such as pests and/or diseases present on a farm.

101. These VTA activities could guarantee a greater "presence" of the PDHC III in the field, complementing the irreplaceable dynamics of face-to-face, individual, and collective training processes, extending the technical monitoring of production activities, the development of skills and the exchange of knowledge, the dissemination of social technologies and the incorporation of new tools.

102. Digital media will be used to strengthen the knowledge exchange in the field. The virtual activities will focus on developing and adopting communication and information methodologies and tools to be used directly by rural producers. In addition, the aim is to use digital media to exchange knowledge with the Family Training Centers by Alternance (CEFFAs), as a complementary and innovative form of classroom activity.

103. Aiming for an integrated implementation strategy at the Project level, priority will be given to complementarity between the application of the VTA pilot and the families that will receive ATER and other types of /Technical Assistance from subcomponents 1.1 and 1.2.

104. **COMPONENT 2: CAPACITY BUILDING, INNOVATION AND DISSEMINATION**

105. It aims to create an environment conducive to improving and updating the knowledge and skills of the Project's teams of professionals, especially extension and technical field advisors, civil society actors who work in training processes in the territories, leaders of collective family farming organizations, including associations and cooperatives, and teachers from rural educational institutions, as well as some of the beneficiaries, to promote agroecological transition and sustainable and nutritious agri-food systems.

106. One line of activities will focus on the technical staff of Technical Assistance organizations to promote agroecological transition and sustainable and nutritious agri-food systems, as well as including issues related to gender and nutrition .

107. Another line aims to support the generation of knowledge among CEFFAs by supporting the production of teaching materials on topics related to PDHC III. In addition, school cooks will receive training to improve food production in schools, prioritizing the use of local socio-biodiversity and agroecological products, aiming to improve pupils' diets and ensuring better food security and nutrition . With a broader vision, the students will be able to take the good practices back to their homes/communities.

108. The knowledge generated by the Project will be disseminated through the publication of technical products and exchanges, benefiting family farmers in Northeast Brazil, the Southern Cone, and African countries, mainly through South-South and Triangular Cooperation (SSTC) initiatives. These materials will also be used for policy dialogue activities, to support new/improved public policies.

109. This component will strongly contribute to increasing the capacities of ATER professionals, civil society actors who work in training processes in the territories and youth, focusing on priority target groups (women, young people, and PCTs).

110. The Knowledge Management products developed and disseminated, and more qualified ATER , will enable the replication of more resilient and sustainable production systems, which should help mitigate climate change effects.

111. The Knowledge Management products, aligned with policy dialogue and SSTC, will allow these good practices to be scaled up, increasing replicability beyond the territories in which they operate.

112. **Subcomponent 2.1: Innovation and capacity building**

113. This subcomponent aims to implement activities to co-construct, improve, and disseminate knowledge and strengthen capacities for a diverse audience, such as ATER teams, civil society actors who work in training processes in the territories, rural school cooks and women farmers. The training will cover topics of interest to these groups, including food security and nutrition, gender, agroecology, climate-resilient agriculture, etc. To this end, formative processes, capacity building and training will be carried out, as well as support for regional events/fairs and the preparation of teaching materials. Among the training processes to improve capacities, the Project will promote popular education activities aimed at contributing to farmers' knowledge of public

development policies, political participation spaces, and mechanisms for strengthening the structures of representation and collective action of family farming.

114. Partnerships will be established with research institutions (EMBRAPA, INSA, Universities, Federal Institutes, among others), civil society organizations, and international organizations (for example, the United Nations Children's Fund - UNICEF). In dialogue with traditional knowledge and practices, these partnerships aim to implement social and technological innovations adapted to family farming in all its diversity (quilombolas, indigenous people and other PCTs). The innovations are geared towards agroecological practices for coexistence with the semiarid region and low carbon emissions to maintain socio-biodiversity and increase the resilience of production systems in the face of climate change.

115. A training program will be established throughout the Project's implementation, including face-to-face activities and virtual content (distance education). The results of these innovations will be integrated to update and complete other references to be used in training activities (courses, workshops, seminars, and exchanges), aimed at public policy managers, ATER teams, and teachers from CEFFAS and similar rural education institutions.

116. Based on the knowledge generated, specific materials will be produced for distribution to CEFFAs and similar institutions, as pedagogical support and as part of innovation in the training of young people in rural areas.

117. A specific training program will also be implemented for women on topics related to gender, food security and nutrition, including courses for rural school cooks.

118. Subcomponent 2.2: Capacity building for young people

119. This subcomponent seeks to strengthen the knowledge and practices of the alternance pedagogy for high school students in CEFFAs and similar institutions, by providing teaching grants for students and teachers, organizing awards, learning routes, and exchanges.

120. The scholarships should enhance the impact of these actors on the school community and rural territories, strengthening their role as multipliers of knowledge and good agroecological practices, as well as ensuring productive inclusion and income generation for rural youth, contributing to their permanence and succession in rural areas. These fellows and other students from these institutions will also take part in the pilot VTA project. The successful work carried out by the SAF EDU EFA pilot project¹⁰¹ under the AKSAAM Program will be used as a reference. Its aim was to develop a technical and educational program for Agroforestry Systems (SAFs) in the Agricultural Family Schools and Communities supported by REFAISA. In PDHC III, this experience will be expanded both in terms of geographical coverage, the number of teachers and students, and the topics covered. In addition to SAFs, other topics to be added include: agroecological production, participatory network certification, food safety and nutrition practices, conservation, and use of creole seeds, etc.

121. In addition, the Project intends to strengthen education in and of rural areas through partnerships with other local research and educational institutions - creating specific activities for rural youth that emphasize agroecology, sustainability, entrepreneurship, and access to public policies, such as the new line of credit for young people under the National Land Credit Program. Meetings, exchanges and learning routes will be held between young students and teachers from the CEFFAs with researchers/teachers from universities, federal institutes, and other partner institutions (EMBRAPA, INSA, civil society organizations, international bodies, such as UNICEF¹⁰², etc.), with the aim of promoting the knowledge exchange on agroecological practices adapted to the semiarid region, as well as encouraging continuous training and research for students.

122. Subcomponent 2.3: Knowledge Management, South-South and Triangular Cooperation (SSTC) and policy dialogue

123. The subcomponent's activities will aim to strengthen and expand the development and exchange of good practices in the management of public policies, innovations, and social technologies for living in the semiarid region, focusing on strategies for adapting to climate change and promoting food security and nutrition, in line with the Project's activities.

124. The subcomponent's main activities will be the production of publications in different formats, which will support seminars, workshops, exchanges (national/international and face-to-face/online) and training processes, such as courses and training (face-to-face/distance learning).

125. The primary beneficiaries of the activities will be family farmers, directly or through their organizations, networks of young people and women farmers, networks of Technical Assistance technicians and organizations, the network of CEFFAs and federal institutes, as well as national and local public managers responsible for rural development and anti-poverty policies. These activities and materials will benefit people in the Project area, throughout the Northeast, and countries in the Southern Cone and Africa.

126. The activities of Knowledge Management (KM), South-South and Triangular Cooperation (SSTC), and political dialogues will benefit from the extensive systematization of experiences, innovations, knowledge, and evidence produced by IFAD grant projects developed in recent years, especially the most recent ones, SEMEAR International, AKSAAM and DAKI-SV¹⁰³. The Centre for Knowledge and South-South and Triangular Cooperation, Latin America and the Caribbean Division, created in 2018, also provides a vast array of interventions and social technologies with proven effectiveness and the possibility of scaling up from other investment projects. Brazil will also be part of the Global Project for Small Agroecological Producers and the Transformation of Sustainable Food Systems (GP-SAEB/Raízes Agroecológicas¹⁰⁴). Likewise, the activities will benefit from the extensive mapping of studies, publications, and databases of federal public policies that the MDA, in dialogue with its partner networks, has been carrying out for a new digital library¹⁰⁵ and a future rural development observatory. The PDHC III was also selected to integrate IFAD's Reducing Agricultural Methane Project, which received grant financing from the Global Methane Hub.

127. The activities will mainly subsidize the training processes¹⁰⁶ of the network of Technical Assistance workers and organizations and CEFFAs and similar educational institutions so they can expand their knowledge and practices in the fields of VTA, agroecology, low carbon agriculture, food security and nutrition, climate change mitigation and adaptation, and social inclusion activities with the Project's specific target groups. Likewise, it will be essential to strengthen the territorial collegiate bodies, state and municipal councils in the areas covered by PDHC III to ensure the proper implementation of activities and integration with other policies to support families and territories.
128. Other important focuses of the Knowledge Management activities will be i) strengthening strategies for advocacy, articulation, and coordination of public policies, taking the territorial approach to rural development as a reference; ii) mechanization possibilities for family farming; and iii) strengthening monitoring and evaluation strategies, for example, for agroecology and climate change activities. Ultimately, the aim is that intervention and innovation models developed in the Project can positively influence public policies and be scaled up to other government initiatives.
129. The SSTC activities, in turn, will have to consider Brazil's new international role in the environmental agenda and the fight against hunger, especially in the presidency of the G20 and in the preparations for COP 30. In addition, new topics are emerging that demand new intersectoral responses and can mean opportunities for income generation and sustainable rural development, such as the bioeconomy. The activities will also be developed within the framework of MDA's work with REAF and in connection with the demands received from other governments, especially those of African countries, which are looking to Brazil for innovative approaches and successful design and governance models for establishing public policies to combat hunger, overcome poverty and promote family farming.
130. The PDHC III will maintain a close exchange and dialogue with the other Ministries (MDS, MMA, MCTI, MAPA, etc.), the National Council for Sustainable Rural Development (CONDRAF), the Interstate Consortium for Sustainable Development in the Northeast (Consórcio Nordeste), the Forum of Family Farming Managers (Eugênio Peixoto Forum), the territorial collegiate bodies in the Project area, social movements¹⁰⁷, and representatives of family farming organizations and other international bodies, so that the planning, implementation, monitoring and evaluation of activities takes place in a participatory, articulated and comprehensive manner.
131. The Project will support the functioning of the Territorial Committees in each territory so that they can function as spaces for dialogue and alignment of policies and generate proposals and partnerships for actions and investments.
132. The materials produced in this subcomponent will come in different formats aiming to reach a wider audience, including not only research and studies of a more technical nature but also booklets, manuals, and short newsletters with visual appeal, as well as audiovisual products for social networks that capture the activities and impacts on the lives of the beneficiaries, such as short videos, reports, and podcasts.
- 133. COMPONENT 3: PROJECT MANAGEMENT AND M&E**
134. This component will carry out all the necessary project management activities to ensure efficient implementation through a Project Management Unit (PMU) under the responsibility of the Secretariat for Land Governance, Territorial, and Socio-Environmental Development (SFDT/MDA). The M&E system will support the planning, monitoring, and evaluation of results.
- 135. Subcomponent 3.1: Project Management**
136. Through this subcomponent, a Project Management Unit (PMU) will be set up at the SFDT/MDA in Brasília (DF), with responsibility for implementing the Project and carrying out technical coordination activities, managing agreements with partner entities, procurement management, financial management, and audits. This sub-component is considered fundamental, as it presented one of the main bottlenecks in the implementation of phase II of the PDHC since not enough resources were invested in the composition of teams and the development of systems, making it necessary to set it up as an individual component in the PDHC III proposal.
137. The PMU's key staff will be composed of government employees and complemented by professionals hired via an agreement with the Inter-American Institute for Cooperation on Agriculture (IICA) and/or other forms provided for in national legislation.
138. The agreement with IICA will fund, in addition to the advisory team, equipment and logistics related to events (workshops/seminars) that support the implementation of the planned activities.
- 139. Subcomponent 3.2: Monitoring and Evaluation (M&E)**
140. This sub-component includes financial resources for contracting evaluation studies, such as the Impact Evaluation (with baseline, mid-term, and final evaluation), and follow-up evaluation studies on the implementation of Technical Assistance. Activities relating to TEDs and other forms of implementation will be monitored and evaluated through specific studies.
141. The following activities are planned: i) project planning and management, including support for decision-making; ii) monitoring of the logical framework (LF); iii) evaluation studies, including baseline, mid-term, and impact assessment; and iv) support for the preparation of technical documents in synergy with the Knowledge Management strategy.

E. Theory of Change

142. PDHC III seeks to remove the various obstacles and challenges that prevent family farming in the semiarid region of the Northeast from contributing to sustainable and nutritious local food systems, as well as improving its resilience and income. The

Project will build on the solid foundations of phases I and II, expanding previous activities, taking advantage of lessons learned, and introducing innovations and new activities. It will also seek to improve existing public policies that promote family farming. This will guarantee addressing the underlying causes of poverty, food insecurity, and malnutrition, while also ensuring the interventions' sustainability.

143. Currently, due to the impacts of climate change, parts of family farming production systems are characterized by low productivity, lack of diversification, degradation of natural resources, and high levels of vulnerability to climate change, especially drought, due to lack of access to water. Families face various social, generational, and ethnic-racial inclusion gaps, which results in the perpetuation of poverty, vulnerability, youth migration, food insecurity, and malnutrition. Farmers have limited access to adapted technologies and innovations, context-specific and quality ATER , as well as relevant public policies. In addition, agricultural research and innovations are poorly adapted to the reality of family farming and agroecological approaches in the semiarid Northeast of Brazil.
144. To meet these challenges, PDHC III will work on two interconnected development pathways to achieve the Project's objectives.
145. The expected outcome of the first pathway is that rural families, young people, women, PCTs, and rural organizations increase their production of healthy food and improve nutrition and market access through resilient and diversified production systems. This will be achieved through:
 - 146.a. Provision of Technical Assistance services (face-to-face and virtual), using participatory methodologies that meet the specific needs of the Project's target groups and promote the implementation of agroecological practices, mainly accompanied by funding for micro production projects (Fomento), social technologies such as cisterns, and access to other public policies;
 - 147.b. Capacity building and support offered to the most vulnerable groups, focusing on the utilization of food, food and nutritional education, prioritizing the use of local socio- biodiversity and agroecological products;
 - 148.c. Organizational strengthening and empowerment of rural community organizations representing family farming in the territories, especially women, young people, and PCTs;
 - 149.d. Strengthening the capacities of producer organizations to add value to rural production and access the market under better conditions, encouraging the diversification of markets and the establishment of short marketing chains.
150. The participatory territorial approach, together with Technical Assistance tailored to meet the local needs of the target groups, serves as the basis for achieving a more significant impact on the Project's activities, since they are integrated and complementary. This, in turn, contributes to diversified and productive agroecological production, improving the nutrition (by more diversified and healthy food available) and empowerment of the beneficiaries, resulting in a broader restoration of natural resources and ecosystem services. Qualified Technical Assistance and support for producer organizations aim to improve market access, creating more sales opportunities for farmers.
151. The expected result of the second pathway, through the development of ATER and institutional capacities, will create an environment conducive to generating the conditions necessary for transforming sustainable food systems for the groups supported in the first stage. It will also seek to support and generate spaces for policy dialogues and the dissemination of knowledge products, innovations, and research relevant to family farming, which are aligned with the principles of agroecology and coexistence with the semiarid region, and which can help generate and shape public policies and programs for family farming. This will be achieved through:
 - 152.a. Improving and updating the knowledge and skills of ATER field technicians, civil society actors involved in training processes in the territories, and teachers at rural education institutions in participatory methodologies, agroecological production adapted to climate change, food security and nutrition, gender empowerment and market access;
 - 153.b. Strengthening the educational offer of the Family Training Centers by Alternance (CEFFAs), supporting the introduction of new themes in the curricula and contents and their dissemination in the territories, such as agrobiodiversity and agroecological production, conservation, rescue, and reuse of native/crop seeds;
 - 154.c. Promoting the co-creation and dissemination of innovations, technologies, and applied research for technicians, producers and their organizations, and cooperatives;
 - 155.d. The creation of specific programs for rural youth that emphasize agroecology, sustainability, and entrepreneurship, including exchanges, learning routes, and scholarships;
 - 156.e. Support for spaces for social participation, coordination, and monitoring of public policies at territorial, regional and federal levels.
157. The support generated in the first and second pathways for young men and women will help generate diversified and sustainable job opportunities, whether in production, Technical Assistance services, or marketing.
158. Support for training and the generation of knowledge is a fundamental aspect of achieving the sustainability of the investments and activities carried out and accompanied by the first pathway, thus contributing to reducing poverty and food and nutritional insecurity among rural families. The SSTC will serve as a vehicle for disseminating practices and exchanging experiences.

F. Alignment, ownership and partnerships

159. By adopting an approach focused on climate adaptation, nutrition, gender, and youth, as well as a focus on rural populations in situations of poverty and vulnerability, the Project is aligned with IFAD 13's priorities and commitments and with the United Nations SDGs, in particular numbers 1, 2, 4, 5, 6, 10, 12, 13, and 15.
160. PDHC III will contribute directly to SDGs 1 (no poverty), 2 (zero hunger), 12 (responsible consumption and production), 13 (climate action) and 15 (life on land), by supporting agroecological, resilient and sustainable production systems of family farmers living in poverty and extreme poverty and promoting a consistent food security and nutrition strategy. It aligns with the three Goals of IFAD's Strategic Framework 2016-2025 and the cross-cutting priorities linked to gender, youth, indigenous peoples, nutrition, and climate change.
161. By developing activities for rural education and the socio-productive inclusion of young people, women, PCTs, and LGBTQIAPN+ and facilitating their access to other public policies, the Project also contributes directly to SDGs 4 (quality education), 5 (gender equality), and 10 (reducing inequalities). Finally, by offering social technologies for access to water and basic sanitation, it directly supports SDGs 2 (zero hunger), 6 (clean water and sanitation), 12 (responsible consumption and production) and 13 (climate action).
162. The Project is completely in line with IFAD's COSOP in Brazil (the current one is in force until 2024, and the COSOP+ is currently being drafted and due to be approved in 2024), as it aims to strengthen and transform family farming systems in the Northeast through approaches that are environmentally sustainable, resilient and guarantee families' food security and nutrition. The focus on the protection, recovery, and sustainable economic exploitation of the Caatinga biome aligns with the preservation of global and regional public goods that the new COSOP seeks to promote. In preparing the new COSOP+, IFAD's first of its kind, the MDA has played a key role in revising the document, ensuring alignment with PDHC III and MDA's federal policies.
163. Finally, PDHC III is based on a strategy of dialogue, engagement, and knowledge production in collaboration with governments and civil society organizations, aiming to improve public policies and scale up innovations, boosting sustainable cycles of rural development in the beneficiary territories.
164. The Project is strongly linked to the agendas of the federal and state governments for combating hunger, poverty, and promoting rural development. In particular, it is fully aligned with the new Multiannual Plan (PAA) for 2024-2027 and with the priority programs of the MDA and MDS. 146. The interventions proposed by the Project will not be developed in isolation; on the contrary, they will be integrated with government plans and programs that have already been established, such as the National Policy for Technical Assistance and Rural Extension (PNATER), Rural Development, Cisterns, Brazil Without Hunger, Aquilomba Brasil, PLANAPO, PAA, and PNAE. Furthermore, access to and integration with other important programs, such as PRONAF, the National Agrarian Reform Plan (PNRA), and Bolsa Família will be sought. The legal frameworks of environmental and PCT policies will also be considered. For phase III, greater collaboration is planned with the Ministry of the Environment and Climate Change (MMA), especially with its Coordination to Combat Desertification to expand the environmental sustainability, mitigation, and climate adaptation component (see Annex H - diagram of PDHC relation with public policies).
165. The Project will also take advantage of the network of strategic partners articulated in phase II of the PDHC and other IFAD actions in Brazil, such as the National Agency for Technical Assistance and Rural Extension (ANATER), the National Semiarid Institute (INSA) of the Ministry of Science, Technology and Innovation (MCTI), the decentralized units of the Brazilian Agricultural Research Corporation (EMBRAPA) of the Ministry of Agriculture and Livestock (MAPA), as well as the wide network of civil society organizations, federal institutes and universities and research organizations. Within the MDA, there will also be synergies with the state offices and all the secretariats and sub-secretariats for Family Farming and Agroecology (SAF), Supply, Cooperativism and Food Sovereignty (SEAB), Quilombola and Traditional Territories and Production Systems (SETEQ) and Rural Women (SMR), as well as their related agencies: INCRA and CONAB.
166. Phase III of the PDHC will also act in a complementary and synergistic way to other IFAD investment projects that have recently begun or are in different design phases in the Northeastern states, which represent a portfolio of about USD 1 billion in investments ensuring that IFAD implements a systemic approach in Brazil. This includes Parceiros da Mata and CompensACTION, in the state of Bahia; PROCASE II in the state of Paraíba; PPF II in the state of Ceará; PSI in the State of Piauí, PAGES in the State of Maranhão, and PCR/P/Sertão Vivo (regional in the Northeast). Some of them have other important cofinanciers, such as the BNDES, and external ones, such as the Inter-American Development Bank (IDB), the Spanish Agency for International Development Cooperation (AECID), and the Government of Germany (BMZ), which have partnered with IFAD in leveraging their expertise and experience in implementing complex, long-term development projects.
167. During the design of PDHC III, the possibility of replicating the successful experience of PDHC by seeking external financing through funds such as the Global Environmental Facility (GEF) or others was discussed. This will be identified during the initial stages of the Project's implementation and a proposal may be prepared to the GEF for integration into PDHC III which could be done in collaboration with MMA.

G. Costs, benefits and financing

a. Project costs

168. The Project's total cost is US\$ 155 million (equivalent to R\$ 762 million) for 6 years, considering an exchange rate of US\$ 1 = R\$

4.92. The costs include fees and taxes applicable to goods, services, and remuneration. Around 97% of the costs correspond to investment costs, and 3% to recurring costs. The base cost includes the IFAD loan, resources from the Federal Government, and resources from the beneficiaries. IFAD's contribution will be through a loan of US\$ 35 million (22.6% of the total) from regular ordinary funding allocated to Brazil through the BRAM.

169. The Federal Government's contributions will come from two sources: US\$ 10 million in direct resources from the MDA to the Project (6.5% of the total) and US\$ 90 million (58% of the total) in indirect resources through the participation of other Ministries and agencies linked to the government in the components' activities.

170. The beneficiaries' contribution is estimated at US\$20 million (13% of the total), which will be fully formalized through subsidized credit lines (PRONAF) obtained by family farmers. The counterpart will consist mainly of labor but may also include elements such as construction work, machinery, equipment and even land.

171. The costs also include the contingency of investments based on possible price variations over time. Based on the Consumer Price Index (IPCA) for the value of inflation over time and the International Monetary Fund (IMF) website for currency inflation over time. A weighted cumulative value of 10% was considered for contingency on the total value of the Project, equivalent to US\$ 13.9 million.

172. Taxes on goods, services, and salaries were generally estimated for the Project at 7.3%, or around US\$11.38 million of the value of the investments. Individually, the taxes considered were: Tax on the Circulation of Goods and Services (ICMS): 18%; Tax on Services (ISS): 5%; Wages and Operating Costs: 38% - Contribution to the National Social Security Institute (INSS), to the Work Accident Risk (RAT), and to the Severance Indemnity Fund (FGTS). No fees are applied in the subsidy category. The Brazilian government will finance all tax fees.

Component costs:

Table 1: Programme/project costs by component (and sub-components) and financier

(Thousands of United States dollars)

Component	IFAD loan		Federal Government - Direct		Federal Government - Indirect		Beneficiaries		Total
	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1. Promoting Food Security and Nutrition from an Agroecological Perspective	24 382	17%	7 337	5%	89 335	63%	20 000	14%	141 054
2. Capacity Building, Innovation, and Dissemination	4 740	76%	1 359	22%	168	3%	-	0%	6 266
3. Project Management and Monitoring and Evaluation	5 879	77%	1 304	17%	498	6%	-	0%	7 680
Total	35 000	23%	10 000	6%	90 000	58%	20 000	13%	155 000

Table 2: Project costs by expenditure category and financier

(Thousands of United States dollars)

Expenditure category	IFAD loan		Federal Government - Direct		Federal Government - Indirect		Beneficiaries		Total
	Amount	%	Amount	%	Amount	%	Cash	%	Amount
Investment costs									
1. Goods, services, equipment and materials	8 250	21%	1 808	5%	29 109	74%			39 167
2. Workshops, meetings and training	3 269	75%	948	22%	168	4%			4 384
3. Grants and Subsidies	-	0%	-	0%	55 135	73%	20 000	27%	75 135
4. Studies and technical assistance	19 293	63%	6 368	21%	5 090	17%			30 751
Total Investment costs	30 812	21%	9 124	6%	89 502	60%	20 000	13%	149 437
Recurrent costs									
5. Operating Costs	457	34%	876	66%	-	0%			1 333
6. Wages	3 732	88%		0%	498	12%			4 230
Total Recurrent costs	4 189	75%	876	16%	498	9%	-	0%	5 563
Total	35 000	23%	10 000	6%	90 000	58%	20 000	13%	155 000

Table 3: Programme/project costs by component and year

(Thousands of United States dollars)

Component	FY1		FY2		FY3		FY4 ²		FY5		FY6		Total
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1. Promoting Food Security and Nutrition from an Agroecological Perspective	44	0%	29 632	21%	53 034	38%	36 034	26%	14 082	10%	8 228	6%	141 053
2. Capacity Building, Innovation, and Dissemination	36	1%	967	15%	1 206	19%	1 458	23%	1 413	23%	1 186	19%	6 266
3. Project Management and Monitoring and Evaluation	1 252	16%	1 378	18%	917	12%	1 437	19%	1 075	14%	1 620	21%	7 680
Total	1 332	1%	31 977	21%	55 157	36%	38 929	25%	16 570	11%	11 034	7%	155 000

173. Regarding the organization of costs by category, the following five categories have been defined:

174.a. **Goods, services, inputs (communication), equipment, and materials** include communication services for the preparation, production, and dissemination of communication products for the Project's activities, and include vehicles, computer equipment and furniture for use by the PMU and support structures in the states;

175.b. **Workshops, meetings, and training** include participation in the coordination of policies, committees, and dialogue platforms; training for community and economic organizations, including women and young people; field visits and exchanges; training for technical assistance providers; and training for technicians in planning, monitoring, and evaluation;

176.c. **Subsidies and grants for productive investment** include the financing of productive investments and environmental projects through the Innovative Support Resources mechanism, in addition to the MDS Productive Development;

177.d. **Studies and technical assistance** include technical assistance services to be provided to beneficiaries, baseline studies, monitoring and evaluation studies and audits; and

178.e. **Salaries and operating costs** are those of running the PMU.

b. Project financing/co-financing strategy and plan

179. The Federal Government, IFAD, and the beneficiaries will co-finance the Project. Funding from the Federal Government will come in two forms: (i) US\$ 10 million in direct funding from the MDA (6.5% of the total), and (ii) US\$ 90 million (58% of the total) in indirect funding through the participation of other Ministries and federal governmental agencies in the activities of the components. The total funding from the Federal Government will be US\$ 100 million, equivalent to 64.5% of the Project's total value. IFAD will finance the Project with resources amounting to US\$ 35 million through regular funding allocated to Brazil through the Borrowed Resource Access Mechanism (BRAM). Beneficiary financing is estimated at US\$ 20 million, equivalent to 13% of the total cost of the Project, which will be fully formalized through a line of credit (PRONAF) obtained by family farmers.

180. It is estimated that all components will receive contributions from every funder, except for the beneficiaries, who will exclusively utilize resources allocated to Component 1. The institutions have defined varying proportions for resource distribution across components. The Government of Brazil will finance all taxes.

c. Disbursement

181. IFAD loan will be disbursed in US Dollars (USD) and deposited in separate designated account in USD at the “Banco do Brasil in Brasilia” in the name of the Secretariat of National Treasury. A Brazilian reais (BRL) account will be maintained with Banco do Brasil to receive funds from the IFAD designated account based on signed exchange contracts.
182. A pooled account Brazilian reais (BRL) at PMU level will be established to receive the funds from the IFAD Brazilian reais account and direct counterpart funds. From the PMU pooled account, the project will make payments to service providers and suppliers, and transfer funds to other project partners.
183. In accordance with IFAD procedures disbursements for IFAD loan will be made based on the Quarterly Interim Financial Reports (IFRS) and will provide for a cash flow of six months of execution. Request for disbursements will be submitted through IFAD Client Portal (ICP).
184. The direct counterpart funding will be included in the Financing Agreement with IFAD and will be included in AWPB and the MDA budget submitted for Government approval. Budget for direct counterpart funding will be managed by the PMU.
185. Considered as indirect counterpart funding will be financial and non-financial resources applied to the Project’s objective, whether from MDA or other government bodies, provided the same are duly provided for in the AWPB.
186. Contribution of beneficiaries consist of access to credit and/or other sources. Beneficiary contribution will be collected from beneficiary organization in conjunction with financial reporting and supporting documentation for Investment plans other M&E data with support from partner entities /subcontractors to be hired for provision of technical support.

d. Summary of benefits and economic analysis

187. An *ex-ante* economic and financial analysis was conducted based on production models in the Project area. While the models reflect real conditions in the field, they are simulations based on available data and bibliographies consulted.
188. Beneficiaries. The Project will reach 90,000 families, of which 40,000 will receive support for Technical Assistance and non-reimbursable funds, 2,500 will implement agroecological systems for producing healthy food, while the rest will benefit from other Project activities.
189. Direct interventions through technical assistance and investments in beneficiaries' productive activities are concentrated in component 1. A summary of the resources earmarked for this purpose is shown below (Table 1):

Table 1. Beneficiaries and budgets for estimating economic and financial returns

SUBCOMPONENT	No of BENEFICIARIES	(US\$ COSTS MILLIONS)
SUBCOMPONENT 1.1	42.500	67,07
SUBCOMPONENT 1.2	8.000	2,13
SUBCOMPONENT 1.3	5.000	1,22

190. Considering that Component 1 costs around US\$ 128.4 million, part of this amount will be earmarked directly for the development and promotion of the beneficiaries' productive activities, in this case around US\$ 70.3 million (around 54.5% of the total value of the Component, and 49% of the total Project costs).
191. **Financial production models.** The Project's impact analysis considers that starting points and agroecological transition paths can be diverse, so comprehensive models were developed that consider the specific characteristics of Project interventions. The models are based on bibliographical research, knowledge acquired from other projects, and analysis/review by the parties involved in the Project. Incremental situations were considered for each model in which investments are made by the Project to obtain a value centered on aggregation and transformation. For two models, the calculation of the incremental margin was used since they will only receive technical assistance from the Project. It was structured as follows:
192. a. The construction of nine production models representing situations with and without the intervention of the Project for investments in agroforestry systems and for investments in ATER and non-reimbursable funds (*Fomento*) resources. Respectively, 2,500 beneficiaries are considered for agroforestry systems (SAFs) and 40,000 beneficiaries for ATER and non-reimbursable funds.
193. b. Some 8,000 beneficiaries were estimated to strengthen their market access capacities, based on the results of the increase in agricultural income measured in the Impact Assessment (IA) of PDHC II.
194. c. Some 5,000 beneficiaries were estimated to benefit from Virtual technical Assistance (VTA).
195. For each case, a beneficiary adoption rate for the practices was considered, considering the potential success of each Project intervention. For productive investments, an adoption rate of 80% was considered, and for assistance on organizations and VTA, since this is only ATER, 60%, since the direct incentives for producers are lower than for other models.
196. **Financial analysis.** The financial profitability at household level was calculated over a 15-year horizon for the Agroforestry Systems (SAF) models, and 10 years for the other models. The discount rate used was 12%, consistent with the rates currently

practiced in the Brazilian market (SELIC rate, from COPOM).

Table 5: Financial profitability indicators of the models built (in US\$)

Activities - FINANCIAL INFORMATION										
Item	Unit	AFS - Fruit	AFS - Fodder	Productive Backyard	Beekeeping	Poultry farming	Goat and sheep farming	Pig farming	Qualified Technical Assistance	Virtual Technical Assistance
Samples	#	625	1 875	2 800	560	20 700	10 620	5 320	8 000	5 000
Investment	US\$	1 494	1 386	1 470	1 504	1 509	1 515	1 490	267	244
Incremental margin										
Incremental margin	US\$	182 724	1 378 346	1 282 793	303 395	5 003 013	-3 305 475	5 626 224	706 351	441 470
Financial indicators by activity										
IRR	%	14%	40%	12%	37%	23%	31%	26%	31%	34%
NPV	US\$	76 401	4 129 643	55 132	1 071 164	14 233 102	17 312 961	3 513 606	1 657 217	1 138 294

197. In the livestock models considered, the time spent daily on animals is high in relation to the income generated, particularly for a small group of animals. For this reason, the margin appears to be negative at times, representing that the self-remuneration of the activity is compromised.
198. All models are profitable, with an Internal Financial Rate of Return (IRRf) of between 12% and 40%, where those with the highest return (Net Present Value, NPV) are the agroecological system for fodder, poultry, sheep, and goat farming.
199. In addition to the traditional financial parameters of profitability, the models also consider elements such as: (a) the annual incremental margin and the financial flows during the first few years, to understand the short-term incentives for the transition; (b) the costs and payback time of the investment, to understand the potential for expansion and the incentives for private investment. The financial flow is positive in the first few years in most models. When there is a negative financial flow, it is attributed to conservative assumptions in achieving improved yields. This period should be covered by both, multi-annual ATER and support divided into investment, to avoid disincentives to implementing transitions.
200. **Economic analysis.** To analyze the economic potential of the Project, indicators such as the economic Internal Rate of Return (IRR_e) and the economic Net Present Value (NPV_e) are used, as well as others such as the cost-benefit ratio of the investments (C/B). These indicators are calculated based on the net margins of the models presented at economic prices, discounting the investments made directly to develop them, and, whenever possible, adding calculable environmental and social externalities.
201. To calculate the economic analysis of the Project, a 20-year projection is considered, with a discount rate applied to the NPV_e of 12% per year. Also considered is the adoption rate for the production models according to each investment, of 80 and 60% respectively. The Project's economic profitability analysis results can be considered satisfactory, since the IRR_e stands at 21.4% and the NPV_e US\$10.2 million. These results demonstrate the economic viability of the Project.
- e. Exit Strategy and Sustainability**
202. The Project's close alignment with MDA's priorities will create favorable conditions for strong ownership of its activities and commitment during and after implementation. Several factors will contribute to this: i) the intense knowledge co-creation and training program for beneficiaries and ATER technical teams; ii) the dissemination of contextualized agroecological practices for the semi-arid region and the strengthening of market access; iii) inter-ministerial collaboration and alignment, mainly with the MDS, but also with the MAPA (EMBRAPA), the MCTI (INSA) and the MMA (Coordination to Combat Desertification), as well as bodies linked to the MDA, such as INCRA, CONAB and ANATER; iv) partnerships with civil society and producers' organizations; v) partnerships with other international organizations; vi) encouraging social participation in the design, planning, implementation, monitoring and evaluation of the Project; and vii) Knowledge Management, political dialogue and SSTC to expand and give continuity and scale to the Project's activities.
203. As far as production systems are concerned, the sustainability of the interventions will depend on increasing the production of healthy food, diversification in production, nutrition, and income (by reducing costs and improving prices and sales conditions), and greater resilience to climate change and shocks. Another factor that could contribute to sustainability is the process of participatory territorial planning in response to the demands of the different actors and target groups.
204. An integrated approach of training and capacity-building processes, as well as the creation of an environment conducive to innovation will be applied to develop institutional, community, and producer organization capacities. PDHC III will sustainably promote agroecological production and sustainable productive intensification, encompassing knowledge about natural resources management and recovery. Improving capacities and knowledge in nutrition, together with participatory methods of social, ethnic-racial, gender, and youth inclusion, will contribute to achieving better ownership and social inclusion.
205. The PMU will elaborate a sustainability/exit strategy plan, which will be monitored from the second year of implementation (Annex 10 – Exit Strategy for details).

3. Risks

H. Project risks and mitigation measures

206. **Country context.** In the macroeconomic sphere, there is a substantial inherent risk and a moderate residual risk that the Project will have difficulty mobilizing the federal government's counterpart. However, the design period coincided with the preparation of the 2024-2027 Multiannual Plan, in which the Project is mentioned as a priority action of the MDA, guaranteeing budget provision for a counterpart. In addition, this risk will be mitigated by the fact that the counterpart funds will come from various sources, mainly from other MDA and MDS programs, thus diversifying the sources and reducing the risk.
207. **Environmental context.** Regarding the Project's vulnerability to environmental conditions, there is a substantial inherent risk and a high residual risk. In the Project area, farmers face adverse soil conditions and restrictions on water availability that can affect the productive activities supported by the Project. Some traditional practices of clear-cutting vegetation, slash-and-burn and overgrazing are accentuating the negative effects of possible environmental restrictions on the Project's activities. To mitigate this risk, PDHC III will mainstream measures to adapt to environmental conditions according to the paradigm of "Coexistence with the Semiarid" as part of the proposed agroecological approach. These measures consist of: i) promoting biodiverse production systems with plant and animal species that are better adapted or resilient to climatic extremes; ii) promoting management practices that promote soil and water conservation; and iii) training producers and extension workers to implement and manage these agroecological systems. 187.
208. **Climate context.** Regarding the Project's vulnerability to climate change, the Project has a substantial inherent risk and a moderate residual risk. The Project area is very vulnerable to climate change, and its impacts could cause several negative shocks for the population, including reduced water and food security, as well as causing significant productivity losses in key crops for family farmers. Production activities for self-consumption and commercialization associated with the conservation and restoration of natural resources in an agroecological approach (biodiverse systems with plants and animals adapted to the social and environmental conditions of the Caatinga along with training for producers and extension workers) are practical measures for mitigating the climate risks that could affect these agro-sylvo-pastoral activities. Investing in cisterns will also increase the capacity to store water for production, creating a buffer against droughts.
209. **Project Scope.** Regarding technical soundness, there is a moderate inherent risk and low residual risk in the implementation of the Project due to the current capabilities of the MDA, as the Project activities require strong coordination and integrated planning. This risk will be mitigated by: i) designing the Project based on the lessons learned in the previous phases I and II; ii) establishing an effective management and coordination structure within the PMU and appointing PMU staff; iii) defining the management agency which will facilitate the recruitment of professionals; iv) forging alliances with important partners, such as ANATER, EMBRAPA, the MDS, and CONDRAF; v) ensuring capacity building and training for third-party suppliers, especially technical assistance providers; and vi) ensuring that an instrument is developed and implemented to monitor decentralized agreements.
210. **Institutional capacity for implementation and sustainability.** Regarding implementation arrangements, executing the Project by various government entities through decentralized agreements presents substantial inherent risk and moderate residual risk. Insufficient coordination and monitoring by the PMU could lead to delays and problems in implementation. To mitigate this, the Project will adopt a robust mechanism for monitoring the implementation of decentralized execution instruments.
211. **Procurement.** As for the legal and regulatory framework, inherent and residual risks are moderate. Most of the execution will be decentralized. The borrower will transfer Project resources to other government entities to carry out most of the planned activities. These government entities will be responsible for tendering the Project's activities in accordance with the national tendering law but will also have to comply with IFAD's anti-corruption and anti-harassment, social and environmental policy, and must report regularly to the PMU. Due to the diversity of government entities, the risk of non-compliance with the IFAD Policy increases, in addition to the fact that some entities do not have the institutional capacity to carry out tenders and will make agreements with third sector foundations that have operational capacity and follow specific national law. As a mitigation, governance activities with the entities that will receive funds should be carried out frequently, including third-sector organizations that partner with these entities, to align and standardize understandings about the IFAD Policy.
212. **Regarding accountability and transparency,** the inherent and residual risks are substantial. The diversity of government entities and third-sector organizations that may become partners in the Project, considering the large number of procurement processes that will be required to carry out the planned activities, may make it difficult to maintain responsibility for the use of resources and transparency. As a mitigation, the Project team will need to maintain good management and monitoring of the procurement processes carried out, taking advantage of the lessons learned to create more mechanisms to guarantee the fairness of the processes. This includes workshops or training for each entity that establishes a partnership with the Project, including clarifications on the supervisions/audits they will undergo. IFAD's monitoring and auditing systems and methodologies should be adapted to the dynamics of the decentralized implementation Project whenever possible.
213. **Financial management.** I Main risks identified are: i) Lack of discipline around submission of financial reporting (IFRs) and corresponding justifications to IFAD; ii) Use of auxiliary spreadsheets for budget monitoring by component category and financier and preparation of quarterly IFR resulting in high risk of human error; iii) Lack of oversight on decentralized operations carried out in a large geographic areas involving a significant number of partner entities/subcontractor iv) Failure to include in contracts with implementing partners entities/subcontractors relevant clauses on disbursements proportional to implementation of activities, reporting requirements and justification of expenditure; (v) Incomplete recording and lack of supporting

documentation to substantiate indirect government counterpart funding.

214. The applicable mitigation measures are: (i) Emphasis during start-up phase in induction sessions on the importance of compliance with reporting requirements as communicated in the FMFCL; ii) Implementation of a complementary automated reporting system to generate budget versus actual reports by component, category, and funding source and IFRs based on data from SIAFI system to avoid human errors and delays in reporting as a condition for first disbursement; (ii) Further development of the PIM to ensure adequate supervision of decentralized implementation by partners entities/subcontractors; (iv) Review by IFAD and required No Objections by IFAD of d contracts signed between PDHC III and the partner entities/subcontractors; v) Establish and document in the PIM clear criteria for recording and valuation of both direct and indirect counterpart funding from government.

215. **Stakeholders.** Regarding stakeholder grievances, there is an inherent moderate and low residual risk that the implementation of the Project will lead to the submission of grievances by various stakeholders involved in or impacted by Project activities, thus affecting the continuity of activities and the established schedule. To mitigate this risk, the Project will incorporate a clear and effective Grievance Redress Mechanism (GRM) in accordance with IFAD guidance documents¹⁰⁸, the Access to Information Law (LAI) and the Law for the Protection and Defense of Public Service Users. This mechanism should be easily accessible to the beneficiaries and have a rapid resolution, ensuring that complaints submitted are quickly analyzed and that situations are mutually agreed upon to the satisfaction of the parties involved.

216. The inherent and residual financial management risk is classified as Substantial

217. Main risks identified are: i) Lack of discipline around submission of financial reporting (IFRs) and corresponding justifications to IFAD; ii) Use of auxiliary spreadsheets for budget monitoring by component category and financier and preparation of quarterly IFR resulting in high risk of human error; iii) Lack of oversight on decentralized operations carried out in a large geographic areas involving a significant number of partner entities/subcontractor iv) Failure to include in contracts with implementing partners entities/subcontractors relevant clauses on disbursements proportional to implementation of activities, reporting requirements and justification of expenditure; (v) Incomplete recording and lack of supporting documentation to substantiate indirect government counterpart funding.

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I. Environment and Social category

219. **Country context.** In the macroeconomic sphere, there is a substantial inherent risk and a moderate residual risk that the Project will have difficulty mobilizing the federal government's counterpart. However, the design period coincided with the preparation of the 2024-2027 Multiannual Plan, in which the Project is mentioned as a priority action of the MDA, guaranteeing budget provision for a counterpart. In addition, this risk will be mitigated by the fact that the counterpart funds will come from various sources, mainly from other MDA and MDS programs, thus diversifying the sources and reducing the risk.

220. **Environmental context.** Regarding the Project's vulnerability to environmental conditions, there is a substantial inherent risk and a high residual risk. In the Project area, farmers face adverse soil conditions and restrictions on water availability that can affect the productive activities supported by the Project. Some traditional practices of clear-cutting vegetation, slash-and-burn and overgrazing are accentuating the negative effects of possible environmental restrictions on the Project's activities. To mitigate this risk, PDHC III will mainstream measures to adapt to environmental conditions according to the paradigm of "Coexistence with the Semiarid" as part of the proposed agroecological approach. These measures consist of: i) promoting biodiverse production systems with plant and animal species that are better adapted or resilient to climatic extremes; ii) promoting management practices that promote soil and water conservation; and iii) training producers and extension workers to implement and manage these agroecological systems.

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222. **Project Scope.** Regarding technical soundness, there is a moderate inherent risk and low residual risk in the implementation of the Project due to the current capabilities of the MDA, as the Project activities require strong coordination and integrated planning. This risk will be mitigated by: i) designing the Project based on the lessons learned in the previous phases I and II; ii) establishing an effective management and coordination structure within the PMU and appointing PMU staff; iii) defining the

management agency which will facilitate the recruitment of professionals; iv) forging alliances with important partners, such as ANATER, EMBRAPA, the MDS, and CONDRAF; v) ensuring capacity building and training for third-party suppliers, especially technical assistance providers; and vi) ensuring that an instrument is developed and implemented to monitor decentralized agreements.

223. **Institutional capacity for implementation and sustainability.** Regarding implementation arrangements, executing the Project by various government entities through decentralized agreements presents substantial inherent risk and moderate residual risk. Insufficient coordination and monitoring by the PMU could lead to delays and problems in implementation. To mitigate this, the Project will adopt a robust mechanism for monitoring the implementation of decentralized execution instruments.

224. **Procurement.** As for the legal and regulatory framework, inherent and residual risks are moderate. Most of the execution will be decentralized. The borrower will transfer Project resources to other government entities to carry out most of the planned activities. These government entities will be responsible for tendering the Project's activities in accordance with the national tendering law but will also have to comply with IFAD's anti-corruption and anti-harassment, social and environmental policy, and must report regularly to the PMU. Due to the diversity of government entities, the risk of non-compliance with the IFAD Policy increases, in addition to the fact that some entities do not have the institutional capacity to carry out tenders and will make agreements with third sector foundations that have operational capacity and follow specific national law. As a mitigation, governance activities with the entities that will receive funds should be carried out frequently, including third-sector organizations that partner with these entities, to align and standardize understandings about the IFAD Policy.

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227. The applicable mitigation measures are: (i) Emphasis during start-up phase in induction sessions on the importance of compliance with reporting requirements as communicated in the FMFCL; ii) Implementation of a complementary automated reporting system to generate budget versus actual reports by component, category, and funding source and IFRs based on data from SIAFI system to avoid human errors and delays in reporting as a condition for first disbursement; (ii) Further development of the PIM to ensure adequate supervision of decentralized implementation by partners entities/subcontractors; (iv) Review by IFAD and required No Objections by IFAD of d contracts signed between PDHC III and the partner entities/subcontractors; v) Establish and document in the PIM clear criteria for recording and valuation of both direct and indirect counterpart funding from government.

228. **Stakeholders.** Regarding stakeholder grievances, there is an inherent moderate and low residual risk that the implementation of the Project will lead to the submission of grievances by various stakeholders involved in or impacted by Project activities, thus affecting the continuity of activities and the established schedule. To mitigate this risk, the Project will incorporate a clear and effective Grievance Redress Mechanism (GRM) in accordance with IFAD guidance documents¹⁰⁸, the Access to Information Law (LAI) and the Law for the Protection and Defense of Public Service Users. This mechanism should be easily accessible to the beneficiaries and have a rapid resolution, ensuring that complaints submitted are quickly analyzed and that situations are mutually agreed upon to the satisfaction of the parties involved.

229. **Environment and Social category**

230. The environmental and social risk category is "moderate". The justification for this classification stems from the possible risks associated with habitat conversion, the introduction of invasive species, and investments in small-scale livestock systems. Mitigation measures (e.g., exclusion of any habitat conversion from potential sub-projects, negative list of exotic invasive species to be acquired by the Project, adoption of best practices for pasture management, and effluent treatment) for all the risks mentioned are well known. They should not be a challenge for the Project implementation teams.

231. Regarding social risks, there are risks related to the presence of indigenous peoples and traditional communities with their own knowledge and ways of life. A Free, Prior, and Informed Consent Plan (FPIC Plan) was elaborated, supported by national regulations on the subject, to implement and strengthen the processes of effective participation of indigenous peoples and traditional communities in planning and executing Project activities. The Project also developed a preliminary Gender, Youth, Social Inclusion, and Nutrition Strategy, which will be updated frequently during implementation, to mitigate any risks related to the inclusion, benefit, and empowerment of the target groups and to guarantee the effective participation of these groups.

232. For the Project's environmental, social, and climate management, the Environmental, Social and Climate Management Framework (ESCMF) (Annex 5a) was drawn up, with a detailed description of the risks and management measures to be implemented by the Project. The procurement plans and the PIM have fully implemented the measures to manage the risks

identified.

J. Climate Risk classification

233. The climate risk category is "substantial" due to: i) the vulnerability and exposure of the target group to the effects of climate variability; ii) the still limited access of the Project's target group to policies and instruments that can reduce this vulnerability; and iii) the dangers of extreme events adversely affecting the Project's investments. This analysis is based on the results of the climate trends described in the SECAP review note (Annex 5) and on the historical experience of the region, which suffered its longest period of drought on record between 2012-2017, as well as periods of extreme rainfall in 2021-2022. Measures to mitigate these risks can be found in the agroecological approach to coexistence with the semiarid region adopted by the Project, which will result in greater resilience of production systems to climate variability. In addition, the activities planned within the scope of technical assistance will increase the beneficiaries' access to sources of climate and meteorological information and public policies aimed at both emergency response to possible climate shocks (e.g., Garantia Safra) and climate adaptation (e.g., PRONAF ABC Agroecologia).

4. Implementation

K. Organizational Framework

a. Project management and coordination

234. PDHC III will be implemented by the SFDT/MDA, which will be the decision-making body for the Project's activities. To inform its deliberations and increase capillarity and articulation with territorial, state, regional and national public policies, three other governance spaces will be established for information purposes and to prepare and align activities to enhance the participatory nature of the Project. The following institutional governance spaces will be established:

235. a. **Territorial Committee:** in each Territory where the Project will operate, a Committee will be set up within the Territorial Collegiate as a space for social control; dialogue on the demands of the communities and their alignment with the Project's activities at the territorial level; and articulation with other public policies, programs, and projects, in particular, those of IFAD and the Federal Government. The Project can support the functioning and meetings of the Territorial Committees for discussions and implementation of its activities;

235. b. **Regional Committee:** within the regional framework of the Northeast and Minas Gerais, a space will be established for disseminating information and discussing the Project's activities between the states where the PDHC operates and the organizations representing family farming at a regional level. This Committee will be made up of representatives of civil society organizations, including those that make up the National Council for Sustainable Rural Development (CONDRAF), and representatives of state governments. Through the Regional Committee, the Project will present its activities and thus ensure alignment, synergies, and complementarities with state governments and family farming civil society organizations operating in the states;

237. c. **Executive Committee:** this will be made up of representatives from the units of the Ministry of Agrarian Development and Family Farming (MDA) and other federal bodies with a prominent role in the Project and will act as a mechanism for monitoring actions and coordination between the different areas of the Ministry and the Federal Government that are part of the Committee.

238. The Project will support the functioning of the above-mentioned governance bodies for meetings relating to PDHC III and may support the participation of some of their members, provide secretarial support for meetings, and prepare Knowledge Management products to contribute to the debate and dialogue on activities.

239. The main objective of these governance bodies will be to: i) serve as spaces for dialogue, social control, and integration of policies; ii) contribute to the process of social management of public policies by strengthening these spaces in the territories where the Project will operate (Territorial Committee). As part of this work, the Project will be able to support the functioning of the Territorial Committees, helping to generate proposals on issues to be considered in the dialogue agendas and building partnerships to carry out specific undertakings or activities defined in these areas; iii) promoting the participation of civil society organizations and strengthening the capacities of rural communities and different actors (including women, young people and PCTs) to participate in these spaces; iv) contributing to the definition of the Project's priority activities, planning, monitoring and evaluating their implementation; v) contributing to the definition of possible innovative methodologies; and vi) disseminating and analyzing results on innovative methodologies applied by the Project and evaluated as successful, aiming at their possible adaptation and upscaling.

240. The key (minimum) team of the PMU, set up at the SFDT/MDA in Brasilia, will have the following members: i) General Coordinator, ii) Technical Coordinator, iii) Procurement and Contracts Specialist, iv) Financial Management Specialist, v) M&E Specialist, vi) Gender, Youth and Traditional Communities Specialist, vii) Nutrition Specialist, viii) Knowledge Management Specialist, and ix) Social, Environmental and Climate Safeguards Specialist. Other specialists and consultants may be added to the team, including specialists who can monitor the work in the field directly in the territories.

b. Financial Management, Procurement and Governance

241. MDA/SFTS has an adequate structure for the Project and arrangements for financial management are in place with mature policies and procedures and systems and extensive experience with implementing similar IFAD and World bank financed projects of similar size.
242. **Financial management organization and staffing** Within SFTS in Brasilia a dedicated Project Management Unit (PMU) will be established with a dedicated finance manager and an accountant. PMU staff will be responsible for financial management of the project in particular: (i) Maintaining accurate and complete accounting records ii) Ensuring adequate levels of internal control; (iii) Submitting the quarterly IFRS and presentation of justifications of expenditure disbursement requests based on the same; (iv) Preparation of annual financial statements; and (v) Coordinating timely submission of external audit including all funding sources and in accordance with Handbook for Financial Reporting and Auditing of IFAD-Financed Projects.
243. **Budgeting** The funds needed to implement the project, both the IFAD loan and the counterpart, will be included by the MDA in the Annual Budget Law (LOA) and in the Multi-Year Plan (PPA) of the General Budget of the Union (OGU).
244. **Disbursement Arrangements and Flow of Funds** Disbursements from IFAD loans will be made in USD and deposited in a designated account in USD held at the Banco do Brasil the name of the Brazilian government. A Brazilian reais (BRL) account will be maintained with Banco do Brasil to receive funds from the IFAD designated account based on signed exchange contracts. A pooled account Brazilian reais (BRL) at PMU level will be established to receive the funds from the IFAD Brazilian reais account and direct counterpart funds. From the PMU pooled account, the project will make payments to service providers and suppliers, and transfer funds to implementing partners.
245. **Accounting Systems and Financial Reporting mechanisms** The use of the SIAFI system is obligatory for payment processing and incorporates adequate measures to control user access based on user roles and responsibilities. An auxiliary financial system will be contracted, which allows for based on data SIAFE system : i) accounting for all sources of funding including the non-financial counterpart, by disbursement category; ii) Generation of budget versus actual reports by Category and component; iii) Generation of the interim financial reports (IFR) as required by IFAD for justification of expenditure and request for disbursement.
246. IFAD will accept the application of accounting standards as per Law No. 4.320 which mandates the use of accrual accounting based on standard set by Federal Accounting Council which as per IFAC evaluation of adoption status is aligned with International Public Sector Accounting Standards (IPSAS).
247. **Internal Controls** Internal control will be ensured by establishing the segregation of duties, periodic reconciliation of accounts, approval levels for expenditures supported and a financial procedures manual included as an annex to the PIM, detailing staff duties and responsibilities. Payments will follow the workflows and built-in controls in the SIAFI system.
248. In the transfer of resources to other public or private entities, responsibilities will be established in the legal instruments signed with each party. These instruments will establish the technical and fiduciary obligations and safeguards, including those related to accountability for expenditure and IFAD's anti-corruption policy.
249. The project covers a large geographic area covering 9 North-eastern States of Brazil and the implementation approach is decentralized through the hiring of a substantial number of partner entities /subcontractors to be hired for implementation of project activities. To manage the complexities of the large geographic area and number of entities involved in implementation requires close coordination and oversight by the PMU. The financial management capacity of the partner/contracted entities and the flow of funds will be assessed during the contracting phase before issuance of No objections by IFAD to the agreements signed with partner entities /subcontractors. Before start-up the PIM will be further developed to include provisions for adequate monitoring by PMU of decentralized implementation
250. **External audit** The project accounts will be audited annually by the Office of the Comptroller General of the Presidency of the Republic (CGU/PR).
251. **Extensive use of country systems** is foreseen as follows: inclusion of project in annual budget approval process, the use of the SIAFE system for monitoring of budget as per Government chart of accounts and processing of payments, internal audits, transparency laws and anti-corruption measures as carried out and overseen by the General Controller and Ombudsman and use of Federal Courts of for external audits.
252. **Counterpart Funding:** The Brazilian government will be responsible for the direct co-financing defined in the Financing Agreements signed with IFAD and ensure adequate counterpart funding is included in the AWPB and Annual Budget Law (LOA) as submitted for approval to congress. The Indirect Counterpart Funding is funding from MDA or other gvt agencies which will not flow through the PMU but is applied to the objectives of the Project and duly provided for in the AWPB. It will be up to the PMU ensure registration of counterpart funding, based on criteria for the registration and valuation in the financial procedures to be included as an annex to the PIM.

253. The Project will have a Management Unit (PMU) with a key team of Federal Government employees (permanent, commissioned, and outsourced) and contracted professionals, in the coordination, financial, procurement, and monitoring and evaluation sectors.
254. Most of the tenders will be carried out through decentralization of resources. Based on the legal terms of Brazil, this means that the international rule for procurement is not required, and the executing entity must follow the national legislation. The agreements/partnerships established in the Project, between the MDA and other government and civil society entities, which contain IFAD resources, will undergo a no-objection analysis by IFAD to ensure compliance with the anti-corruption and anti-harassment policy, the identity of the Project and monitoring and evaluation items. Co-executing entities that outsource execution must guarantee the agreements signed between the MDA and IFAD. Fourth-party execution will not be allowed. And, on a smaller scale, with resources from Component 3, part of the execution will be carried out with centralization of resources, following the IFAD procurement rules.
255. In the decentralization of resources modality, tenders will, in principle, be carried out via ANATER, EMBRAPA, INSA, and other federal organizations, as well as via civil society organizations under the Regulatory Framework for Civil Society Organizations (MROSC).
256. In the direct execution modality, the bidding process will be carried out by the PMU/MDA's bidding team and through a specific Cooperation Agreement with the Inter-American Institute for Cooperation on Agriculture (IICA), under the coordination of the PMU/MDA, which is the entity that already supports the SFDT/MDA. IICA will be mainly hiring professional consultants to advise the Project, mainly the PMU, as well as providing training, procurement of technical goods and services, and logistics, considering its expertise in agriculture and knowledge of IFAD policy, due to its experience in supporting the implementation of other similar projects and also previous experience of other projects with MDA.
257. All entities that are designated to bid and contract within the scope of the Project, with IFAD resources, whether in whole or in part, must comply with the PMU's periodic monitoring of the progress of execution, whether carried out by the procurement team through the MAC (Monitoring of Acquisitions and Contracts), or by the M&E team, Monitoring and Evaluation of the Project as a whole.
258. IFAD will carry out the necessary training for new members of the PMU in procurement management, especially in the use of OPEN, IFAD's current procurement system. And, at the request of the SFDT/MDA, it will verify the possibility of implementing the ICP/FIDA system to meet the particularities of decentralized execution of PDHC III, to allow the upload of spreadsheets with the data of the contracts and acquisitions of the executing partners directly into the system.

259. Financial Management

260. MDA/SFTS has an adequate structure for the Project and arrangements for financial management are in place with mature policies and procedures and systems and extensive experience with implementing similar IFAD and World Bank financed projects of similar size.
261. Within SFTS in Brasilia a dedicated Project Management Unit (PMU) will be established with at least two dedicated finance staff. PMU staff will be responsible for financial management of the project in particular: (i) Maintaining accurate and complete accounting records; (ii) Ensuring adequate levels of internal control; (iii) Submitting the quarterly IFRS and presentation of justifications of expenditure disbursement requests based on the same; (iv) Preparation of annual financial statements; and (v) Coordinating timely submission of external audit including all funding sources and in accordance with Handbook for Financial Reporting and Auditing of IFAD-Financed Projects.
262. The project covers a large geographic area covering 9 Northeastern States of Brazil and the implementation approach is decentralized through the hiring of a substantial number of partner entities /subcontractors to be hired for implementation of project activities. To manage the complexities of the large geographic area and number of entities involved in implementation requires close coordination and oversight by the PMU. The financial management capacity of the partner/contracted entities and the flow of funds will be assessed during the contracting phase before issuance of No objections by IFAD to the agreements signed with partner entities /subcontractors. Before start-up the PIM will be further developed to include provisions for adequate monitoring by PMU of decentralized implementation.
263. Extensive use of country systems is foreseen as follows: inclusion of project in annual budget approval process, the use of the SIAFE system for monitoring of budget as per Government chart of accounts and processing of payments, internal audits, transparency laws and anti-corruption measures as carried out and overseen by the General Controller and Ombudsman and use of Federal Courts for external audits.

L. Planning, M&E, Learning, KM and Communication

a. Planning, M&E, Learning, Knowledge Management and Communication

264. Monitoring and Evaluation (M&E) will be responsible for planning, monitoring, verifying, and validating the records of physical activities in the field, including beneficiaries and activities, as well as planning and carrying out the Project's evaluation studies. It will support managers in planning and monitoring activities to be implemented in the field.
265. **Planning.** Stage of drawing up and monitoring the following documents or tasks:
266. *a. Monitoring and Evaluation Plan - M&E Plan:* drawn up at the start of the Project, based on the document in Annex 8 of the PDR. Its purpose is to define the guidelines to be followed during implementation. For example, the presentation of M&E processes, the dictionary of indicators and the methodology for filling the Logical Framework (LF), the definition of evaluation studies for measuring results and impact indicators (including Core Outcome Indicators (COIs), monitoring, surveys, among other topics;
267. *b. Annual Workplan and Budget (AWPB):* With the support of the M&E team, the AWPB will be drawn up annually in a participatory manner, involving all the professionals, especially those responsible for the Project components. It consists of the budget forecast for the activities to be carried out in the following year, and its planning will be aligned with the objectives and expected results set out in the design and PIM. The activities involving the families must present the physical quantities and must be related to an LF indicator, and the target will be included for the year in question;
268. *c. Semi-annual Progress Report:* Should be sent to IFAD every six months, containing a detailed description of the activities carried out in the last six months of the Project, including information on physical and financial progress by component and sub- component, and to what extent they contributed to meeting the Project's goals.
269. **Monitoring.** Definition of the means and methods that will be used to obtain information on the Project's implementation. Monitoring will be carried out based on LF indicators, which include process, effect, and impact indicators.
270. *a. Monitoring systems:* For activities under ANATER, the ATER Management System (SGA), under the responsibility of ANATER, will be the system used to register beneficiaries and activities. For the other PDHC III activities, the Monitoring System (MS) will be adopted, which will be drawn up by the PMU. The systems should allow monitoring the progress of LF indicators, disaggregated by gender, youth, and PCTs. It should also allow the inclusion of geographical coordinates of families and activities. In both systems, the team will have to verify the consistency of the information entered by the partner/contracted institutions for carrying out the physical activities in the field.
271. **Evaluation.** It aims to verify and measure the changes that have taken place in beneficiary families at different levels for monitoring results, and impact indicators. The COI (Core Outcome Indicators) indicators will be evaluated according to IFAD methodology.
272. *a. Impact Evaluation:* It consists of three phases: Baseline, Mid-term, and Final Impact Evaluation. The evaluation will be carried out on a sample of families belonging to two groups: i) Treatment Group, comprised of a sample of beneficiary families; and ii) Control Group, a sample of non-beneficiary families who are similar to those in the treatment group (in social, territorial, productive terms, etc.). In addition to the impact indicators, the survey will also provide answers to the COI indicators, following IFAD's methodology;
272. *b. Evaluations of results:* Specific studies for actions not included in the Impact Assessment study, such as Virtual Technical Assistance (VTA) and the provision of scholarships for students and teachers. The EX-ACT tool will be applied in the intermediate phase and at the end of the Project to validate the real benefits of reducing CO2 emissions.
272. *c. Evaluation of the performance of technical assistance services:* Studies to be carried out to verify the results obtained through the performance of technical assistance services in the field, aiming at adjusting implementation.
275. **M&E budget.** The budget includes financial resources for hiring the team, conducting the studies (Impact Assessment, performance of technical assistance, and other activities), and building the M&E system.
276. The information generated by the M&E system will be widely used by the Knowledge Management and Communication (KM&C) team in the systematization, communication, and dissemination process, serving as inputs to influence public opinion and influence the political sphere.
277. **Knowledge Management and communication (KM&C).** A KM&C plan will be drawn up in a participatory manner at the start of the Project, bringing together the initial demands for studies and research and the communication and dissemination strategies to be developed. This plan will be reviewed annually and reflected in the AWPB for proper budget execution.
278. The KM&C activities are managed directly within the PMU, with a team dedicated to the Project, made up of a manager and a specialist, and will interface with the MDA's General Coordination for Knowledge and Information Management and IFAD's South-South and Triangular Cooperation and Knowledge Centre (SSTC/KC) in Brasilia. .
279. Based on the semi-annual Progress Reports and systematic M&E activities, the innovations, good practices, and social technologies implemented will be catalogued and disseminated, initially through short dissemination materials (such as manuals, booklets, newsletters, and short videos on social networks) and then in systematization publications and seminars. The plan will also be fed by contracting and disseminating studies and research based on the Project's and partners' demands.
280. The data and evidence produced will help the PMU's decision-making processes, political dialogues, and accountability to partners and territories, and the dissemination of activities to the media and public opinion.

b. Innovation and scaling up

281. With increasing access to computers, smartphones, and the internet in rural areas, the development of digital products, services, and markets to respond to the challenges of family farming is imperative in the new IFAD projects in Brazil. Information and Communications Technologies (ICTs) not only play a crucial role in the expansion and modernization of Technical Assistance services but are also driving digitalization in rural areas. This process is reconfiguring the various segments of production chains, changing the rural development paradigm.
282. In PDHC III, this theme is an area of action in various activities, especially those of ATER /technical assistance. Thus, the digital services for family farmers to be supported include: a) VTA: education, training and access to healthy food production tools, such as plant and insect identification and recommendations for fertilization or agroecological management of weeds or pests; b) Information services: prices, logistics, soil conditions, meteorological information and early warning systems, etc.; c) Financial services: financial management tools and access to credit and insurance; d) Digitization of the supply chain: recording information, planning tools, sharing implements, shared transport of products and inputs, etc.; e) Access to markets and e-commerce: selling family farm products, buying inputs, etc.
283. As pilots are structured and tested in PDHC III, these innovations can easily be adapted and disseminated by the MDA, ANATER, state secretariats, and civil society organizations, given their respective responsibilities in implementing PNATER throughout the country.
284. Another priority topic, which is also an innovation of the Project, is the focus on rural education activities at CEFFAs and Federal Institutes. Not only the topic itself, but also the methodology to be used is innovative as it combines the development of a technical and educational program with the offer of scholarships for students and teacher mentors to implement agroforestry systems (AFSs), agroecological production, the management and conservation of creole seeds, participatory guarantee systems and good food security and nutrition practices. In this way, their role as rural leaders and multipliers is fostered, developing new skills, disseminating social technologies, and incorporating new technologies, acting to complement the existing ATER offer in the Northeast.
285. Another innovation tested in PDHC II in relation to the first phase - the combination of ATER and productive promotion - will be extended to more families living in poverty and extreme poverty, given the promising evidence of this approach to increase income, agricultural production, food diversity and the inclusion of youth, women, and associations¹⁰⁹.

M. Project Target Group Engagement and Feedback, and Grievance Redress

a. Project Target Group Engagement and Feedback.

286. During the design, consultations were held with departments and secretariats of the MDA, ANATER, the MDS, the Northeast Consortium, and the Eugênio Peixoto Forum of Family Farming Managers in the Northeast. In addition, broad and participatory consultations were held with civil society organizations through the National Council for Sustainable Rural Development (CONDRAF) and with potential partners such as EMBRAPA and INSA.
287. The Stakeholder Engagement Plan is a fundamental pillar for PDHC III's success, impacting on the sustainability of the interventions and the results obtained. It is an inclusive process that began during the design phase but will be carried out throughout the Project cycle regularly.
288. The PMU team will include a safeguards specialist and will receive training on the implementation of IFAD safeguards, the Free, Prior, and Informed Consent (FPIC) process, the Environmental, Social, and Climate Management Plan (ESCMP), Stakeholder Engagement and the Grievance Redress Mechanism (Annex 5).
289. Stakeholders will be mobilized considering the most appropriate means, depending on their different interests and circumstances, to ensure the effective engagement of all affected or potentially impacted parties. Information on the risks and potential socio-environmental effects of PDHC III must be made available in a timely manner and be complete, accessible, and appropriate to the different stakeholders. Whenever the Project intends to involve beneficiaries in general, separate meetings or discussion groups for women will be organized, with the understanding that in mixed groups, although women are present, they may not feel comfortable expressing themselves, especially on sensitive topics such as Gender-Based Violence (GBV)¹¹¹.
290. Complaints and denunciations must be resolved confidentially, protecting the whistleblower and within a short period of time from receipt, as provided for in national legislation. The process will include review, analysis/evaluation, and the implementation of a common solution satisfactory to all parties involved. The Project will keep a record of complaints and grievances, seeking to extract lessons to prevent conflicts and promote greater efficiency and social sensitivity.
291. In line with IFAD's Policy on Engagement with Indigenous Peoples¹¹², the FPIC (Free, Prior and Informed Consent) process for traditional, indigenous and quilombola communities is an instrument for guaranteeing the full and effective participation of these groups in the design, development, implementation, and evaluation of Project activities.

b. Grievance redress.

292. In accordance with IFAD's environmental and social policies, as well as the Access to Information Law (LAI) and the Law for the Protection and Defence of Public Service Users, a public and accessible Grievance Redress Mechanism (GRM) will be made available to the Project's target groups for individuals, authorities or community representatives affected by the implementation of PDHC III. This mechanism must be easily accessible to the public and have a rapid resolution, ensuring that submitted complaints are quickly analyzed and that solutions are mutually agreed upon to satisfy the parties involved.
293. The Project will take advantage of the MDA's consolidated system for receiving and handling complaints and denunciations, adopting the existing Ombudsman channel. PDHC III will promote an ongoing program to disseminate integrity policies, training and guidance to communities and beneficiaries on whistleblowing tools. All people potentially affected by the Project's activities will be informed and given clear instructions on what procedures should be followed for registering reports and complaints. This information will be made available in accessible language. Grievance redress will be part of the review questions of IFAD's annual supervision missions.
294. Complaints can also be submitted through IFAD's Complaints Procedure, which allows individuals and communities to contact IFAD directly and make a complaint if they believe they are or may be adversely affected by an IFAD-funded project/program that does not comply with IFAD's Social and Environmental Policies and their mandatory aspects.
295. In line with IFAD's Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse (2020), as well as federal legislation and regulations related to the topic, including the typification in the Penal Code for sexual harassment and the Code of Professional Ethics for Civil Servants of the Federal Executive Branch, IFAD, and the MDA will have zero tolerance. PDHC III will ensure that adequate safeguard measures are in place for a safe and harassment-free work environment, including sexual harassment and free from sexual exploitation and abuse in its activities and operations¹¹³. The Project must record reported cases and communicate to the competent authorities in the country, as provided for in national legislation, so that they can take appropriate action based on the evidence.

N. Implementation plans

a. Supervision, Mid-term Review and Completion plans.

296. The Project preparation activities to be carried out by the executing agency (SFDT/MDA) between the signing of the Financing Agreement and the start of operations include: i) confirming the budget allocated for the first year; ii) designating IICA as the International Technical Cooperation Agency responsible for administering the contracts for staff, services, consultants, among others, to support the Project's activities; iii) completing/adapting the Project Implementation Manual (PIM); iv) updating the First AWPB (Annex 6) and the Procurement Plan (PP) for the first 18 months of Project operation (Annex 7); v) preparing the disbursement plan; vi) setting up the PMU; vii) drawing up the M&E and Knowledge Management plan; viii) officially launching and publicizing the Project; and (ix) preparing the Project kick-off seminar.
297. To facilitate the start of the Project, IFAD provides the following financing mechanisms: i) Retroactive financing: allows the eligibility of expenditure from IFAD sources and counterparts upon approval by the IFAD Executive Board¹¹⁴; and ii) Initial expenditure: under this mechanism, the Project may receive an advance before the pre-disbursement conditions are met¹¹⁵.
298. The Project will be supervised directly by IFAD under the current guidelines for direct supervision, in dialogue with the SFDT, the executing agency of the MDA. To ensure alignment with other IFAD projects in Brazil, complementary supervision may be carried out to exchange actions and knowledge between the projects. The IFAD Office in Salvador will be responsible for supervising and supporting the implementation of the Project, as well as for the design and conclusion of the operation and ensuring the programmatic approach to build synergies with the other IFAD interventions in the country.
299. The missions will review progress towards achieving the objectives, the performance of the Project, and compliance with the contractual conditions. The following missions will be carried out during the course of PDHC III: i) a PDHC III launch mission after signature; ii) at least one Supervision Mission and one Implementation Support Mission annually; iii) a Mid-Term Review Mission, possibly in year three; and iv) the conclusion mission to prepare the technical and administrative closure and plan the Project Completion Report (PCR).

Footnotes

1 UFV (2023). Diagnosis of Income and Multidimensional Poverty in the North and Northeast of Brazil.

2 PENSSAN (2022). II National Survey on Food Insecurity in the Context of the COVID-19 Pandemic in Brazil [electronic book]: II VIGISAN: final report/Brazilian Research Network on Food Sovereignty and Security - PENSSAN. -- São Paulo, SP: Friedrich Ebert Foundation: PENSSAN Network, 2022. Available at: <https://olheparaafome.com.br/wp-content/uploads/2022/06/Relatorio-II-VIGISAN-2022.pdf>.

3 Fortini, 2020 and IPEA, 2021.

4 IBGE (2017). Agricultural Census.

5 Before the pandemic, 33% of women of African descent were below the poverty line in Brazil - above the national average. In 2021, even with income transfer programs, this rate reached 38%. Source: IBGE (2022). PNAD Contínua.

6 Cadastro Único (2023) and IBGE (2022), Demographic Census.

7 IBGE (2021). Gender Statistics: Social indicators of women in Brazil. 2nd edition. https://biblioteca.ibge.gov.br/visualizacao/livros/liv101784_informativo.pdf.

8 Traditional Peoples and Communities are defined by Decree 6.040/2007 as "culturally differentiated groups who recognize themselves as such, who have their own forms of social organization, who occupy and use territories and natural resources as a condition for their cultural, social, religious, ancestral and economic reproduction, using knowledge, innovations and practices generated and transmitted by tradition". These groups include indigenous peoples, quilombolas, Afrodescendants, riverine communities, artisanal fishers, shellfish gatherers, caboclos, among other groups.

9 COSOP Mid-Term Results Review, March 2020.

10 In this document, resilience is understood as the ability to face and overcome the adversities imposed by climate change. Based on Guyot, Faleiros and Gandara (2015), it is understood that climate change compromises or even makes family farming food production systems unviable. Faced with this threat, systems that show socio-ecological resilience, i.e., the ability of the family and the production system to continue producing, regardless of the disruptions caused by climate change, are of great importance. Therefore, social and environmental resilience need to be interlinked in order to cope with the conditions imposed and the impacts caused by climate change on family farming (GUYOT, M. S. D.; FALEIROS, K. S.; GANDARA, F. B. Agroecologia e resiliência às mudanças climáticas na agricultura familiar: Estudo de caso no Semiárido da Bahia. Piracicaba, SP. Nov./2015.134p.).

11 The concept of territory defined by the Sustainable Rural Development Council (CONDRAF) in 2003 is adopted: "It is a physical space, geographically defined, generally continuous, comprising cities and rural areas, characterized by multidimensional criteria, such as the environment, economy, society, culture, politics and institutions, and a population, with relatively distinct social groups, which relate internally and externally through specific processes, where one or more elements that indicate identity and social, cultural and territorial cohesion can be distinguished" (References for Sustainable Territorial Development. MDA/IICABrasília: Conselho Nacional de Desenvolvimento Rural e Agricultura Familiar/CONDRAF/NEAD: 2002 -xto para discussão 4).

12 IBGE, 2022. Demographic Census.

13 Idem.

14 The concept of family farming in Brazil is defined by Law No. 11.326, of July 24, 2006, according to land, economic, and social parameters, and also includes foresters, aquaculture farmers, extractivists, fishermen, indigenous peoples and members of rural quilombo communities and other traditional peoples and communities who meet the other requirements set out in the law.

15 Technical assistance in the field provided by ANATER (ATER) or contracted directly by the PMU (technical assistance in the field).

16 <https://agenciadenoticias.ibge.gov.br/agencia-noticias/2012-agencia-de-noticias/noticias/35687-em-2021-pobreza-tem-aumento-recorde-e-atinge-62-5-milhoes-de-pessoas-maior-nivel-desde-2012>.

17 Cadastro Único (2023) and IBGE (2022), Demographic Census.

18 PENSSAN (2022). II National Survey on Food Insecurity in the Context of the COVID-19 Pandemic in Brazil [electronic book]: II VIGISAN: final report/Brazilian Research Network on Food Sovereignty and Security - PENSSAN. -- São Paulo, SP: Friedrich Ebert Foundation: PENSSAN Network, 2022. Available at: <https://olheparaafome.com.br/wp-content/uploads/2022/06/Relatorio-II-VIGISAN-2022.pdf>

19 According to IBGE, 26.3% of young people aged 18 to 24 in the Northeast were unemployed in 2021. This rate is higher than the national average (14.7%). Nationally, the unemployment rate for women was 46.7% higher than men's in 2021. Source: IBGE (2022). Continuous National Household Sample Survey (PNAD-C).

20 UFV (2023). Diagnosis of Income and Multidimensional Poverty in the North and Northeast of Brazil.

21 Fortini, 2020 and IPEA, 2021.

22 IBGE (2017). Agricultural Census.

23 IBGE (2017). Agricultural Census.

24 Alliances with organizations, movements, groups, and associations focusing on the target groups, such as rural youth, rural women, PCTs, and LGBTQIAPN+, will play a strategic role in easing the project's work in reaching out to target groups, assessing their specific needs, and tailoring activities to closing existing inclusion gaps.

25 The National Plan for Agroecology and Organic Production (PLANAPO) is the main instrument of the National Policy for Agroecology and Organic Production (PNAPO). The PLANAPO establishes the implementation of public policies aimed at agroecology and organic production within the federal government in aspects such as agricultural credit, support, development, and Science and Technology. The III PLANAPO is currently being designed, with the active participation of IFAD. IFAD was the only international organization invited to participate in the design of PLANAPO among other reasons because of the central role of PDHC on this issue.

26 Policies for the creation of new agrarian reform settlements, agroecology and organic production (PLANAPO) and the titling of quilombola territories are also gradually being resumed.

27 The Plan brings together already consolidated programs such as conditional cash transfers for social and productive inclusion (Bolsa Família and Fomento Rural), access to water (Cistern Program) and government purchases (Food Acquisition - PAA and School Feeding - PNAE) and new initiatives such as solidarity kitchens and women's productive farms.

28 Traditional Peoples and Communities (PCTs) are culturally differentiated groups who recognize themselves as such, who have their own forms of social organization, who occupy and use territories and natural resources as a condition for their cultural, social, ancestral and economic reproduction, using knowledge, innovations and practices generated and transmitted by tradition. These groups include: indigenous peoples, quilombolas, people of African descent or terreiros, extractivist communities, riverine communities and artisanal fishermen, babassu coconut breakers, shellfish gatherers, caboclos, among others. There may be overlap between these social segments.

29 Cadastro Único (2023) and IBGE (2022), Demographic Census.

30 Among the main federal nutrition and food security policies are the National Food and Nutrition Policy (PNAN), Food Acquisition Program (PAA), School Feeding Program (PNAE), Bolsa Família, Brazil Without Hunger Plan (2023), and National Program for the Strengthening of Family Agriculture (PRONAF). More details are available in Annex F.

31 PENSSAN (2022). II National Survey on Food Insecurity in the Context of the COVID-19 Pandemic in Brazil [II VIGISAN:final report]. Brazilian Research Network on Food Sovereignty and Security - PENSSAN. São Paulo, SP: Friedrich Ebert Foundation. PENSSAN Network, 2022. <https://pesquisassan.net.br/olheparaafome/>.

32 Ministry of Health. Food and Nutrition Surveillance System - SISVAN (2022). Public Access Reports: <https://sisaps.saude.gov.br/sisvan/relatoriopublico/index>.

33 Idem.

34 SESAI (2017).

35 The primary federal policies aimed at gender equality and women's empowerment (GEWE) are: The National Plan of Policies for Women (PNPM), PRONAF Women, the National Policy to Combat Violence against Women, The Productive and Economic Organization of Rural Women Program, the National Program of Citizenship and Good Living and the Productive Backyard Program. More information is available in Annex F.

36 BUTTO et. al., 2021.

37 IBGE (2021). Gender Statistics: Social indicators of women in Brazil. 2nd edition.
https://biblioteca.ibge.gov.br/visualizacao/livros/liv101784_informativo.pdf.

38 IBGE, 2017.

39 In the Northeast in 2019, women spent almost twice as much time caring for people or doing household chores as men (21.8 hours compared to 10.5 hours). Source: IBGE, PNAD-C, 2019.
https://biblioteca.ibge.gov.br/visualizacao/livros/liv101784_informativo.pdf

40 Idem.

41 UN Women, 2022.

42 In 2019, the number of conflicts in rural areas was the highest in 15 years in Brazil; around 5 every day. 102 rural women suffered some kind of violence. Of the 32 rural women killed, nine were indigenous, seven of whom were leaders, and seven were landless (three leaders). Source: Pastoral Land Commission (CPT). Report "Conflicts in rural areas Brazil 2019".

43 IPEA (2020). Atlas of Violence. Available at: <https://forumseguranca.org.br/wp-content/uploads/2020/08/atlas-da-violencia-2020.pdf>.

44 The main federal public policies targeting youth are: National Youth Inclusion Program (ProJovem), the PRONAF Youth, the National Agrarian Reform Education Program (PRONERA), the National Land Credit Program (PNCF), the National Plan for Youth and Rural Succession (2016), the Young Entrepreneur Program, and the Brazil Young Program. All of them are described in Annex F.

45 Brazil's Youth Statute - Law No. 12,852 of August 5, 2013 - defines young people as those between the ages of 15 and 29.

46 IBGE, 2021. Synthesis of Social Indicators. <https://agenciadenoticias.ibge.gov.br/agencia-noticias/2012-agencia-de-noticias/noticias/35687-em-2021-pobreza-tem-aumento-recorde-e-atinge-62-5-milhoes-de-pessoas-maior-nivel-desde-2012>.

47 IBGE, 2022. Summary of Social Indicators.

48 IBGE. Agricultural Census, 2006. Agricultural Census, 2017.

49 IBGE. Agricultural Census, 2017.

50 Definition in footnote 24.

51 Quilombolas are descendants of enslaved people who resisted the slave regime and have an ethnic identity with their own cultural values, religious beliefs and means of subsistence.

52 ALMEIDA, Silvio (2019).

53 UN Women, 2022.

54 The Single Registry (Cadastro Único in Portuguese) is the main tool used by Brazil to select low-income families and include them in social programs. It collects details about the living conditions of low-income families.

55 ECLAC, 2014. The Matrix of Social Inequality in Latin America. <https://dssbr.ensp.fiocruz.br/indigenas-negros-e-mulheres-sao-mais-afetados-por-pobreza-e-desemprego-no-brasil-diz-cepal/>

56 Quilombola Nutrition Call (2006). Ministry of Social Development and Fight against Hunger. Evaluation and Monitoring Department.

57 Observatory of LGBTI+ deaths and violence in Brazil. Dossier 2022: Deaths and violence against LGBTI+ people in Brazil. Available at: [Dossie-de-Mortes-e-Violencias-Contra-LGBTI-no-Brasil-2022-ACONTECE-ANTRA-ABGLT.pdf](#).

58 ibid.

59 AKSAAM, 2022.

60 MARENGO, 2018.

61 MAPBIOMAS. <https://mapbiomas.org/desmatamento-queimadas-e-retracao-da-superficie-da-agua--aumentam-o-risco-de-desertificacao-da-caatinga>.

62 IPBES (2018): IPBES regional assessment report on biodiversity and ecosystem services for the Americas. Rice, J., Seixas, S., Zaccagnini, M. E., Bedoya-Gaitán, M., and Valderrama N. (eds.). Secretariat of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, Bonn, Germany. 656 pages.

63 These checklists have been simplified for data entry purposes. Please refer to the Mainstreaming Annex in the Project Design Guidelines for detailed guidance and the full criteria.

64 Gender Equality and Women's Empowerment

65 COSOP Mid-Term Results Review, March 2020.

66 Dilma Rousseff with the entry into force of the PDHC II project in June 2014 until 2016 (with execution by the MDA); Michel Temer from 2016 until 2018 (when the MDA was extinguished and its structure moved to the Civil House becoming a Special Secretariat for Family Farming and Agrarian Development - SEAD); Jair Bolsonaro from 2019 to 2022 (again restructured into the Secretariat for Family Farming and Cooperativism in the Ministry of Agriculture, Livestock and Supply - MAPA) and with the government of Luís Inácio Lula da Silva in 2019 with the re-establishment of the MDA.

67 <https://www.gov.br/agricultura/pt-br/assuntos/noticias/projeto-dom-helder-camara-ja-beneficiou-mais-de-76-mil-familias-de-agricultores-familiares-no-semiarido-brasileiro/ajustesResumoExecutivo.pdf>

68 For a detailed description of the Family Training Centers by Alternance (CEFFAs) see Annex C - Rural Education and Rural Youth.

69 Single Registry, 2023. IBGE, 2022. Demographic Census.

70 In 2022, in the Southeast and Midwest, approximately 20.6% (one in five residents) were below the poverty line. The lowest percentage was recorded in the South (14.2%). Source: IBGE (2022), Synthesis of Social Indicators (SIS), p.63.

71 Single Registry, August 2023.

72 PENSSAN, 2022.

73 SISVAN, 2022.

74 SILVA et al. Sustainability, family farming and public policies in Brazil: A literature review. Research, Society and Development, v.10, n. 4. 2021.

75 IBGE, 2017. Agricultural Census.

76 USD 1 billion out of which IFAD will finance only 15%. This includes projects recently approved (PAGES, PSI, PCR/Sertão Vivo, CompensACTION) and under different stages of design in IFAD12 (Parceiros da Mata, PDHC III, PPF II and PROCASE II) will bring the total portfolio close to USD 1 billion. There are also discussions on an additional financing for the PCR/Sertão Vivo due to strong demand from the Northeast states which could double the size of the project.

77 During the design of the PDHC III, the World Bank has approached the MDA several times in order to prepare a project and ultimately the MDA made the decision for IFAD which is a clear testament to MDA's choice of collaboration with IFAD and the success of the PDHC.

78 <https://www.gov.br/agricultura/pt-br/assuntos/noticias/projeto-dom-helder-camara-ja-beneficiou-mais-de-76-mil-familias-de-agricultores-familiares-no-semiarido-brasileiro/ajustesResumoExecutivo.pdf>

79 DELGROSSI, Mauro Eduardo, et al. The impact of technical assistance and rural extension for poor family farmers: the case of the Dom Hélder Câmara II Program. Revista de Economia e Sociologia Rural, 2023, 62: e271282.

80 Knowledge Management Program for Semi-Arid Areas in Northeast Brazil. SEMEAR was implemented by the Inter-American Institute for Cooperation on Agriculture (IICA) <http://portalsemear.org.br/>. SEMEAR received a grant from the Spanish Cooperation Agency (AECID).

81 Adapting Knowledge for Sustainable Agriculture and Access to Markets Project (AKSAAM) run by the Federal University of Viçosa (UFV) <https://aksaam.ufv.br/pt-BR/>.

82 Knowledge and Adaptation to Dry Areas Initiative Project (DAKI-SV) carried out by Articulação no Semiárido (ASA), leader of the consortium, in partnership with FUNDAPAZ and FUNDE <https://semiariodovivo.org/pt/>.

83 Project for the Adaptation of Family Farming to Climate Change (INNOCA-AF) executed by IICA <https://innova-af.iica.int/>.

84 <https://www.ifad.org/en/web/latest/-/new-ifad-initiative-will-help-reduce-global-warming-by-lowering-methane-emissions-from-small-scale-farming>

85 The identification of Phase III was a long process of consultation and construction, which was initiated in January 2021 with a series of virtual workshops on thematic areas promoted by MAPA. Initially KFW was part of the identification but then the federal government decided to continue the process with IFAD only. The Carta Consulta (CC) was prepared in 2022 under MAPA and then was submitted by the new federal administration of MDA in February 2023 and approved by the Commission of External Financing (COFIEX) in March 2023.

- 86 The criteria used to delimit the semi-arid region will be those approved by Resolutions of the Deliberative Council of Sudene No. 107 of 27/07/2017 and No. 115 of 23/11/2017: Average annual rainfall equal to or less than 800 mm; Thornthwaite Aridity Index equal to or less than 0.50; Daily percentage of water deficit equal to or greater than 60%, considering all days of the year. PL 2492 of 2019 will also be considered, by which 44 municipalities in MA were included in the area considered to be semi-arid.
- 87 IBGE, 2022. Demographic Census.
- 88 Idem.
- 89 Single Registry, 2023. IBGE, 2022. Demographic Census.
- 90 PENSSAN, 2022.
- 91 Definition in footnote 25.
- 92 IFAD Policy on Engagement with Indigenous Peoples: 2022 update. Available at: <https://www.ifad.org/en/-/document/ifad-policy-on-engagement-with-indigenous-peoples>.
- 93 PRONAF offers financing for the costing and investment in the implementation, expansion or modernization of the production, processing, industrialization and services structure in the rural establishment or in nearby rural community areas, with the aim of generating income and improving the use of family labour.
- 94 The PAA includes the acquisition of products from family farming, their distribution to food insecure people and the formation of strategic stocks. The program includes specific targets for serving quilombola communities.
- 95 The PNAE is a strategy to promote the Food and Nutrition Security (SAN) of public school students and a public procurement program that encourages the local purchase of food from family farming (a minimum of 30% of FNDE resources) and prioritizes agrarian reform settlements, indigenous communities and quilombolas.
- 96 The PNCF is a program run by the MDA for land reorganization and rural settlement, complementary to agrarian reform, financed through land credit from the resources of the Land and Agrarian Reform Fund, aimed at access to land and basic investments.
- 97 Garantia-Safra is a PRONAF program that aims to guarantee minimum survival conditions for family farmers in municipalities that are systematically subject to severe crop losses due to drought or excess water.
- 98 Environmental Sanitation and Water Reuse (SARA): technology developed by INSA as an alternative to rural basic sanitation for families, offering treated water for agricultural purposes.
- 99 <https://lac-conocimientos-sstc.ifad.org/documents/262275/0102b72b-56e8-22c2-5916-03ed4bc439f7>.
- 100 <https://lac-conocimientos-sstc.ifad.org/documents/262275/417c76fc-78af-c73a-32d9-c6c0f21d1544>.
- 101 <https://refaisa.org/projetos/saf-edu-efa/> See illustrative video: [Projeto SAF EDU EFA: Experiência da Estudante Bolsista Emily da Silva - EFA Sobradinho - BA](#).
- 102 UNICEF's work with education in the semi-arid region and the UNICEF Seal in the semi-arid region could be important for possible collaboration on the inclusion of young people and adolescents, as well as on child nutrition policy. UNICEF's experience in alliances with the private sector could also be useful for future partnerships.
- 103 <https://aksaam.ufv.br/pt-BR/publicacoes> and <https://semiaridovivo.org/pt/experiencias/>.
- 104 (GP-SAEB/Raízes Agroecológicas) - a sub-project of the Global Program for Smallholder Agroecology and Sustainable Food Systems Transformation (GP-SAEP). The program focuses on the main barriers to the expansion of agroecology and the transition to more sustainable food systems for small producers in Africa, Latin America and the Caribbean. It aims to strengthen agroecological practices through better access to knowledge, technologies and support services.
- 105 In this sense, the experience of DAKI-SV and AKSAAM with the Semi-Arid Latin America (SAL) library could serve as a reference <https://bibliotecasemiaridos.ufv.br/>.
- 106 Like the recent course on Agroforestry Systems in semi-arid regions developed under the AKSAAM project - <https://aksaam.ufv.br/pt-BR/curso-saf> and the training for the development of Climate Resilient Agriculture Plans carried out by DAKI - <https://semiaridovivo.org/pt/programas-de-formacao-em-agricultura-resiliente-ao-clima/1o-programa-de-formacao-em-arc-2022/>.
- 107 Landless Rural Workers' Movement (MST); Small Farmers' Movement (MPA); Northeast ATER Agroecology Network; Rural Youth Ministry (PJR); Northeast Feminism and Agroecology Network; among others.
- 108 Framework for Operational Stakeholder Feedback and IFAD Guidelines 2021 on Project Target Group Engagement, Feedback and Grievance Redress.
- 109 <https://www.gov.br/agricultura/pt-br/assuntos/noticias/projeto-dom-helder-camara-ja-beneficiou-mais-de-76-mil-familias-de-agricultores-familiares-no-semiarido-brasileiro/ajustesResumoExecutivo.pdf>.
- 110 See Framework for Operational Feedback from Stakeholders <https://webapps.ifad.org/members/eb/128/docs/EB-2019-128-R-13.pdf?attach=1> and Annex ABC for further details.

111 GBV is a generic term for any harmful act perpetrated against a person's will and which is based on socially attributed (gendered) differences between men and women. The nature and extent of specific types of GBV vary between cultures, countries, and regions. Examples include sexual violence, including sexual exploitation/abuse and forced prostitution; domestic violence; trafficking; forced/early marriage; harmful traditional practices such as female genital mutilation; and honor crimes. Source: UN Women Training Center: Gender Equality Glossary. Available at: <https://trainingcentre.unwomen.org/mod/glossary/view.php?id=36&mode=letter&hook=G&sortkey=&sortorder=&fullsearch=0&page=-1>.

112 See IFAD Policy on Engagement with Indigenous Peoples <https://www.ifad.org/web/guest/document-detail/asset/39432502>.

113 IFAD policy to preventing and responding to sexual harassment, sexual exploitation, and abuse. Available at: https://www.ifad.org/documents/38711624/42415556/SEA_e_web.pdf/85275c4d-8e3f-4df0-9ed8-cebaacfab128?t=1611326846000.

114 This mechanism allows the government to pre-finance certain expenses and submit them to IFAD for reimbursement or accounting in the case of counterpart, once the project becomes effective and all pre-disbursement conditions have been met. The admissible retroactive financing expenses will be those associated with the hiring of key personnel, initial operating expenses, final preparation of the PIM, hiring of the necessary Accounting System, preparation of the baseline, training or others agreed with IFAD in a specific AWPB.

115 The expenses that may be incurred in this modality are the same as those allowed for retroactive financing. The maximum amount for retroactive financing and start-up costs will be fixed in the Financing Agreement, as well as the corresponding categories in which they can be accounted for.

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex 1: Logframe

Mission Dates: 26/10/2023 - 03/11/2023

Document Date: 03/06/2024

Project No. 2000003598

Report No. 6690-BR

Latin America and the Caribbean
Programme Management Department

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project

Logical Framework

Results Hierarchy	Indicators				Means of Verification			Assumptions			
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility				
Outreach	1 Persons receiving services promoted or supported by the project				Project M&E System	Annual	Project M&E Unit	Continuity of public policies and programmes that support rural poverty reduction.			
	Males	0	18000	45000							
	Females	0	18000	45000							
	Young	0	10800	27000							
	Not Young										
	Indigenous people	0	2520	6300							
	Non-Indigenous people										
	Total number of persons receiving services	0	36000	90000							
	1.a Corresponding number of households reached								Project M&E System	Annual	Project M&E Unit
	Households	0	36000	90000							
1.b Estimated corresponding total number of households members				Project M&E System	Annual	Project M&E Unit					
Household members	0	126000	315000								
Project Goal Contribute to reduce rural poverty and improve food security and nutrition for family farming	Poverty reduction (multidimensional)				Impact Survey	Baseline, Mid-term and End of Project	Independent consultancy firm	Continuity of public policies and programmes that support rural poverty reduction/ Non-occurrence of acute drought episodes.			
	Percentage of reduction	0	10	30							

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Development Objective Increase the sustainability of production systems and the resilience of family farmers in the North-east	1.2.4 Households reporting an increase in production				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	Continuity of public policies and programmes that support rural poverty reduction/ Non-occurrence of acute drought episodes.
	Total number of household members	0	47600	119000				
	Households	0	80	80				
	Households	0	13600	34000				
	1.2.8 Women reporting minimum dietary diversity (MDDW)				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	
	Women (%)	0	50	50				
	Women (number)	0	4250	10625				
	Households (%)	0	50	50				
	Households (number)	0	8500	21250				
	Household members	0	29750	74375				
	Women-headed households	0	4250	10625				
	Non-women-headed households							
	2.2.1 Persons with new jobs/employment opportunities				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	
	Males	0	140	350				
	Females	0	140	350				
	Young	0	84	210				
	Total number of persons with new jobs/employment opportunities	0	280	700				
	3.2.1 Tons of Greenhouse gas emissions (tCO2e) avoided and/or sequestered				Impact Survey - Carbon-Balance Tool (EX-ACT)	Baseline, Mid-term and End of Project	External consultant	
	Hectares of land	0	0	536				
	tCO2e/20 years	0	0	-10318				
tCO2e/ha	0	0	-79.4					
tCO2e/ha/year	0	0	-3.97					

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	
	Total number of household members	0	29750	74375				
	Households	0	50	50				
	Households	0	8500	21250				
Outcome C1. Family farmers, young people and rural organizations improve their production systems, nutrition and capacities	1.2.2 Households reporting adoption of new/improved inputs, technologies or practices				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	Maintenance of public policies and access conditions to credit and public procurement/ Non-occurrence of acute drought episodes/ Technical assistance responds to family farmer's needs.
	Total number of household members	0	35700	89250				
	Households	0	60	60				
	Households	0	10200	25500				
	2.2.3 Rural producers' organizations engaged in formal partnerships/agreements or contracts with public or private entities				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	
	Number of POs	0	11	28				
	Women in leadership position	0	33	84				
	Households reporting increased sales to public and private markets				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	
	Households	0	8500	21250				
	Households	0	50	50				
Output C1. Families and young people are trained, receive inputs and social technology on water storage for a diversified and environmentally sustainable production	3.1.1 Groups supported to sustainably manage natural resources and climate-related risks				Project M&E System	Annual	Project M&E Unit	Droughts or climate change are managed with appropriate adaptation measures/ Access to rural credit/ Agricultural products' prices remain favorable for family farmers.

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Total size of groups	0	17000	42500				
	Groups supported	0	850	2125				
	Males	0	8500	21250				
	Females	0	8500	21250				
	Young	0	5100	12750				
	1.1.4 Persons trained in production practices and/or technologies				Project M&E System	Annual	Project M&E Unit	
	Total number of persons trained by the project	0	17000	42500				
	Total number of attendances to training sessions	0	17000	42500				
	Men trained in crop	0	3400	8500				
	Women trained in crop	0	3400	8500				
	Young people trained in crop	0	2040	5100				
	Men trained in livestock	0	5100	12750				
	Women trained in livestock	0	5100	12750				
	Young people trained in livestock	0	3060	7650				
	Total persons trained in crop	0	6800	17000				
	Total persons trained in livestock	0	10200	25500				
	Families who receive information about public policy				Project M&E System	Annual	Project M&E Unit	
	Households	0	4000	10000				
	Collective organizations benefited aiming to add value and access to markets				Project M&E System	Annual	Project M&E Unit	
	Organizations	0	28	70				

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Families receiving Technical Assistance (TA), Fostering (Fomento), agroecological systems and Virtual Technical Advice (VTA)				Project M&E System	Annual	Project M&E Unit	
	Fostering (Fomento)	0	16000	40000				
	Agroecological Systems	0	1000	2500				
	VTA	0	2000	5000				
	Families that receive public policies to support production				Project M&E System	Annual	Project M&E Unit	
	Water	0	4440	11100				
	PAA	0	5424	13560				
	PRONAF	0	8000	20000				
	Garantia Safra	0	1400	3500				
	1.1.8 Households provided with targeted support to improve their nutrition				Project M&E System	Annual	Project M&E Unit	
	Total persons participating	0	17000	42500				
	Males	0	8500	21250				
	Females	0	8500	21250				
	Households	0	17000	42500				
	Household members benefitted	0	59500	148750				
	Indigenous people	0	1190	2975				
Young	0	5100	12750					
Outcome C2. Enabling environment and developed capacities to support the generation of sustainable, diversified and inclusive food systems	Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment				Qualitative surveys administered to relevant stakeholders	Mid-Term and End of Project	Independent consultancy firm	Open-spaces for debate and policy-making maintenance
	Number	0	2	4				
	SF.2.1 Households satisfied with project-supported services				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	
	Household members	0	88200	220500				
	Non-indigenous households							

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
	Non-women-headed households				Impact Survey	Baseline, Mid-Term and End of Project	Independent consultancy firm	
	Households (%)	0	70	70				
	Households (number)	0	25200	63000				
	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers							
	Household members	0	88200	220500				
	Non-indigenous households							
	Non-women-headed households							
	Households (%)	0	70	70				
	Households (number)	0	25200	63000				
Output C2. Innovations developed, systematized and disseminated locally and internationally to young people, ATER technicians, public managers and family farmers	Policy 1 Policy-relevant knowledge products completed				Project M&E System	Annual	Project M&E Unit	Maintaining partnerships with recognized research institutions/ Products made according to family farmers' needs
	Number				0	27	67	
	Training in food security, gender, agroecology and climate-resilient agriculture				Project M&E System	Annual	Project M&E Unit	
	TA technicians				0	200	500	
	Females				0	4000	10000	
	Policy 2 Functioning multi-stakeholder platforms supported				Project M&E System	Annual	Project M&E Unit	
	Number				0	22	22	
	Social participation workshops at territorial level				Project M&E System	Annual	Project M&E Unit	
	Workshops				0	64	159	
	CEFAS with innovative teaching materials and strengthened capabilities in food safety				Project M&E System	Annual	Project M&E Unit	
	Lunch ladies				0	1000	2500	
	Students				0	4000	10000	
	Organization of events, exchanges, learning and routes of KM/SSTC				Project M&E System	Annual	Project M&E Unit	

Results Hierarchy	Indicators			Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	
	Events	0	46	115			

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex 2: Theory of change

Mission Dates: 26/10/2023 - 03/11/2023

Document Date: 03/06/2024

Project No. 2000003598

Report No. 6690-BR

Latin America and the Caribbean
Programme Management Department

CHALLENGES

- Low productivity, diversification, competitiveness and resilience of FF production systems
- Vulnerability to climate change and degraded natural resources
- Gaps in social inclusion and gender, LGBTQIAP+, generational and racial-ethnic inequalities
- Limited knowledge of healthy diets and low production capacity for nutritionally rich and safe food
- Migration of rural young people due to lack of study and employment opportunities
- TA with limited capacities and poorly adapted to meet the challenges of FF in the Northeast of Brazil
- Low organizational, value-adding and commercialization capacity
- Difficulty for farmers to access TA and other public policies for FF
- Knowledge poorly adapted to agroecological and PA practices, with little dissemination of existing research and innovations

Food and nutrition insecurity **Rural poverty**

ACTIVITIES

- Access to TA and other public policies for agroecological transition and food and nutrition security
 - TA
 - specialized in food and nutrition security
 - differentiated for specific target groups
 - collective and territorial approach
 - digital TA
 - Development of productive projects and other public policies
 - Documentation for women
- Strengthening the capacities of producer organizations to add value and improve commercialization
 - Training POs on organizational strengthening and market access
 - Investments for value addition and increased commercialization
- Dissemination of innovations and strengthening of TA capacities and production systems
 - Technology transfer and innovation for FF producers
 - Training TA technical teams and in digital TA
- Strengthening the capacities and protagonism of rural youth
 - Support (training and scholarships) for CEFFAs students and teachers in agroecology
 - Support to educational institutions for exchanges and learning routes in agroecology
- Knowledge management, SSTC and policy dialogue
 - South-South and Triangular Cooperation, exchanges and Knowledge Management
 - Establishment of workshops and support for existing territorials and federal policy dialogue spaces

PRODUCTS

- The most vulnerable producers, including women, youth, people from the LGBTQIAP+ community and PCTs, with access to agroecologically focused TA
- Farmers have their production systems strengthened and access to social technologies, mainly water infrastructure
- Farmers, especially women, youth and PCTs, have access to public policies including credit and commercialization
- POs with capacities and inputs to access better markets
- Women, young people and PCTs actively participate in management training activities
- Adapted agroecological innovations disseminated
- Pedagogical content generated and training provided to the TA system
- Rural youth have access to contextualized education and vocational training
- Knowledge products generated and disseminated (agroecological practices and innovations, nutrition, adaptation to climate change)
- Facilitating and strengthening policy dialogue at national level

EFFECTS

- increased food production and improved nutrition and market access through resilient and diversified productive systems
 - Enabling environment generated, TA system with strengthened capacities and empowered youth, women and traditional peoples to promote agroecological transition and sustainable and nutritious agrifood systems
- Capacity-building and the creation and diffusion of inclusive innovations improve production systems*

IMPACTS

- Increased income
 - Increased employment and self-employment of young people and women
 - Production and consumption of nutritious and diversified food
 - Increased resilience to climate change
- leads to
- More sustainable production systems and resilience of family farmers in the semiarid**
- contribute to
- Reducing rural poverty and food and nutrition insecurity in family farming**

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex 3: Project cost and financing: Detailed costs tables

Mission Dates: 26/10/2023 - 03/11/2023

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Project No. 2000003598

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Latin America and the Caribbean
Programme Management Department

ANNEX 3: PROJECT COST AND FINANCING: DETAILED COST TABLES

I. Context

1. In a summarized version, this annex presents the assumptions and results of the cost estimation exercise and the detailed financing of the Dom Hélder Câmara - Phase III Project, carried out using COSTAB software. Appendix 1 presents additional data, namely costs by component, by financier, and by category of expenditure; and Appendix 2 presents detailed cost tables by component, with the respective unit costs and quantities forecast year by year for each activity.

2. The total estimated cost of the Project is 155 million dollars (including contingencies and taxes), equivalent to R\$762.6 million. The base costs are 141.1 million dollars, and the financial contingencies amount to 13.9 million dollars (10% of the base costs). The total funding is composed of (i) an IFAD loan of 35 million dollars (22.6% of the total amount) through the Performance Based Allocation System (PBAS), (ii) Federal Government resources of 100 million dollars (64.5% of the total), of which 10 million are direct contributions, and 90 million indirectly through programs and public policies from other ministries and government agencies, and (iii) the beneficiaries' contribution, based on credits obtained through PRONAF, was estimated at 20 million dollars (12.9% of the total). Of the total Project, around 96.4% corresponds to investment-related costs, and a further 3.6% corresponds to current expenses. These costs include direct and indirect taxes on goods, inputs, services, and salaries.

3. The total cost is distributed as follows: around 91% in Component 1 to improving families' income and food security by strengthening family farmers' productive capacity; 4% in Component 2, aimed at improving and updating the knowledge and skills of the ATER/technical assistance teams and the beneficiaries to promote agroecological transition and sustainable and nutritious agri-food systems; 5% in Component 3, for Project management, administration and monitoring and evaluation.

4. Component 1 costs cover the main activities aimed at developing the productive activities of the Project's beneficiaries. These activities include assistance in improving organization and market access, as well as virtual technical assistance, which are strategies for expanding Technical Assistance through differentiated activities and service channels. In Component 2, resources are mainly dedicated to qualification and capacity building through training, exchanges, capacity building, and materials designed to expand knowledge. Component 3 concentrates the recurring costs of the Project (staff, daily allowance (per diems), tickets).

II. Assumptions

5. **Duration.** The duration of the Project is 6 years, starting in 2024 and ending in 2030.
6. **Exchange rate.** The projected exchange rate for the cost estimate is 4.92 R\$/U\$, which is in line with the current exchange rate set by the Central Bank of Brazil in August 2023¹.
7. **Price contingencies.** The expected price contingency is calculated in relation to expected national and international inflation for each year of the Project. National inflation is projected at 3% for the entire duration of the Project based on IMF references² and coincides with the trends identified by the Central Bank of Brazil, which puts local inflation at 3.6%. According to IMF forecasts, international inflation is expected to be 2% during the Project period.
8. **Expenditure Categories.** The expenditure categories were established based on the list published in 2013 by IFAD's finance department and were verified according to the current experience of IFAD projects in Brazil, the indication of the finance department at regional level and the PDHC team. The categories are as follows: 1) Goods, Services, and Equipment; 2) Workshops and Meetings; 3) Grants and Subsidies; 4) Technical Assistance and Studies; 5) Operating costs; and 6) Salaries.
9. **Taxes and duties:** As for taxes on the planned Project activities, the estimated amount is 11.38 million dollars, which is equivalent to 7.3% of the total costs. The taxes applied were: a) Tax on the Circulation of Goods and Services (ICMS) of 18%, b) Wage taxes of 38% (Contribution to the National Institute of Social Security (INSS), the Risk of Accident at Work (RAT) and the Guarantee Fund for Length of Service (FGTS), c) Service Tax (ISS) of 5%, d) Hiring consultants of 18% (ISS, Income Tax, INSS). No taxes were applied in the subsidy category.
10. **Unit costs.** The cost estimates are based on the survey carried out during the missions to Brasilia through consultations and are presented, including all fees and taxes. In addition, these estimates have been compared with those of other IFAD-funded programs, particularly the implementation of PDHC II.

¹ <https://www.bcb.gov.br/en/currencyconversion>

² <https://www.imf.org/-/media/Files/Publications/CR/2023/English/1BRAEA2023001.ashx>

III. Summary of the main Project cost tables

11. **Total costs.** The Project's total cost for a six-year implementation period is forecast at 155 million dollars, of which 141.1 million correspond to the base cost (90% of the total cost), and 13.9 million dollars to financial contingencies (10% of the total cost). Total investment costs amount to 149.4 million dollars, representing 96% of total costs, while recurring costs represent 4% of the total, which is equivalent to 5.5 million dollars.

Table 1. Investment vs. recurring costs per year ('000 USD)

	2024	2025	2026	2027	2028	2029	Total
I. Investment Costs							
Federal Government	60.48	1 871.66	3 707.01	2 464.09	621.72	398.62	9 123.58
International Fund for Agricultural Development	394.09	5 980.03	12 211.09	8 410.89	2 419.64	1 395.75	30 811.50
Federal Government - Indirect Resources Beneficiaries	-	19 393.60	34 405.46	23 118.54	8 489.89	4 094.77	89 502.26
Total Investment Costs	454.57	31 079.28	54 239.96	37 992.17	15 613.87	10 057.49	149 437.34
II. Recurrent Costs							
Federal Government	138.26	141.51	144.55	147.58	150.68	153.85	876.42
International Fund for Agricultural Development	660.75	676.27	690.80	705.31	720.12	735.24	4 188.50
Federal Government - Indirect Resources Beneficiaries	78.52	80.36	82.09	83.82	85.58	87.37	497.74
Total Recurrent Costs	877.53	898.14	917.44	936.71	956.38	976.46	5 562.66
Total Financing of Costs	1 332.10	31 977.42	55 157.40	38 928.88	16 570.25	11 033.95	155 000.00

12. **Costs per component.** The PDHC III Project will have three components. Component 1, with a budget of 128.4 million dollars (91% of total costs), focuses on supporting the development of the productive activities of the Project's beneficiaries, including initiatives such as assistance on better organization and market access, as well as Virtual Technical Assistance, strategies for expanding technical assistance and rural extension through differentiated activities and service channels. Component 2 will invest a total of 5.6 million dollars (4% of the total cost) to improve and update the knowledge and capacities of technical assistance and rural extension teams and beneficiaries, to promote agroecological transition and sustainable and nutritious agri-food systems and to promote markets for agroecological products. Component 3 will finance Project management, monitoring and evaluation and concentrates the recurring costs of the Project (staff, per diems, tickets) and totals 6.9 million dollars (5% of the total).

Table 2. Project costs (with and without contingencies), by (sub) component ('000 USD)

	(\$ '000)		(\$ '000)		Total	
	Local	Foreign	Local	Foreign		
A. Promoting resilience through Food and Nutrition Security						
1. COMPONENT 1: PROMOTING FOOD AND NUTRITION SECURITY FROM AN AGROECOLOGICAL PERSPECTIVE						
Subcomponent 1.1: Resilient and diversified agroecological production	612 511.74	-	612 511.74	124 494.26	-	124 494.26
Subcomponent 1.2: Strengthening market access capacities	12 874.99	-	12 874.99	2 616.87	-	2 616.87
Subcomponent 1.3: Virtual technical assistance (VTA)	6 437.50	-	6 437.50	1 308.43	-	1 308.43
Subtotal	631 824.23	-	631 824.23	128 419.56	-	128 419.56
B. Capacity Building, Innovation and Dissemination						
1. COMPONENT 2: CAPACITY BUILDING, INNOVATION, AND DISSEMINATION						
Subcomponent 2.1: Innovation, and capacity building	16 601.93	-	16 601.93	3 374.38	-	3 374.38
Subcomponent 2.2: Capacity building for young people	3 626.65	-	3 626.65	737.12	-	737.12
Subcomponent 2.3: Knowledge management, South-South and Triangular Cooperation (SSSTC) and policy dialogue	7 458.71	-	7 458.71	1 516.00	-	1 516.00
Subtotal	27 687.29	-	27 687.29	5 627.50	-	5 627.50
C. Project Management and M&E						
1. COMPONENT 3: PROJECT MANAGEMENT AND M&E						
Subcomponent 3.1: Project Management	26 118.51	-	26 118.51	5 308.64	-	5 308.64
Subcomponent 3.2: Monitoring and Evaluation (M&E)	8 188.50	-	8 188.50	1 664.33	-	1 664.33
Subtotal	34 307.01	-	34 307.01	6 972.97	-	6 972.97
Total BASELINE COSTS	693 818.54	-	693 818.54	141 020.03	-	141 020.03
Physical Contingencies	-	-	-	-	-	-
Price Contingencies	68 781.45	-	68 781.45	13 979.97	-	13 979.97
Total PROJECT COSTS	762 599.98	-	762 599.98	155 000.00	-	155 000.00

13. **Costs by category of expenditure.** The Project costs are distributed among the categories defined above as follows: for investment costs Grants and subsidies (48.5% of the total cost); Consultancies (19.8% of the total cost); Workshops, meetings, and training (2.8% of the total cost); and Goods, equipment and materials

and non-consultancy services (25.3% of the total cost). The running costs category includes salaries (2.7% of the total cost) and operating costs (0.9% of the total cost).

Table 3. Costs broken down by expenditure category ('000 USD)

	(R\$ '000)			(US\$ '000)			% Total Base Costs
	Local	Foreign	Total	Local	Foreign	Total	
I. Investment Costs							
A. Goods, Services, Equipment, and Materials	174 458.44	-	174 458.44	35 459.03	-	35 459.03	25
B. Workshops, and Meetings	19 437.14	-	19 437.14	3 950.64	-	3 950.64	3
C. Subsidies, and Grants	336 266.59	-	336 266.59	68 346.87	-	68 346.87	48
D. Technical Assistance, and Technical Studies	138 792.50	-	138 792.50	28 209.86	-	28 209.86	20
E. Training	-	-	-	-	-	-	-
Total Investment Costs	668 954.68	-	668 954.68	135 966.40	-	135 966.40	96
II. Recurrent Costs							
A. Recurrent Costs	5 958.03	-	5 958.03	1 210.98	-	1 210.98	1
B. Wages	18 905.83	-	18 905.83	3 842.65	-	3 842.65	3
Total Recurrent Costs	24 863.86	-	24 863.86	5 053.63	-	5 053.63	4
Total BASELINE COSTS	693 818.54	-	693 818.54	141 020.03	-	141 020.03	100
Physical Contingencies	-	-	-	-	-	-	-
Price Contingencies	68 781.45	-	68 781.45	13 979.97	-	13 979.97	10
Total PROJECT COSTS	762 599.98	-	762 599.98	155 000.00	-	155 000.00	110

IV. Project funding

14. **Financing structure.** The PDHC III Project will be co-financed by the Federal Government, IFAD, and the beneficiaries. Financing from the Federal Government will come in two forms: (i) US\$ 10 million in direct resources contributed to the Project (6.5% of the total) and (ii) US\$ 90 million (58% of the total) in indirect resources through the participation of other Ministries and government agencies in the activities of the Components. As a result, the Federal Government's total funding will be US\$100 million (R\$492 million), equivalent to 64.5% of the Project's total value. IFAD will finance the Project with resources amounting to US\$ 35 million (R\$ 94.5 million) through the Performance Based Allocation System (PBAS). Beneficiary financing is estimated at US\$ 20 million (R\$ 98.5 million), equivalent to 13% of the total cost of the Project, which will be fully formalized through lines of credit (PRONAF) obtained by family farmers.

15. **Financier per component.** It is estimated that all components will receive contributions from every funder, except for the beneficiaries, who will exclusively utilize resources allocated to Component 1. The institutions have defined varying proportions for resource distribution across components.

16. **The Financing Plan** was prepared by mutual agreement between the co-financiers, with IFAD and the Federal Government directly financing the productive development resources and service contracts for the beneficiaries (general ATER, women, youth, and PCT and other technical assistance modalities) of Component 1. The Federal Government will finance one hundred percent of the indirect counterparts through public policy programs, such as the water access program, the food acquisition program, or the Crop Guarantee (Garantia Safra) (MDS and MDA programs). The beneficiaries will contribute through access to PRONAF credit lines.

17. Similarly, IFAD and the Federal Government will co-finance the activities of Component 2. In the case of Component 3, IFAD and the MDA will co-finance the implementation and operation of the monitoring and evaluation system, and IFAD will finance the vehicles for the teams in the 10 states. The federal government will finance the remaining equipment for the PMU (Project's Management Unit). IFAD will finance most of the Project's technical and administrative staff for the management unit, except for the three coordinator profiles (project, technical, and

financial), which the state will finance. Operational costs will be co-financed between IFAD and the State.

18. Below are the different cost tables summarized by source of funding, both by component and by expenditure categories.

Table 4. Costs by component and funder ('000 USD)

	Federal Government		International Fund for Agricultural Development		Federal Government		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
COMPONENT 1										
Subcomponent 1.1: Resilient and diversified agroecological production	6 255.29	4.6	21 143.08	15.5	89 334.57	65.3	20 000.00	14.6	136 732.94	88.2
Subcomponent 1.2: Strengthening market access capacities	794.83	27.5	2 090.48	72.5	-	-	-	-	2 885.31	1.9
Subcomponent 1.3: Virtual technical assistance (VTA)	287.06	20.0	1 148.25	80.0	-	-	-	-	1 435.31	0.9
Subtotal	7 337.18	5.2	24 381.81	17.3	89 334.57	63.3	20 000.00	14.2	141 053.56	91.0
COMPONENT 2										
Subcomponent 2.1: Innovation, and capacity building	805.48	21.6	2 764.34	74.0	167.69	4.5	-	-	3 737.51	2.4
Subcomponent 2.2: Capacity building for young people	182.49	22.0	647.01	78.0	-	-	-	-	829.50	0.5
Subcomponent 2.3: Knowledge Management, South-South and Triangular Cooperation (SSTC), and policy dialogue	371.28	21.8	1 328.20	78.2	-	-	-	-	1 699.48	1.1
Subtotal	1 359.25	21.7	4 739.55	75.6	167.69	2.7	-	-	6 266.49	4.0
COMPONENT 3										
Subcomponent 3.1: Project Management	896.22	15.4	4 434.39	76.1	497.74	8.5	-	-	5 828.35	3.8
Subcomponent 3.2: Monitoring and Evaluation (M&E)	407.35	22.0	1 444.25	78.0	-	-	-	-	1 851.60	1.2
Subtotal	1 303.57	17.0	5 878.64	76.5	497.74	6.5	-	-	7 679.95	5.0
Total PROJECT COSTS	10 000.00	6.5	35 000.00	22.6	90 000.00	58.1	20 000.00	12.9	155 000.00	100.0

Table 5. Costs by spending category and funder ('000 USD)

	Federal Government		International Fund for Agricultural Development		Federal Government		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
I. Investment Costs										
A. Goods, Services, Equipment, and Materials	1 807.91	4.6	8 249.55	21.1	29 109.45	74.3	-	-	39 166.91	25.3
B. Workshops, Meetings, and Training	947.71	21.6	3 268.60	74.6	167.69	3.8	-	-	4 383.99	2.8
C. Subsidies and Grants	-	-	-	-	55 135.47	73.4	20 000.00	26.6	75 135.46	48.5
D. Technical Assistance, and Technical Studies	6 367.96	20.7	19 293.36	62.7	5 089.65	16.6	-	-	30 750.97	19.8
Total Investment Costs	9 123.58	6.1	30 811.50	20.6	89 502.26	59.9	20 000.00	13.4	149 437.34	96.4
II. Recurrent Costs										
A. Recurrent Costs	876.42	65.7	456.54	34.3	-	-	-	-	1 332.96	0.9
B. Wages	-	-	3 731.96	88.2	497.74	11.8	-	-	4 229.70	2.7
Total Recurrent Costs	876.42	15.8	4 188.50	75.3	497.74	8.9	-	-	5 562.66	3.6
Total PROJECT COSTS	10 000.00	6.5	35 000.00	22.6	90 000.00	58.1	20 000.00	12.9	155 000.00	100.0

Appendix 1: Summary tables

Table 1 Costs by category of expenditure and by year ('000 USD)

	Totals Including Contingencies						Total
	2024	2025	2026	2027	2028	2029	
I. Investment Costs							
A. Goods, Services, Equipment, and Materials	374.74	6 471.04	10 745.19	11 396.93	7 616.57	2 562.43	39 166.91
B. Workshops, and Meetings	36.21	802.75	923.76	1 058.02	840.15	723.10	4 383.99
C. Subsidies and Grants	-	16 592.20	27 535.04	17 402.99	6 833.26	6 771.97	75 135.46
D. Technical Assistance, and Technical Studies	43.62	7 213.28	15 035.96	8 134.22	323.88	-	30 750.97
E. Training	-	-	-	-	-	-	-
Total Investment Costs	454.57	31 079.28	54 239.96	37 992.17	15 613.87	10 057.49	149 437.34
II. Recurrent Costs							
A. Recurrent Costs	210.28	215.22	219.84	224.46	229.17	233.99	1 332.96
B. Wages	667.25	682.92	697.60	712.25	727.21	742.48	4 229.70
Total Recurrent Costs	877.53	898.14	917.44	936.71	956.38	976.46	5 562.66
Total PROJECT COSTS	1 332.10	31 977.42	55 157.40	38 928.88	16 570.25	11 033.95	155 000.00

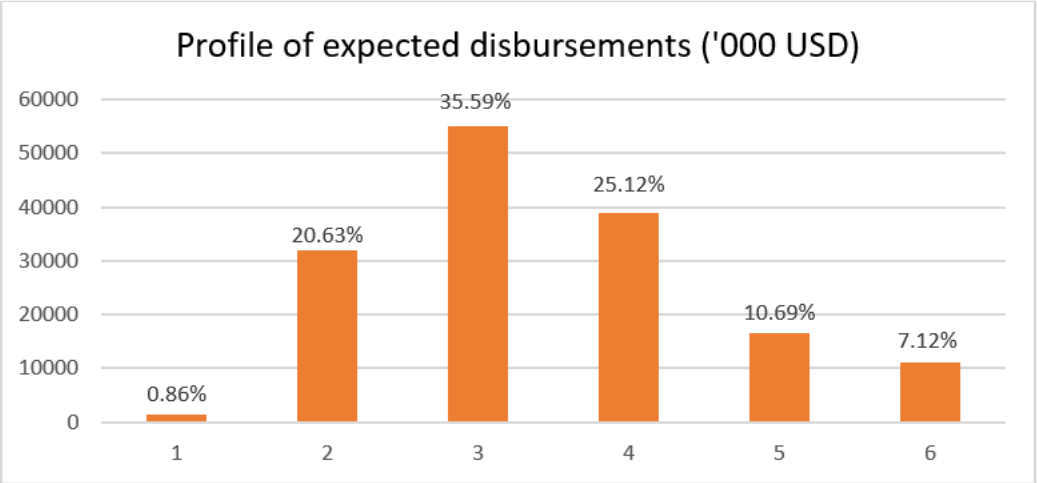
Table 2. Costs by component and expenditure category ('000 USD)

	Component 1	Component 2	Component 3	Total
I. Investment Costs				
A. Goods, Services, Equipment, and Materials	35,167.13	1,882.50	2,177.29	39,166.91
B. Workshops, Meetings	-	4,383.99	-	4,383.99
C. Subsidies, and Grants	75,135.46	-	-	75,135.46
D. Technical Assistance, and Technical Studies	30,750.97	-	-	30,750.97
E. Training	-	-	-	-
Total Investment Costs	141,053.56	6,266.49	2,177.29	149,437.34
II. Recurrent Costs				
A. Recurrent Costs	-	-	1,332.96	1,332.96
B. Wages	-	-	4,229.70	4,229.70
Total Recurrent Costs	-	-	5,562.66	5,562.66
Total PROJECT COSTS	141,053.56	6,266.49	7,679.95	155,000.00

Table 3. Costs broken down by component and by year ('000 USD)

	Totals Including Contingencies						Total
	2024	2025	2026	2027	2028	2029	
A. Promoting resilience through Food and Nutrition Security							
1. COMPONENT 1: PROMOTING FOOD AND NUTRITION SECURITY FROM AN AGROECOLOGICAL PERSPECTIVE							
Subcomponent 1.1: Resilient and diversified agroecological production	-	29 070.99	51 467.11	34 620.15	13 346.51	8 228.17	136 732.94
Subcomponent 1.2: Strengthening market access capacities	-	293.00	1 019.50	1 134.04	438.78	-	2 885.31
Subcomponent 1.3: Virtual technical assistance (VTA)	43.62	267.88	547.28	279.39	297.14	-	1 435.31
Subtotal	43.62	29 631.87	53 033.89	36 033.58	14 082.43	8 228.17	141 053.56
B. Capacity Building, Innovation and Dissemination							
1. COMPONENT 2: CAPACITY BUILDING, INNOVATION, AND DISSEMINATION							
Subcomponent 2.1: Innovation, and capacity building	-	816.52	834.07	851.59	641.27	594.06	3 737.51
Subcomponent 2.2: Capacity building for young people	36.21	59.38	73.20	123.63	278.36	258.72	829.50
Subcomponent 2.3: Knowledge management, South-South and Triangular Cooperation (SSTC), and policy dialogue	-	91.56	298.79	482.81	492.95	333.37	1 699.48
Subtotal	36.21	967.46	1 206.06	1 458.03	1 412.58	1 186.15	6 266.49
C. Project Management and M&E							
1. COMPONENT 3: PROJECT MANAGEMENT, AND M&E							
Subcomponent 3.1: Project Management	1 143.22	898.14	917.44	936.71	956.38	976.46	5 828.35
Subcomponent 3.2: Monitoring and Evaluation (M&E)	109.06	479.96	-	500.57	118.86	643.16	1 851.60
Subtotal	1 252.27	1 378.09	917.44	1 437.28	1 075.23	1 619.63	7 679.95
Total PROJECT COSTS	1 332.10	31 977.42	55 157.40	38 928.88	16 570.25	11 033.95	155 000.00

Graph 1. Profile of expected disbursements over the course of the project



Appendix 2: Detailed tables

Table 1 - Detailed costs per year, including contingencies - Component 1 (USD)

	Unit	Quantities						Unit Cost (R\$)	Unit Cost (US\$)	Totals Including Contingencies (US\$)							
		2024	2025	2026	2027	2028	2029			Total	2024	2025	2026	2027	2028	2029	Total
I. Investment Costs																	
A. Subcomponent 1.1: Resilient and diversified agroecological production																	
Service contracts for beneficiaries receiving non-reimbursable funds	Contract	-	10	20	10	-	-	40	3,100,000	630,081	-	6 920 289	14 138 074	7 217 487	-	-	28 275 850
PRODUCTION DEVELOPMENT resources for beneficiaries contracted via ANATER	Contract	-	10 000	20 000	10 000	-	-	40 000	4,600	935	-	10 269 262	20 979 990	10 710 285	-	-	41 959 537
WATER ACCESS resources for TARE beneficiaries in general	System	-	2 000	3 000	3 000	2 000	500	10 500	12,000	2,439	-	5 357 589	8 209 122	8 381 514	5 705 017	1 456 206	29 109 449
Implementation of water reuse systems	System	-	150	325	325	150	-	950	6,000	1,219	-	200 910	444 661	453 999	213 938	-	1 313 507
Implementing agroecological systems for producing healthy food	System	-	-	1 000	1 000	500	-	2 500	5,000	1,016	-	-	1 140 212	1 164 156	594 302	-	2 898 670
PAA resources	Family	-	4 000	4 000	4 000	4 000	4 000	20 000	2,682	545	-	2 394 770	2 446 244	2 497 616	2 550 066	2 603 617	12 492 312
PRONAF resources	Family	-	4 000	4 000	4 000	4 000	4 000	20 000	4,294	873	-	3 833 989	3 916 399	3 998 644	4 082 615	4 168 350	19 999 997
SAFRA Guarantee	Family	-	500	1 000	1 000	1 000	-	3 500	844	172	-	94 181	192 410	196 451	200 576	-	683 618
Subtotal											-	29 070 989	51 467 114	34 620 151	13 346 514	8 228 173	136 732 941
B. Subcomponent 1.2 Strengthening market access capacities																	
Qualified technical assistance to promote the collective organization of FF and access to markets	Contract	-	1	3	3	1	-	8	1,312,500	266,768	-	292 996	897 882	916 737	311 996	-	2 419 611
Direct investment in FF organizations to add value and access public and private markets	Project	-	-	8	14	8	-	30	66,666	13,550	-	-	121 618	217 300	126 779	-	465 697
Subtotal											-	292 996	1 019 499	1 134 037	438 775	-	2 885 308
C. Subcomponent 1.3 Virtual technical assistance (VTA)																	
Study to develop VTA pilots	Study	1	-	-	-	-	-	1	200,000	40,650	43 623	-	-	-	-	-	43 623
VTA pilots	Contract	-	1	2	1	1	-	5	1,200,000	243,902	-	267 882	547 280	279 387	285 254	-	1 379 803
Evaluation of pilot results	Study	-	-	-	-	1	-	1	50,000	10,163	-	-	-	-	11 886	-	11 886
Total											43 623	29 631 868	53 033 893	36 033 575	14 082 429	8 228 173	141 053 560

Table 2. Detailed costs per year, including contingencies - Component 2 (USD)

	Unit	Quantities						Unit Cost (R\$)	Unit Cost (US\$)	Totals Including Contingencies (US\$)							
		2024	2025	2026	2027	2028	2029			Total	2024	2025	2026	2027	2028	2029	Total
I. Investment Costs																	
A. Subcomponent 2.1: Innovation and capacity building																	
Training TARE technicians in food security, gender, agroecology, and climate-resilient agriculture	Events	-	80	80	80	-	-	240	12,000	2,439	-	214 304	218 910	223 507	-	-	656 721
Training for women on issues related to gender, food security, and agroecology	Training	-	40	40	40	40	40	200	30,000	6,098	-	267 884	273 642	279 388	285 256	291 246	1 397 416
Food safety training for public school cooks	Training	-	13	13	13	13	-	52	19,231	3,909	-	55 809	57 008	58 206	59 428	-	230 451
Basic documentation workshops for rural women	Events	-	27	27	27	27	27	135	29,630	6,022	-	178 589	182 427	186 258	190 170	194 163	931 607
Support for the production of teaching materials for CEFFAS	Unit	-	2 000	2 000	2 000	2 000	2 000	10 000	164	33	-	73 148	74 720	76 289	77 891	79 527	381 576
Support for regional events	Events	-	1	1	1	1	1	5	120,000	24,390	-	26 788	27 364	27 939	28 525	29 124	139 740
Subtotal											-	816 521	834 072	851 587	641 270	594 061	3 737 511
B. Subcomponent 2.2: Capacity building for young people																	
Knowledge management products	Product	-	-	-	7	30	30	67	30,000	6,098	-	-	-	48 893	213 942	218 434	481 269
Exchanges	Meeting	-	2	3	3	2	-	10	50,000	10,163	-	22 324	34 205	34 923	23 771	-	115 223
Territorial committees	Meeting	12	12	12	12	12	12	72	7,000	1,423	18 322	18 752	19 155	19 558	19 968	20 388	116 143
Advisory board	Meeting	3	3	3	3	3	3	18	24,000	4,878	15 704	16 073	16 418	16 763	17 115	17 474	99 548
Executive committees	Meeting	2	2	3	3	3	2	15	5,000	1,016	2 181	2 232	3 421	3 492	3 566	2 427	17 320
Subtotal											36 207	59 381	73 199	123 629	278 362	258 724	829 502
C. Subcomponent 2.3: Knowledge management, South-South and Triangular cooperation, and policy dialog																	
Higher education scholarship	Scholarship	-	100	200	200	200	100	800	700	142	-	15 629	31 930	32 601	33 285	16 992	130 437
Scholarship middle level	Scholarship	-	600	1 400	2 000	2 000	1 200	7 200	450	92	-	60 298	143 719	209 624	214 026	131 112	758 778
Scholarship Teacher grant	Scholarship	-	50	100	100	100	50	400	1,400	285	-	15 629	31 930	32 601	33 285	16 992	130 437
Awards	Events	-	-	-	2	2	2	6	146,667	29,810	-	-	-	68 295	69 729	71 193	209 216
Youth exchanges by state	Events	-	-	10	20	10	10	50	20,000	4,065	-	-	45 606	93 128	47 542	48 540	234 816
Learning routes	Events	-	-	10	10	20	10	50	20,000	4,065	-	-	45 606	46 564	95 084	48 540	235 794
Subtotal											-	91 556	298 791	482 811	492 950	333 370	1 699 478
Total											36 207	967 458	1 206 062	1 458 028	1 412 582	1 186 154	6 266 490

Table 3. Detailed costs per year, including contingencies - Component 3 (USD)

	Unit	Quantities						Unit Cost (R\$)	Unit Cost (US\$)	Totals Including Contingencies (US\$)							
		2024	2025	2026	2027	2028	2029			Total	2024	2025	2026	2027	2028	2029	Total
I. Investment Costs																	
A. Subcomponent 3.1: Project Management																	
Purchase of equipment	Item	10	-	-	-	-	-	10	9,076	1,845	19 796	-	-	-	-	-	19 796
Acquisition of key staff vehicles in the territories	Item	10	-	-	-	-	-	10	112,735	22,914	245 890	-	-	-	-	-	245 890
Subtotal											265 686	-	-	-	-	-	265 686
B. Subcomponent 3.2: Monitoring and Evaluation (M&E)																	
Impact assessment study	Study	-	1	-	1	-	1	3	2,150,000	436,992	-	479 956	-	500 568	-	521 812	1 502 335
Building an M&E system	System	1	-	-	-	-	-	1	500,000	101,626	109 057	-	-	-	-	-	109 057
TARE performance evaluation	Study	-	-	-	-	1	-	1	500,000	101,626	-	-	-	-	118 856	-	118 856
Evaluation of other activities	Study	-	-	-	-	-	1	1	500,000	101,626	-	-	-	-	-	121 352	121 352
Subtotal											109 057	479 956	-	500 568	118 856	643 164	1 851 600
Total Investment Costs											374 743	479 956	-	500 568	118 856	643 164	2 117 285

Table 4. Detailed costs per year, including contingencies - Recurring costs (USD)

	Unit	Quantities							Unit Cost (R\$)	Unit Cost (US\$)	Totals Including Contingencies (US\$)						
		2024	2025	2026	2027	2028	2029	Total			2024	2025	2026	2027	2028	2029	Total
II. Recurrent Costs																	
A. Wages																	
Project coordination	Remuneration	1	1	1	1	1	1	6	120,000	24,390	26 174	26 788	27 364	27 939	28 525	29 124	165 914
Technical coordination	Remuneration	1	1	1	1	1	1	6	120,000	24,390	26 174	26 788	27 364	27 939	28 525	29 124	165 914
Financial Coordination	Remuneration	1	1	1	1	1	1	6	120,000	24,390	26 174	26 788	27 364	27 939	28 525	29 124	165 914
Specialist in administrative management	Remuneration	1	1	1	1	1	1	6	104,000	21,138	22 684	23 216	23 715	24 213	24 722	25 241	143 792
Assistant in administrative management	Remuneration	1	1	1	1	1	1	6	84,500	17,175	18 431	18 863	19 269	19 673	20 087	20 508	116 831
Manager component 1	Remuneration	1	1	1	1	1	1	6	130,000	26,423	28 355	29 021	29 644	30 267	30 903	31 551	179 741
Component 1 specialist (nutrition)	Remuneration	1	1	1	1	1	1	6	104,000	21,138	22 684	23 216	23 715	24 213	24 722	25 241	143 792
Manager component 2	Remuneration	1	1	1	1	1	1	6	130,000	26,423	28 355	29 021	29 644	30 267	30 903	31 551	179 741
Specialist component 2	Remuneration	1	1	1	1	1	1	6	104,000	21,138	22 684	23 216	23 715	24 213	24 722	25 241	143 792
Senior finance and procurement specialist	Remuneration	1	1	1	1	1	1	6	156,000	31,707	34 026	34 825	35 573	36 320	37 083	37 862	215 688
Finance specialist	Remuneration	1	1	1	1	1	1	6	104,000	21,138	22 684	23 216	23 715	24 213	24 722	25 241	143 792
Procurement specialist I	Remuneration	1	1	1	1	1	1	6	104,000	21,138	22 684	23 216	23 715	24 213	24 722	25 241	143 792
Procurement specialist II	Remuneration	1	1	1	1	1	1	6	104,000	21,138	22 684	23 216	23 715	24 213	24 722	25 241	143 792
Specialist in gender and youth	Remuneration	1	1	1	1	1	1	6	104,000	21,138	22 684	23 216	23 715	24 213	24 722	25 241	143 792
Specialist in knowledge management and communication	Remuneration	1	1	1	1	1	1	6	104,000	21,138	22 684	23 216	23 715	24 213	24 722	25 241	143 792
Specialist in SECAP	Remuneration	1	1	1	1	1	1	6	104,000	21,138	22 684	23 216	23 715	24 213	24 722	25 241	143 792
Senior Specialist M&E	Remuneration	1	1	1	1	1	1	6	156,000	31,707	34 026	34 825	35 573	36 320	37 083	37 862	215 688
Specialist in M&E (reference in PCTs)	Remuneration	1	1	1	1	1	1	6	104,000	21,138	22 684	23 216	23 715	24 213	24 722	25 241	143 792
Territorial development manager	Remuneration	1	1	1	1	1	1	6	130,000	26,423	28 355	29 021	29 644	30 267	30 903	31 551	179 741
State coordinator (one per state)	Remuneration	10	10	10	10	10	10	60	78,000	15,854	170 129	174 124	177 867	181 602	185 415	189 309	1 078 446
ICA personnel costs	Commissioning	1	1	1	1	1	1	6	92,695	18,840							128 162
Subtotal											667 252	682 920	697 599	712 249	727 206	742 477	4 229 703
B. Operating costs																	
Daily Subsistence Allowance M&E	Daily	15	15	15	15	15	15	90	285	58	932	954	974	995	1 016	1 037	5 908
Tickets - M&E	Ticket	3	3	3	3	3	3	18	4,000	813	2 617	2 679	2 736	2 794	2 853	2 912	16 591
Vehicle maintenance, fuel, and insurance	Maintenance	10	10	10	10	10	10	60	30,000	6,098	65 434	66 971	68 410	69 847	71 314	72 811	414 788
Daily key staff (territories)	Daily	1 300	1 300	1 300	1 300	1 300	1 300	7 800	285	58	80 774	82 670	84 447	86 221	88 031	89 880	512 023
Per diem PMU team	Daily	200	200	200	200	200	200	1 200	285	58	12 427	12 719	12 992	13 265	13 543	13 828	78 773
Key team passages (territories)	Ticket	10	10	10	10	10	10	60	4,867	989	10 615	10 865	11 098	11 331	11 569	11 812	67 290
PMU team tickets	Ticket	40	40	40	40	40	40	240	4,000	813	34 898	35 717	36 485	37 251	38 033	38 832	221 217
ICA cost	Commissioning	1	1	1	1	1	1	6	11,839	2,406	2 582	2 643	2 700	2 756	2 814	2 873	16 368
Subtotal											210 279	215 217	219 843	224 460	229 173	233 986	1 332 959
Total Recurrent Costs											877 531	898 137	917 442	936 708	956 379	976 463	5 562 661
Total											1 252 274	1 378 093	1 437 276	1 437 276	1 075 235	1 619 627	7 679 947

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex 4: Economic and Financial Analysis

Mission Dates: 26/10/2023 - 03/11/2023

Document Date: 03/06/2024

Project No. 2000003598

Report No. 6690-BR

Latin America and the Caribbean
Programme Management Department

ANNEX 4: ECONOMIC AND FINANCIAL ANALYSIS

1. This annex aims to carry out an ex-ante analysis of the costs generated by the Project year by year, in relation to the impacts of potential benefits identified during the analysis of the suggested production models. To do this, the perspective of the beneficiaries is analyzed (financial analysis), as well as the impact on the economy of Brazil and the states covered by the Project (economic analysis).
2. The document is divided into two parts: (a) Financial analysis, estimating the results and profitability for the beneficiaries, with the main calculation hypotheses; (b) Economic analysis, on the general profitability of the Project for the government. The indicators chosen for the profitability analysis are: (i) the Net Present Value (NPV - financial and economic); (ii) the Internal Rate of Return (IRR - financial and economic); and (iii) the Cost/Benefit Ratio (C/B). The assumptions for the IRR and NPV were made considering a useful life of: (a) 15 years for agroforestry system models, due to the maturation period and the presence of long-lived species (such as fruit trees); and (b) 10 years for short-cycle, annual production activities and livestock. Project's incremental results were calculated based on a 20-year time horizon (according to the project design).
3. This study is an integral part of the Project Design Report. It should therefore be read with other technical, environmental, social, and institutional performance assessment materials. The analysis in question aims to account for the benefits of PDHC III realistically and conservatively, compared to the models used. In the activities analyzed, the net margins of the benefited families were calculated for a situation without PDHC III support and for each year after the simulated interventions, from which cash flows "with" and "without" PDHC III were constructed, as well as incremental cash flows.
4. The ex-ante economic and financial analysis exercise was based on the construction of models with the support and validation of the Project team, based on available technical information and bibliographic research. The offer of technical assistance and rural extension to an audience of 55,500 people in 10 Brazilian states was analyzed, contributing to different production activities and extension practices.
5. The diagram in Figure 1 presents a logical outline of the approach adopted by the analysis and the menu of information available in the spreadsheet used in this analysis.

Figure 1. Menu of information available in the Ex-ante economic and financial analysis spreadsheet



6. Activities aimed at direct interventions through ATER and investments in beneficiaries' productive activities are concentrated in Component 1, based on activities developed in each sub-component. A summary of the resources earmarked for this purpose is shown below:

Table 1. Distribution of beneficiaries and budgets for the analyzed production models

DESCRIPTION	NO. OF BENEFICIARIES	BUDGET (US\$)
SUBCOMPONENT 1.1 RESILIENT AND DIVERSIFIED AGROECOLOGICAL PRODUCTION	42.500	67 million
SUBCOMPONENT 1.2 STRENGTHENING MARKET ACCESS CAPACITIES	8.000	2.13 million
SUBCOMPONENT 1.3 VIRTUAL TECHNICAL ASSISTANCE (VTA)	5.000	1.22 million

7. The Project's impact analysis considers that starting points and agroecological transition paths can be diverse, so comprehensive models that consider the specific characteristics of potential interventions to be carried out by the Project were developed. The construction of these models was based on bibliographical research, knowledge acquired from other projects and analysis/review by the parties involved in the Project. For each model the Project makes investments, incremental situations were considered, to obtain a value centered on aggregation and transformation. For the two models, the calculation of the incremental margin was used since they will only receive ATER from the Project. It was structured as follows:

- a. The construction of nine production models representing situations with and without the intervention of the Project for investments in agroforestry systems and for investments in ATER and non-reimbursable funds (*foment*). Respectively, 2,500 beneficiaries are considered for SAFs and 40,000 beneficiaries for ATER and non-reimbursable funds.
- b. The analysis of the beneficiaries' performance in strengthening market access capacities is based on the results of the increase in agricultural income measured in the Impact Assessment of PDHC II, for 8,000 beneficiaries.
- c. Virtual technical assistance (VTA) for Project beneficiaries, based on the results of the increase in agricultural income measured in the Impact Assessment of PDHC II, for 5,000 beneficiaries

8. For each of the cases, a beneficiary adoption for the practices and activities that will be recommended was considered. The adoption rate considers the potential for success of each intervention carried out by the Project. Given the implementation period spanning several years and the diverse levels and hierarchy involved in implementing activity, it is normal for a small part of the activities to encounter challenges or fail. External situations such as changes in public policies, legislation and climatic events must also be considered. An adoption rate of 80% was set for the models in which ATER + investments in productive activity take place and 60% for the models in which only ATER takes place. The table below summarizes the production systems presented:

Description	# Families	US\$ Invested (ATER and non-reimbursable funds)	% Model X Beneficiaries
Agroforestry System - Fruit	625	0.81 million	25%
Agroforestry System - Fodder	1.875	2.44 million	75%
	2.500	3.25 million	100%

9. Two models were considered for investments in agroforestry systems: one aimed at producing fruit for sale and the other at producing fruit with a predominance of fodder for animal consumption. The PDHC III team validated the choice of models, and the models take consider implementation of several species in the same space, for better use and synergy between plants.

Description	# Families	US\$ Invested (ATER and non-	% Model X Beneficiaries
--------------------	-------------------	-------------------------------------	--------------------------------

		reimbursable funds)	
Productive backyard	2.800	4.06 million	7%
Beekeeping	560	0.81 million	1%
Poultry farming	20.700	31.20 million	52%
Goat farming	10.620	16.06 million	27%
Pig farming	5.320	8.13 million	13%
	40.000	60.26 million	100%

10. The choice of these models considers some of the main models identified during the Impact Assessment and the Economic and Financial Analysis (EFA) of PDHC II, in which it was common to identify one main activity that required the most time and generated the highest income. Therefore, a proportionality criterion was assigned to these models as found during the interviews conducted for the PDHC II EFA.

Description	# Families	US\$ Invested (ATER and non-reimbursable funds)	% Model X Beneficiaries
Qualified Technical Assistance (organizations and markets)	8.000	2.13 million	100%
Virtual technical assistance (VTA)	5.000	1.22 million	100%

11. Unlike the other models presented so far, in which in addition to the ATER resources directed to the beneficiaries, there were also investments in productive activities, these models consider the increase in agricultural income between beneficiaries WITH and WITHOUT ATER, according to data from the PDHC II Impact Assessment.

12. According to the PDHC II Impact Assessment, there is an increase in income of around 16% between those who receive ATER and those who do not. Based on the interviews, this proportion is applied to the average value of farming income considered in the assessment.

13. The value of ATER itself, which in the other cases was R\$3,200 (US\$650) per beneficiary, changes in these two situations. The amount is R\$1,313 (US\$267) for qualified Technical Assistance on organizations and markets and R\$1,200 (US\$244) for Virtual Technical Assistance (VTA).

Financial analysis

14. **Definition of the sample:** The production models used to prepare the ex-ante analysis considers the PDHC's history with the main production activities found in the field, and the perception of the project team, whose experience during PDHC II was shared for PDHC III. In this sense, two models of agroforestry systems were considered, with an emphasis on production for human consumption and with an emphasis on animal consumption (considering that in the regions where the Project operates it is common for families to raise animals for subsistence). In addition, five production models were considered for investment situations aimed at improving nutritional conditions and climate resilience by diversifying production and improving

management practices. Models were considered for productive backyards, beekeeping, poultry farming, goat farming (meat and milk) and pig farming. For investments in which the Project will only provide ATER, the increase in the beneficiaries' total farming income was considered, based on the data provided in the Impact Assessment of the PDHC II Project.

15. Individually, the models have the following investment values:

Model	Investment in ATER (US\$)	Investment in the activity (US\$)	Investment in ATER (R\$)	Investment in the activity (R\$)
M1. AFS Fruit	650	844	3200	4.151
M2. AFS Fodder	650	1284	3200	3.617
M3. Productive backyard	650	820	3200	4.033
M4. Beekeeping	650	854	3200	4.200
M5. Poultry farming	650	858	3200	4.223
M6. Goat farming*	650	864	3200	4.252
M7. Pig farming	650	870	3200	4.131
M8. Qualified Technical Assistance (organizations and markets)	267	-	1313	-
M9. Virtual Technical Assistance	244	-	1200	-

16. **Pricing assumptions and technical parameters:** All the technical parameters, assumptions and prices presented were collected and validated with the support of the Project team. For labor costs, the average time spent on the activity was taken from previous projects. The time spent was assigned the equivalent of the minimum wage in force (2023) during the preparation of this study, a monthly value of R\$1,320 or US\$268, (for beekeeping the value was R\$1,920 or US\$390, as seen in a current project in another northeastern state). For economic calculations, this value was multiplied by the national labor occupation rate (92.3%), according to data from the Brazilian Institute of Geography and Statistics (IBGE) from 2023.

17. **Opportunity cost of capital:** A discount rate of 12% was used for the financial and economic analysis. The values align with the Federal Government's current rates based on SELIC (the main interest rate indicator).

18. **Exchange rate:** The exchange rate used in the analysis is set at US\$ 1 = 4.92 R\$, calculated based on the current value of the exchange rate and its fluctuation.

19. **Financial results:** From a financial point of view, the ex-ante analysis yields different results for each model analyzed, with an IRR variation of 12% to 40%, and an NPV of between US\$ 55,000 and US\$ 17 million depending on the activity (for the group of

beneficiaries estimated in each production). The average IRR and NPV results, considering the adoption rate for each model, are shown below:

Model- Financial Analysis	IRR (%)	NPV (US\$) in millions	NPV (US\$) in millions
M1. ASF- Fruit	14%	0.37	0.07
M2. ASF- Fodder	40%	20.32	4.12
M3. Productive backyard	12%	0.27	0.05
M4. Beekeeping	37%	5.27	1.07
M5. Poultry farming	23%	70.03	14.23
M6. Goat farming*	31%	85.18	17.31
M7. Pig farming	26%	17.28	3.51
M8. Qualified Technical Assistance (organizations and markets)	31%	8.15	1.65
M9. Virtual Technical Assistance (VTA)	34%	5.60	1.13

20. The table below shows the total results, based on the number of beneficiaries distributed in each model, evaluating each one individually, to better understand the individual investments and expected returns. The first table is presented in local currency (reais - R\$), while the second is presented in dollars (US\$):

Activities - FINANCIAL INFORMATION										
Item	Unit	AFS - Fruit	AFS - Fodder	Productive Backyard	Beekeeping	Poultry farming	Goat & sheep farming	Pig farming	Qualified Technical Assistance (organizations & markets)	Virtual Technical Assistance (VTA)
Samples	#	625	1 875	2 800	560	20 700	10 620	5 320	8 000	5 000
Investment	R\$	7 351	6 817	7 233	7 400	7 424	7 453	7 331	1 313	1 200
WITHOUT Project										
Recipes	R\$	2 949	2 670	1 380	2 206	2 992	1 800	8 640	-	-
Costs	R\$	1 750	1 395	472	287	125	184	3 253	-	-
Family M.O. Costs	R\$	774	616	739	339	2 218	2 772	2 772	-	-
Margin	R\$	425	659	169	1 581	650	-1 156	2 615	2 660	2 660
WITH Project										
Recipes	R\$	2 750	6 237	3 374	5 957	4 788	2 550	16 605	-	-
Costs	R\$	113	113	212	687	362	248	3 936	-	-
Family M.O. Costs	R\$	774	1 848	739	1 024	2 587	4 990	4 851	-	-
Margin	R\$	1 863	4 276	2 423	4 246	1 839	-2 688	7 818	3 094	3 094
Incremental Margin										
Incremental margin	R\$	1 438	3 617	2 254	2 666	1 189	-1 531	5 203	434	434
Financial Indicators by Activity										
IRR	%	14%	40%	12%	37%	23%	31%	26%	31%	34%
NPV	R\$	375 895	20 317 842	271 251	5 270 129	70 026 860	85 179 766	17 286 940	8 153 506	5 600 405

Activities - FINANCIAL INFORMATION										
Item	Unit	AFS - Fruit	AFS - Fodder	Productive Backyard	Beekeeping	Poultry farming	Goat & sheep farming	Pig farming	Qualified Technical Assistance (organizations & markets)	Virtual Technical Assistance (VIA)
Samples	#	625	1 875	2 800	560	20 700	10 620	5 320	8 000	5 000
Investment	US\$	1 494	1 386	1 470	1 504	1 509	1 515	1 490	267	244
WITHOUT Project										
Recipes	US\$	599	543	280	448	608	366	1 756	-	-
Costs	US\$	356	284	96	58	25	37	661	-	-
Family M.O. Costs	US\$	157	125	150	69	451	563	563	-	-
Margin	US\$	86	134	34	321	132	-235	531	541	541
WITH Project										
Recipes	US\$	559	1 268	686	1 211	973	518	3 375	-	-
Costs	US\$	23	23	43	140	74	50	800	-	-
Family M.O. Costs	US\$	157	376	150	208	526	1 014	986	-	-
Margin	US\$	379	869	492	863	374	-546	1 589	629	629
Incremental Margin										
Incremental margin	US\$	292	735	458	542	242	-311	1 058	88	88
Financial Indicators by Activity										
IRR	%	14%	40%	12%	37%	23%	31%	26%	31%	34%
NPV	US\$	76 401	4 129 643	55 132	1 071 164	14 233 102	17 312 961	3 513 606	1 657 217	1 138 294

21. **Impact on family income:** Three key indicators were analyzed regarding the impact of the activities on family income: i) net margin per year per family (total benefits - total costs including family labor); ii) family labor income (total benefits - total costs excluding family labor). The results are those estimated for year 4, the Project's equilibrium assumption, with values presented in local currency (reais or R\$):

22. Annual net margin per family (US\$)

Activity	Annual net margin per family		Annual increase
	WITHOUT Project	WITH project	
AFS - Fruit	86	379	292
AFS - Fodder	134	869	735
Productive Backyard	34	492	458
Beekeeping	321	863	542
Poultry farming	132	374	242
Goat and sheep farming	- 235	- 546	- 311
Pig farming	531	1.589	1.058
Qualified Technical Assistance (organizations and markets)	Incremental		88
Virtual Technical Assistance	Incremental		88

23. Annual net margin per family with labor (US\$)

Activity	Annual net margin per family with labor		Monthly increase
	WITHOUT project	WITH project	
AFS - Fruit	243,55	535,91	24,36
AFS - Fodder	259,15	1.244,67	82,13
Productive Backyard	184,55	642,69	38,18
Beekeeping	390,12	1.071,19	56,76
Poultry farming	582,76	899,58	26,40
Goat and sheep farming	328,40	467,89	11,62
Pig farming	1.094,88	2.575,00	123,34

Economic analysis

24. **Economic results:** The estimated IRR of the Project in its design phase is 21.4%, and the NPV is US\$10.2 million, considering a discount rate of 12% and an implementation period of 20 years (according to the information provided in the design).

	Indicators
<i>Total IRR</i>	21,4%
<i>Total NPV (Million US\$)</i>	10.2
<i>Discount rate</i>	12%
<i>Analysis period</i>	20 years

25. The data presented above therefore indicates the economic profitability of the operations for the borrower (government), based on the production and management models considered. Although valid, the data does not in itself guarantee the success of the Project since it will depend on the year-by-year execution of the planned activities to produce the expected results.

Análise Econômica e Financeira Ex-post Projeto Dom Helder Camara (PDHC III)



GLOBAL
Economic

IRR 21.4%

NPV R\$ \$ 50 230 192.04

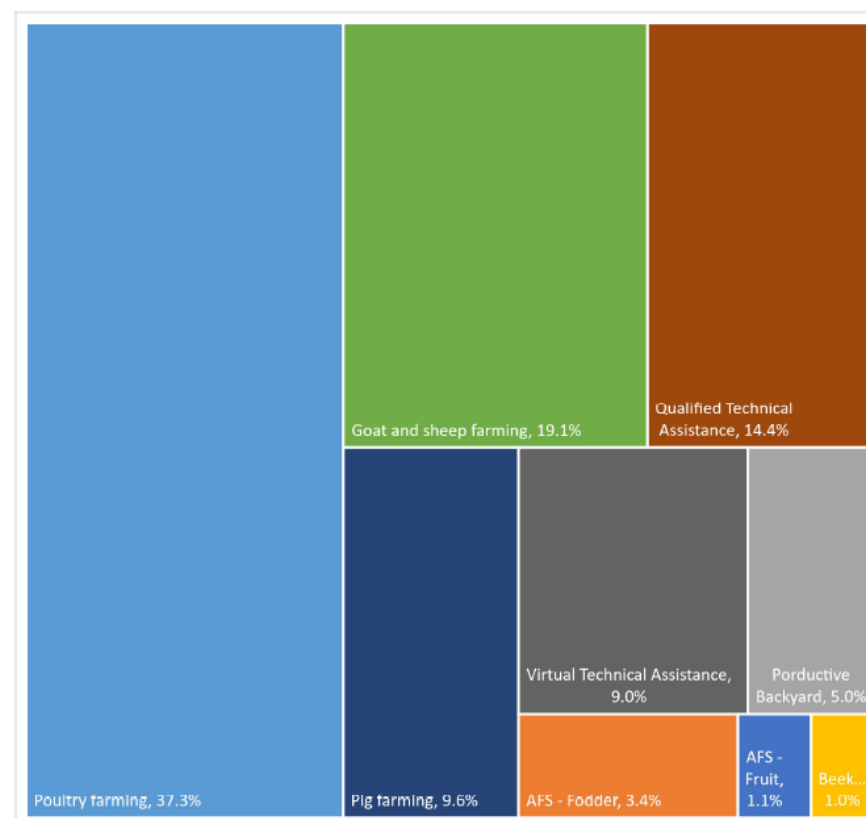
NPV US\$ \$ 10 209 388.63

Percentage of investment x N° of financed projects

Productive Projects		IRRf	NPVf
Financial Analysis	AFS - Fruit	14.1%	R\$ 1 494.15
	AFS - Fodder	39.8%	R\$ 1 385.64
	Productive Backyard	12.4%	R\$ 1 470.20
	Beekeeping	37.3%	R\$ 1 504.07
	Poultry farming	22.7%	R\$ 1 508.84
	Goat and sheep farming	31.4%	R\$ 1 514.75
	Pig farming	25.7%	R\$ 1 490.04
	Qualified Technical Assistance	30.8%	R\$ 266.87
Virtual Technical Assistance	34.3%	R\$ 243.90	

Productive Projects		IRRe	NPVe
Economic Analysis	AFS - Fruit	17.4%	R\$ 1 883.24
	AFS - Fodder	47.1%	R\$ 17 492.53
	Productive Backyard	15.9%	R\$ 925.71
	Beekeeping	46.1%	R\$ 31 069.85
	Poultry farming	25.9%	R\$ 14 194.89
	Goat and sheep farming	13.9%	R\$ 9 024.95
	Pig farming	28.8%	R\$ 9 740.44
	Qualified Technical Assistance	30.8%	R\$ 1 019.19
Virtual Technical Assistance	34.3%	R\$ 1 120.08	

Financial Activities	N° Beneficiaries (estimated)	% Represented
AFS - Fruit	625	1.1%
AFS - Fodder	1 875	3.4%
Productive Backyard	2 800	5.0%
Beekeeping	560	1.0%
Poultry farming	20 700	37.3%
Goat and sheep farming	10 620	19.1%
Pig farming	5 320	9.6%
Qualified Technical Assistance	8 000	14.4%
Virtual Technical Assistance	5 000	9.0%



Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex 5: Social Environment and Climate Assessment (SECAP) Review Note

Mission Dates: 26/10/2023 - 03/11/2023

Document Date: 03/06/2024

Project No. 2000003598

Report No. 6690-BR

Latin America and the Caribbean
Programme Management Department

The SECAP Review note should build on the preliminary note mentioned above, draw on the results of the screening exercise and be informed by the issues raised during the design mission, the stakeholders interviews, publicly available tools and dataset, and environmental, social or climate-related studies that inform on the characteristics of the project location. The SECAP review note includes the revised ESMP and should be attached to the Project Design Report, integrated in Draft Project Implementation Manual (PIM) and COSTAB and shall be submitted to Design Review Meeting (DRM) or IRC (for NSOs).

1. Introduction

1. The purpose of the SECAP (Social, Environmental and Climate Assessment Procedures) review note is to: 1) identify the social, environmental and climate risks inherent related to the Dom Helder Camara III Project (PDHC III, hereafter) and; 2) recommend measures to avoid, minimize, mitigate, and compensate for any residual impacts in accordance with IFAD's mitigation hierarchy. The sources of information for this study include dialogues with the Federal Government of Brazil, represented by the staff of the Ministry of Agrarian Development and Family Agriculture (MDA), potential Project implementation partners, as well as analysis of the literature and consultation of official databases.
2. Based on the SECAP screening tool, the Project has a moderate environmental and social category and a substantial climate risk classification. However, all the identified risks at this stage can be managed and have known mitigation measures, whose implementation should not present challenges. Based on this assessment, an Environmental, Social and Climate Management Plan (ESCMP), and Indigenous Peoples Planning Framework (IPPF) and a Free, Prior and Informed Consent Plan (FPIC Implementation Plan) were prepared in the design phase. The climate risk of the Project is also rated as substantial, and a Targeted Adaptation Assessment (TAA) was prepared.

2. Situational analysis and potential project impacts

3. This section gives an overview of the socio-economic situation in the project areas.

2.1 Socio-economic assessment

a. Overall poverty situation

4. The Northeast has the worst socio-economic indicators compared to the rest of the country. In 2019, the region's contribution to GDP was only 13% and the unemployment rate was higher than all the other regions: 16%. The region had the highest concentration of income with the highest Gini index - 0.52 - in 2019. In the same year, in terms of education, 56% of the rural population in the Northeast had incomplete primary education. The income poverty rate exceeds 92% in the Northeast. The multidimensional poverty index (MPI) for the region is 47%, while for the rural areas of the Northeast it is 66%: 29 percentage points higher than the population of urban areas (UFV, 2023). For the semiarid Northeast, 50% of the population is in multidimensional poverty.
5. The Project area will cover the semiarid region of the Northeast and the semiarid of the state of Minas Gerais, one of the poorest regions in the country, with more than 82% of municipalities with an HDI (Human Development Index) considered low (UNDP, 2010). The total population of the Project area is 30.926.841 people, 51% women (15.774.866) and 23% youth from 15 to 29 years old (7.197.689) (IBGE, 2022b). The proportion of the population living in poverty and extreme poverty in the Project area is high: while in Brazil 29.4% of the population is poor or extremely poor, in the Project area this proportion exceeds 45,7% (Cadúncio, 2023 and IBGE, 2022b). In absolute terms, among the population of the Project area registered in the Unified Registry^[1] (2023), 14.129.614 are in poverty or extreme poverty.
6. There are 1,833,657 rural landholdings in the Project area, of which 1.446.842 (or 78.9%) are family farms. Of the total family farms, 346.096 (or 23.9%) are run by women and 156.500 (or 10.8%) by young people under the age of 35. Most of the landholdings owned by family farmers in the region are smaller than 20 hectares. Despite some variations, they generally combine rain-fed agriculture (mainly corn, beans and manioc - for home consumption and sale) with small animal husbandry (mostly sheep and goats). Families usually have vegetable gardens in their backyards, some fruit trees, and poultry.
7. In the northeastern semiarid and the Minas Gerais' semiarid regions, there is a clear correlation between poverty rates, environmental restrictions (temperature, soils, and water availability) and food and nutritional insecurity. Severe and recurrent droughts and water shortages threaten the food and nutritional security of family farmers who already live in poverty and extreme poverty.

b. Gender

8. In the Project area, there are 15.774.866 women, representing 51% of the total population (IBGE, 2022b). Despite women's fundamental contribution to agri-food production and the social reproduction of family farming, in the patriarchal family model that persists in rural Brazil, this contribution has historically been seen as merely complementary to men's work. In addition to devaluing women's productive work, gender disparities are expressed in restrictions on control and access to natural, social, and monetary resources. For example, great inequality persists in the management of agricultural establishments: only 23.9% (346.096) of the total family farming landholdings in the Project area are run by women and only 3.3% by young women under the age of 35 (IBGE, 2017). The average area of family farms run by women is considerably smaller than that of men - 9.39 hectares versus 16.89 ha.
9. Rural women's strategy for expanding their space and autonomy in this macho and conservative context has been education, a fact that is evident in the higher level of education of women compared to men. In the Project area, according to the 2017 Agricultural Census, 44.0% of male family farmers and 37.2% of women family farmers were illiterate. Furthermore, 27.2% of male family farmers had never been to school, compared to 23.8% of female farmers. As a result, we can see the migration of these women, especially young women with more schooling, to urban areas, a process that is reflected in the increase in the proportion of men (masculinization) and the aging of the rural population, which challenges family succession (AZEVEDO, 2017; COSTA, 2013). Despite having a higher level of education compared to men, the average income of women is lower in the Northeast (86,5% of that of men) (IBGE, 2021).
10. Being primarily responsible for domestic and family care work, rural women also face the double burden of work, which limits their participation in capacity building activities, access to technical assistance and training to improve their opportunities. In the Northeast in 2019, women spent almost twice as much time caring for people or doing household chores as men (21.8 hours compared to 10.5 hours) (IBGE, 2019). Only 6.6% of female family farmers (or 22.985) in the Project area receive technical assistance, compared to 8.7% of men (or 96.098) (IBGE, 2017).
11. Part of women's productive activity is invisible because it does not involve monetized transactions. 38.6% of rural women carried out unpaid agricultural activities, compared to 17.7% of men. With work dynamics concentrated in the private sphere, they are generally excluded from decision-making on the use of financial resources. Data from IBGE (2017) shows that 75.1% (or 260.043) of female family farmers in the Project area produce for self-consumption, compared to 66,6% (or 730.531) of men.
12. Inequalities in participation in decision-making, coupled with dependence on and unequal access to natural resources, public services and infrastructure mean that they are more exposed to the effects of climate change and environmental risks, which have a negative impact on cultural and social practices and further reduce the economic opportunities available to them. Women are primarily responsible for collecting water, food, and firewood in a context of increasing pressure on natural resources.
13. Rural women from *traditional peoples and communities* (PCTs) in the Project area are impacted by the combined effects of regional, gender and ethnic-racial inequalities. Those who make up the PCTs face even greater obstacles to participating in decisions that affect their territories and to the full realization of their rights, being the groups of women who experience the highest rates of food insecurity, poverty, poor access to health, education, credit, and participation in political life (UN Women, 2021).
14. Violence in Brazil's rural areas is increasing every year, as shown by the growing number of murders of rural women workers. Domestic violence is also more dramatic in rural areas and the number of murders of women has increased. According to the Atlas of Violence, between 2009-2019, states in the Northeast, such as Rio Grande do Norte and Ceará, are among those with the highest increase in the number of murders of women: 55% and 51% respectively. Afrodescendants, indigenous and women in situation of poverty are disproportionately affected by violence in Brazil. In 2020, 66% of women murdered in Brazil were afrodescendants (IPEA, 2021).

c. Youth

15. **Youth**^[2]. According to UNICEF, 61% of Brazilian children and adolescents are in situation of poverty, either because they live in families with insufficient income - monetary poverty - or because they do not have access to one or more rights - multiple deprivations (32 million). There are 18 million girls and boys (34.3%) affected by monetary poverty - with less than R\$ 346.00 per capita per month in urban areas and R\$ 269.00 in rural areas. The other 12 million (23.1%), in addition to living on an insufficient income, are denied one or more rights - multiple deprivation (UNICEF, 2017).
16. A survey carried out by UNICEF in 2014, that examined the profile of young men and women, aged between 15 to 29 years old, in the rural areas of all Brazilian states, highlighted the importance of the family as a central element in the lives of young people in the countryside, as it not only represents an economic unit, but is also the space that enables their development of sociability. Most young rural Brazilians, 89.9%, still say they live with their families, with 8.2% being married. In this context, rural young people, because they are socially used as apprentices/farm hands in the agricultural trade and therefore seen as dependent on the orders and transmissions of knowledge offered in the family environment, often feel that their contributions are underestimated and find it difficult to find their vocation.
17. Around 25% of young people in Brazil neither study nor work (IBGE, 2022) and are vulnerable to poverty, with afrodescendant young women having the highest percentage out of school and the job market. In this scenario of poverty, rural young people who enter working age face difficulties in building their life Project in the countryside and are increasingly looking for better conditions in urban centers.
18. The Project area is undergoing a demographic transition. Comparing the last two Agricultural Censuses, the percentage of young family farmers under the age of 35 went from 19.2% of all family farmers in 2006 to just 10.8% (156.500) in 2017, confirming a historical trend of a reduction in the young population on rural properties. The growing migration of rural youth, particularly more educated young women, to urban areas is largely due to barriers to inclusion, such as the lack of adequate study and work opportunities in the countryside. The rural semiarid region of the Northeast combines low-income generation capacity, precarious working conditions and a lack of basic services.
19. Young people who choose to stay in the countryside have more limited access to assets such as credit, land, and technical assistance. For example, only 7.8% of young family farmers up to the age of 35 in the Project area receive Technical Assistance (or 12.169), being 8.2% among young men and 6.8% among young women (3.245). However, it is worth highlighting the evolution of specific programs aimed at rural youth in recent years, such as the Agrarian Reform Education Program (PRONERA) and the Field Degree at federal universities. These programs have expanded access to higher education for a portion of rural youth, many of whom have become leaders within the social movements and social organizations to which they belong.
20. In relation to child labor, 1.7 million children and adolescents aged 5 to 17 were in child labor in 2019. Out of this total, 66% were afrodescendants (IBGE, 2019). UNICEF data indicates that the situation will worsen during the pandemic (UNICEF, 2021). The North and Northeast regions had the highest number of child laborers, with almost half working in agriculture.
21. In the Project area, there are 7.197.689 young people, representing 23% of the total population (IBGE, 2022b).

d. Indigenous peoples

22. The semiarid is a region of great ethnic and cultural diversity, with a high concentration of **traditional peoples and communities (PCTs)**^[3]. PCTs are particularly vulnerable due to historical dynamics of exclusion, high dependence on natural resources affected by climate change, marginalization of their ways of life, exclusion from the formulation of public policies and poor access to services, including health, education, sanitation, infrastructure and technical assistance and extension services. Indigenous and quilombola women are the most marginalized and socially excluded groups, facing higher rates of violence, poverty, and food insecurity, as well as more limited access than other women to public health and education policies, among others. They are also the target groups most vulnerable to climate change.
23. **Indigenous peoples.** According to the latest IBGE census (2022), there are 1.693.535 indigenous peoples in Brazil, almost doubling in the last 10 years (817.693 in 2010). The second region with the largest population in absolute numbers is the Northeast, with 528.800 indigenous people (31.2% of the total). In the Project area, there are 283.747 indigenous peoples, only 64.132 (22.6%) living in Indigenous Lands (ILs) and the vast majority, 77,4%, living outside ILs (IBGE, 2022b). 106.331 indigenous peoples are registered in the Unified Registry (2023) in the Project area, 37,5% of the total population. Of the 37.885 indigenous families in the Single Registry, 82.0% live in poverty or extreme poverty.
24. Extreme poverty affects indigenous people six times more than the rest of the Brazilian population. Most of the indigenous population is facing accelerated social transformation and needs to seek its physical and cultural survival and guarantee a better quality of life for future generations. It is estimated that in Brazil, less than 5% of young rural indigenous people aged between 20 and 29 have 13 or more years of schooling (ECLAC, 2016). In terms of health, infant mortality in the first year of life for indigenous children is three times higher than the national average. Between 2018 and 2021, the Special Secretariat for Indigenous Health (SESAI) recorded 3,126 deaths of indigenous children aged 0 to 5, mostly due to preventable and treatable diseases such as diarrhea and malnutrition. 72% of the deaths were of children under the age of 1. The precarious situation of indigenous children is evident in the fact that anemia affects 50% of them.
25. **Quilombolas**^[4]. The quilombola population suffers triple discrimination and marginalization due to their race, socioeconomic and cultural status. According to recently published data from the 2022 Census, there are 494 officially delimited quilombola territories in Brazil, 104 of which are in the semiarid Northeast (IBGE, 2022b). The same census indicates there are 560.428 quilombolas living in the Project region, only 8.2% of whom (46.669 people) live in quilombola territories. Among the 126.293 quilombola families registered in the Unified Registry (2023) in the Project area, 94.289 (or 74.7%) live in poverty and extreme poverty.
26. Their main economic activities are based on subsistence agriculture associated with “extractivism” (collection of non-timber forest products) and artisanal fishing. Quilombola identity is strictly associated with belonging to the collective territory in which they live. Like other traditional communities, they make common use of natural resources and their relationship with the environment is based on differentiated cultural practices. Although Brazil's 1988 Constitution recognizes the remnant quilombo communities (CRQ) as legal holders of the right to the land they have historically occupied, the process of recognizing and regularizing quilombo territories is still challenging. These communities often suffer from human rights violations and have historically been subjected to a process of expropriation of their territories.
27. The most recurrent health problems among quilombola men and women are those associated with the social and environmental determinants of health. There is a high prevalence of water-borne diseases and high blood pressure, and the processes of illness are aggravated by poor sanitation and lack of access to public health services, contributing to the persistence of diseases that are under control (or declining) in other population groups. For example, the Quilombola Nutrition Call, which took place in 2006, found that 15% of children under the age of 5 were short for their age, expressing severe malnutrition (MDS, 2006). Regarding access to public infrastructure, 11% of the quilombola communities surveyed did not have a Community Health Agent, 38% did not have a Family Health Establishment (PSF). Garbage was not collected in 71% of Quilombola households and almost half of them (45.8%) had open sewers. Even when there are public health services, their organizational logic disregards the dynamics of the groups' territories (MELO, 2017).
28. In addition to indigenous peoples and quilombolas, the Project area is home to many unidentified traditional and culturally differentiated communities that occupy and use territories and natural resources as a condition for their cultural, social, and economic reproduction, including Afrodescendant or terreiro communities, “extractivists” (collectors of non-timber forest products), riverine communities, artisanal fishers, shellfish gatherers and caboclos. There is often an overlap between these social segments.

e. Marginalised groups

29. **People with disabilities.** According to the IBGE, the Northeast was the region with the highest percentage of people with disabilities, 10.3% of the population or around 5.8 million people (IBGE, 2022). The survey also showed that the highest percentages were women and self-declared afrodescendants. Data from the Unified Registry (2023) indicates that in the Project area there are 1.265.401 people with disabilities. Disability and poverty are intricately linked, with people with disabilities facing significant stigma and discrimination. For example, they have lower success rates at school and more limited access to economic activities, both of which are major factors contributing to family poverty. People with disabilities face many challenges throughout their life cycle. There is a relatively high number of female-headed households receiving the main tax-funded disability benefit in Brazil, the Continuous Social Assistance Benefit, and this may be related to the high rate of abandonment of children with disabilities by their parents. Some additional gender dimensions have an impact on the challenges faced by people with disabilities. For example, women and girls with some forms of disability are at high risk of abuse, and this is especially the case for those with cognitive disabilities. Furthermore, until the Brazilian Inclusion Law (2015) was enacted, it was still routine for women with cognitive disabilities to be sterilized without consent. Caring for people with disabilities also has a significant gender dimension. In general, women face the double burden of needing to both earn money and provide care, but this burden is only exacerbated when family members are also disabled. It should also be noted that disabled women could also have a disproportionate burden of care placed on them, as they can still be expected to care for other members of their family.
30. **Agrarian reform settlers.** The Brazilian rural areas are still marked by land concentration, socio-economic inequalities, and agrarian conflicts. Around 1 million Brazilian families are settlers under the agrarian reform. The Northeast concentrates 30% of these families and 11.2% of the hectares earmarked for settlements in the country (IBGE, 2017). Data from the Unified Registry for the Project area indicates that 67.5% of registered settlers are in poverty or extreme poverty. In addition to the high poverty rates, this group has other socio-economic vulnerabilities, including: i) insecure access to land, since not all of them have been granted land titles; ii) water insecurity, because collective sanitation and water access infrastructures are non-existent, precarious or have not been completed; iii) lack of access to technical assistance; and iv) precarious access to public credit, education, security, health and housing policies, among others.
31. **LGBTQIAPN+.** The lack of government data on the socio-economic and political challenges faced by the LGBTQIAPN+ community is indicative of the statistical invisibility and marginalization of this group. The lack of a social assistance policy, the rural exodus of the LGBTQIAPN+ population to urban centers, the lack of family support, the limited access to income and low employability in the countryside, the difficulty of staying in the school environment due to prejudice - especially for the trans population - are some of the factors that keep data on the LGBTQIAPN+ population in rural areas invisible. Brazil is an extremely unsafe country for this population, as indicated by the upward trend in the number of violent deaths of LGBTQIAPN+ people over the last two decades. Between 2000 and 2022, 5,635 (five thousand six hundred and thirty-five) people died because of gender prejudice and intolerance. In 2022, there were a total of 273 deaths of LGBTQIAPN+ people, a national average of 1.31 deaths per million people (OBSERVATÓRIO, 2022). Most of the deaths occurred among young people aged between 20 and 29 and the Northeast region had the highest absolute number of violent deaths. In this context, the Project will seek to serve the LGBTQIAPN+ community in its activities, considering LGBTQIAPN+ diversity, to promote their inclusion and guarantee respect for their rights.

f. Nutrition

32. **Food Security.** According to the II VIGISAN, food insecurity in 2021/2022 affected 58.7% of Brazilian households (125.2 million people); in the Northeast, it reached 68% of households, where 12.1 million people are facing hunger, i.e., at a level of severe food insecurity. The family farming (FF) segment has suffered the greatest impact of the economic crisis of recent years, being particularly affected by the dismantling of public policies aimed at supporting family farming. In the Northeast, in 2021/2022, 83.6% of family farming families face some degree of food insecurity; the worst rates in the country (PENSSAN, 2022).
33. **Nutrition.** Brazil faces a double burden of malnutrition, marked by the simultaneous presence of undernutrition and overweight. 8.4% of newborns have low birth weight. Among children under five, the prevalence of stunting is 7%, wasting 1.8% and overweight 6.4%. Among adults, 28.2% of women and 21.1% of men are obese. In the Northeast, according to data from the Ministry of Health (SISVAN, 2019), 60.2% of the region's population was overweight: 35.2% overweight and 25% obese. Regarding children aged 0 to 5, 5.7% were underweight or very underweight for their age. For the same age group and year, 8% of children were very short for their age and 8.4% were short for their age, indicative of chronic malnutrition. For the Project area, wasting among children under 5 is 3.8%, stunting 4.8%, overweight 7.7% and obesity 6.9%. Among the adult population, 35.9% are overweight and 28.8% obese.
34. Despite marked reductions in chronic malnutrition over the last decade, improvements in the population's nutritional status have not been homogeneous. With the highest poverty rates in the Northeast, traditional and indigenous communities are also more exposed to nutritional vulnerability. According to research by the Ministry of Health, stunting in children under five still affected 9.8% of indigenous children in the Northeast in 2017, losing 2%, while 16% were overweight and obese, with the Northeast being the region with the highest number of overweight indigenous children in Brazil (SIASI, 2017). Research shows that in the Northeast, the prevalence of underweight among pregnant women reaches 18% compared to 6.7% for the rest of Brazil (MELO, 2011).

2.2 Environment and climate context, trends and implications

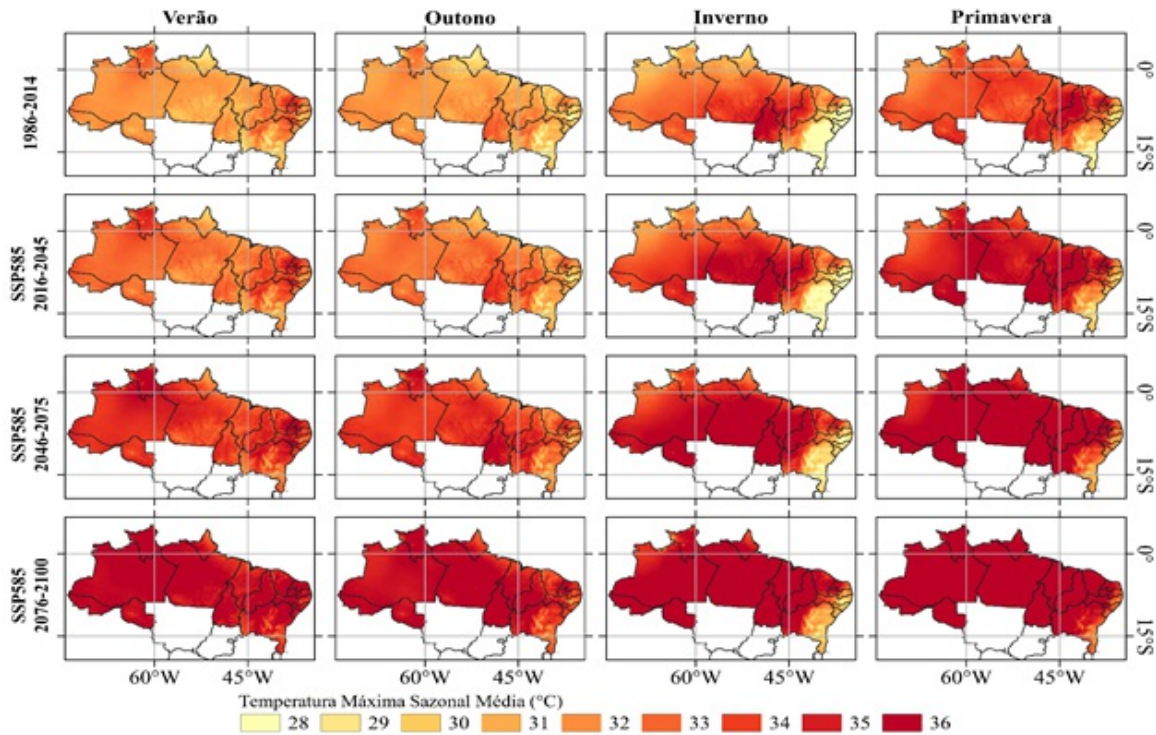
35. This section gives an overview of the Environment and climate context, trends and implications in the project areas.

a. Environmental assessment

36. The semiarid region of the Northeast is part of the Caatinga biome. With 862,818 km²,^[5] the exclusively Brazilian Caatinga biome located in northeastern Brazil is the largest seasonally dry tropical forest (STFP) in South America^[6] - occupying 10.1% of Brazil's territory^[7] - and the most species-rich dry forest in the world^[8]. The dominant vegetation ranges from open scrubland to tall dry forests and is home to a wide variety of endemic plant and animal species adapted to the region's soil and climate conditions. The Caatinga provides essential ecosystem services for urban and rural communities, including:
1. Services to provide food and nutritional security: in the Caatinga, the socio-economic importance of forest products lies in the fact that it provides important sources of food and income through the harvesting of firewood and non-timber forest products (NTFPs), such as fruit and medicinal plants;
 2. Supporting and regulating services: the Caatinga comprises around 3,150 plant species that maintain carbon stocks, control soil erosion, conserve hydrological cycles, maintain soil fertility and enable pollination^[9]. It is also home to around 386 species of fish, 98 amphibians, 79 reptiles, 548 birds and 183 mammals. Endemicity ranges from 6% in mammals to 53% in fish^[10].
37. With 27 million inhabitants^[11], the Caatinga is also the most densely populated semiarid region and is among the priority ecosystems for restoration^[12] and categorized as critically endangered by the IUCN ecosystem typology due to its high level of degradation and desertification, exacerbated by current and future climate change^{[13][14]}. This biome has suffered from deforestation and intensification of land use associated with increasing population density, poverty, and lack of natural resource management. Its semiarid climate and soil conditions (shallow soils with low organic matter content) make the biome especially vulnerable to soil erosion and desertification when deforested^[15]. The main causes of soil erosion and desertification in the semiarid Northeast of Brazil (NEB) are: 1) deforestation to produce firewood and exploit clay deposits; 2) intensive land use employing inappropriate agricultural methods, such as slash and burn, for harvesting and land clearing; 3) salinization; and 4) extensive grazing and overgrazing^[16].
38. With the highest rates of poverty and malnutrition in Brazil, rural populations in the Caatinga are highly dependent on natural resources for their livelihoods. Unsustainable farming and ranching practices, especially overgrazing, are the main causes of the loss of native vegetation and biodiversity, with more than 100,000 km² of savannas and forests in the region converted between 1985 and 2020. This is accompanied by the overexploitation of the Caatinga for firewood, hunting, fishing, and the introduction of exotic species of plants and animals.^{[17][18]}
39. Water is a significant limiting factor for food production. The relative scarcity of water results from temporally concentrated low rainfall (800-1500 mm/year), recurrent droughts, overexploitation and groundwater pollution, and the challenges of salinity in some areas. According to the Semiarid Articulation (ASA), responsible for implementing the Cisterns Program (P1MC), in 2023, in the semiarid region of the NEB, there are approximately 350,000 families who need cisterns to collect water for human consumption and another 800,000 families who require cisterns for production.

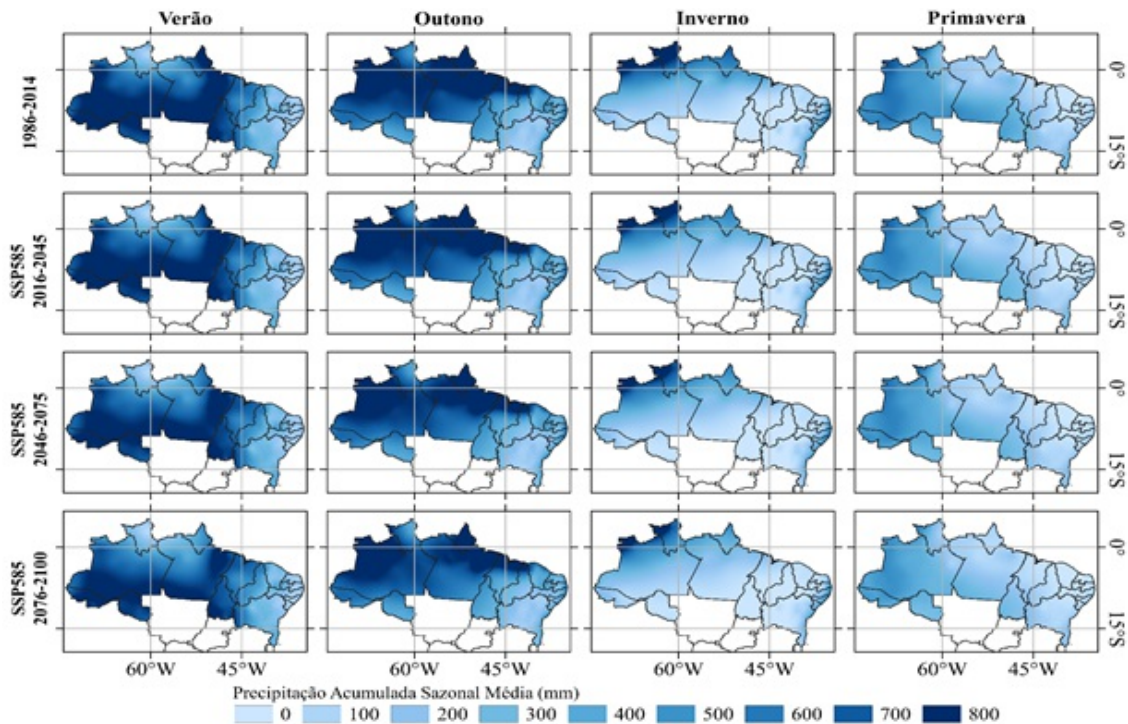
b. Climate trends and impacts

40. **Climate trends and impacts**^[19] - The semiarid Northeast of Brazil is the region most vulnerable to climate change in South America^[20]. The main climate stress factors are decreasing rainfall, rising temperatures and more frequent, longer, and more severe droughts^{[21][22][23]}. The climate risks are desertification, soil degradation (erosion and loss of organic matter), reduced availability of natural resources, especially fresh water, and loss of biodiversity. Approximately 200,000 km² (1,262 municipalities) are highly susceptible to desertification and around 6.8 million people live in stressed conditions (out of 27 million)^[24]. If degradation trends continue, the region could become arid by 2050^[25].
41. **Figure 1: Average seasonal maximum temperature (°C), historical trend and future scenario SSP5-8.5**



42. Source: Prepared by Dênis Antônio da Cunha^[26] and Lais Rosa de Oliveira^[27] based on NEX-GDDP-CMIP6 (2021).

43. **Figure 2: Average seasonal accumulated rainfall (mm), historical trend and future scenario SSP5-8.5**



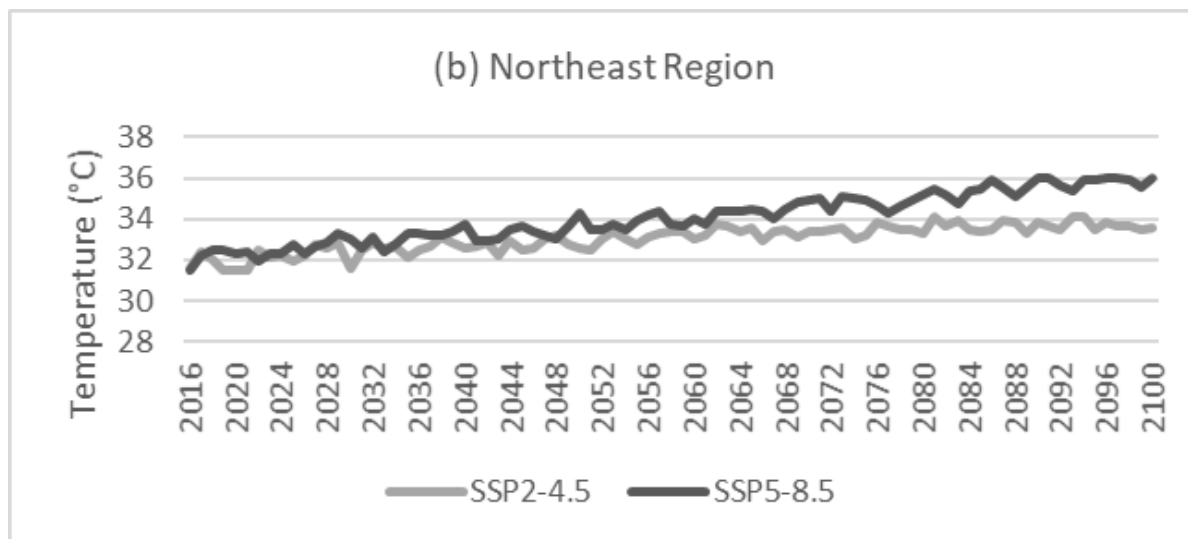
44. Source: Prepared by Dênis Antônio da Cunha and Lais Rosa de Oliveira based on NEX-GDDP-CMIP6 (2021).

45. As shown in figures 1 and 2, the future IPCC-AR6 scenarios (2021) indicate that the Northeast will suffer an increase in the extremes of minimum and maximum temperature and a reduction in the volume of precipitation. The effects are also expected to be more intense from the second half of the 21st century and in the most pessimistic scenario (SSE5-8.5). For the semiarid region, the greatest extremes of heat and much lower rainfall volumes are expected.

46. Figure 3 shows the behavior of the maximum temperature (annual average) and shows a very significant warming trend. In relation to the present, in the Northeast the models predict increases in maximum temperature of between 0.92°C and 2.74°C by 2050 and between 1.98°C and 4.51°C by 2100. In particular, an increase in the number of very hot days above 35°C, a greater number and frequency of consecutive dry days and heat waves, a reduction in the number of consecutive wet days, and

an increase in the length of the dry season are predicted.

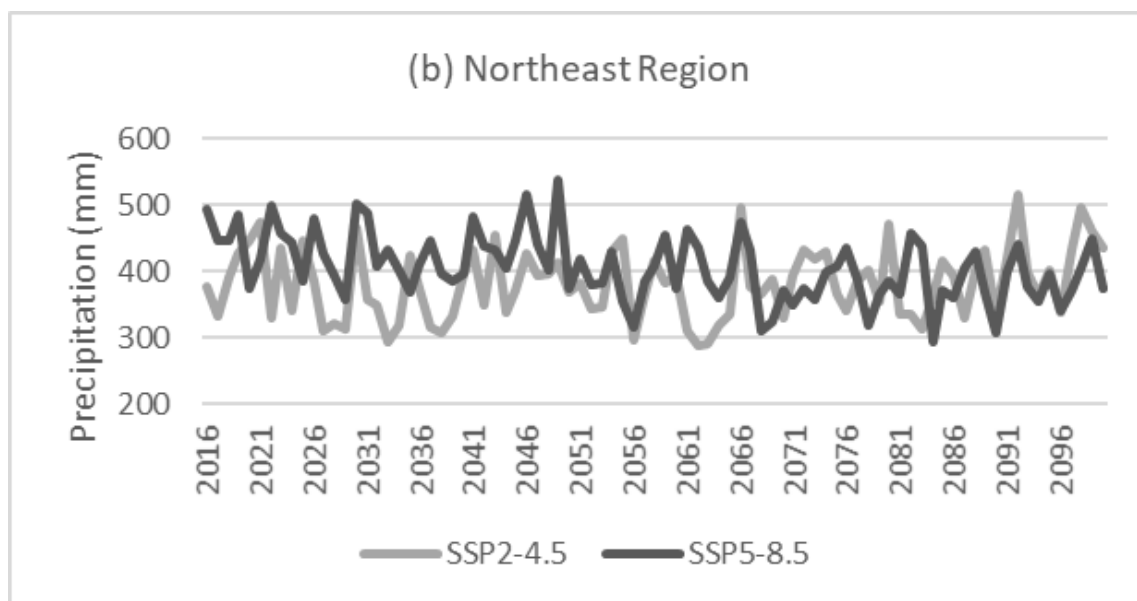
47. **Figure 3: Average annual maximum temperature (°C), future scenarios**



48. Source: Prepared by Dênis Antônio da Cunha and Lais Rosa de Oliveira based on NEX-GDDP-CMIP6 (2021).

49. Figure 4 shows the annual evolution of future rainfall estimates. In the Northeast, both scenarios show great variability in rainfall, but without major differences between the scenarios.

50. **Figure 4: Average annual maximum temperature (°C), future scenarios**



51. Source: Prepared by Dênis Antônio da Cunha and Lais Rosa de Oliveira based on NEX-GDDP-CMIP6 (2021).

52. These possible impacts of climate change could cause negative shocks for the population, including reduced water and food security. The difficulty and poor distribution of access to water is a determining factor in explaining the vulnerability of family farmers in the semiarid region to climate change. Recurrent episodes of drought contribute to the low availability of water in the region. Between 2011 and 2017, the Northeast experienced the "most intense drought in terms of duration, severity, and recurrence in at least the last 30 years"[\[28\]](#). Farmers in the North and Northeast regions are the most vulnerable in the country because of their low adaptive capacity resulting from multidimensional economic, political, and socio-cultural inequalities[\[29\]](#)[\[30\]](#)[\[31\]](#)[\[32\]](#).

53. Another problem that increases the vulnerability of family farming in the semiarid region is desertification. This is a complex phenomenon whose causes involve interactions between biophysical, socioeconomic, and demographic variables and which could be accelerated by projected climate change[\[33\]](#). Depending on the climate scenario considered, areas with high susceptibility to desertification could increase by between 12.3% (RCP 4.5) and 19.6% by 2045 (RCP 8.5). The combination of expectations of high drought risks, increased desertification and more heat extremes could jeopardize agricultural activities,

especially those of family farmers, and disrupt local and regional food markets ^[34].

54. These changes in climate will cause significant losses in productivity for some key crops for family farmers, such as cassava, beans, bananas, and corn ^{[35][36][37][38]}. Studies show productivity losses of up to 92% for corn and 88% for beans. The states most at risk of losses are Ceará, Piauí, Pernambuco and Paraíba. Even with irrigation, temperature extremes would have considerable negative impacts on productivity.

c. Climate change mitigation

55. Gori Maia et al. concluded that increases in temperature and episodes of drought from 1974 to 2014 reduced the productivity of agroecological practices systems. Expected reduction in productivity of agroecological practices systems is expected to be significant, especially for family farmers. According to the study, the negative effects of climate change on agroecological practices systems are more significant in the semi-arid region of the Northeast, where the agroecological practices systems are more prevalent. The study also found that agroecological practices systems are more resilient to climate change than conventional agriculture systems. The study recommends that agroecological practices systems should be supported by the government and other stakeholders to enhance their resilience to climate change. An EXAG assessment was carried out to confirm this (see table below). Finally, it should be noted that agroecological practices to be supported by the Project are in line with Brazil's NDC goals as supported by its Low Carbon Agriculture Plan (Plano de Agricultura de Baixo Carbono –Plano ABC) under the auspices of the Brazilian Ministry of Agriculture (MAPA).

57. Tons of Greenhouse gas emissions (tCO2e) avoided and/or sequestered

Hectares of land - Area (ha)	0	0	536
tCO2e/20 years - Number	0	0	-10,318
tCO2e/ha - Number	0	0	-79.4
tCO2e/ha/year - Number	0	0	-3.97

2.3 Target group profiles

Target group	Challenges	Needs	Project Responses

Target group	Challenges	Needs	Project Responses
<p>Family farmers in poverty and extreme poverty</p>	<p>High rates of poverty, extreme poverty and food and nutritional insecurity</p> <p>Most of them cultivate in mixed crop-livestock systems, mainly for self-consumption, with some added value through processing and selling surpluses</p> <p>Limited access to technical assistance</p> <p>Many do not have secure land titles</p> <p>Poor or limited access to water and sanitation</p> <p>Limited decision-making power</p>	<p>Creating sustainable work and income opportunities</p> <p>Increased productivity</p> <p>Increasing the diversification of healthy food production</p> <p>Adding value to products</p> <p>Access to markets</p> <p>Collective organization</p> <p>Technical assistance</p> <p>Access to water for human consumption and production</p> <p>Social and economic empowerment</p> <p>Greater access to and ability to dispose of assets such as land/territory, bio-inputs, creole seeds, adapted technologies and credit</p>	<p>Ensuring regular and diversified income streams for families to support economic empowerment</p> <p>Activities to adapt and improve production practices, from the perspective of coexistence with the semiarid region, to promote agroecological transition, increase productivity, diversification, and income generation</p> <p>Support for the implementation of Agroforestry Systems (SAFs) and agroecological production yards</p> <p>Promoting access to various public policies, such as PRONAF Garantia Safra and cisterns</p> <p>Support for access to institutional markets such as the PNAE and PAA and local non-governmental markets such as fairs</p> <p>Training on issues related to gender, generation, and ethnic-racial inclusion</p> <p>Providing ongoing technical assistance for agroecological transition</p> <p>Strengthening family farming collective organizations</p> <p>Installation of cisterns and other social technologies for access to water</p> <p>Participation of representative family farming organizations in all stages of the Project</p>

Target group	Challenges	Needs	Project Responses
Rural women	<p>Restricted access to land, credit, documentation, technology, and natural and productive resources</p> <p>Obstacles to marketing their production</p> <p>Double working hours</p> <p>Violence against women</p> <p>Decision-making power limited by the patriarchal and macho structure</p> <p>Lack of access to basic services such as education, health, and social assistance</p> <p>Higher incidence of food and nutrition insecurity</p> <p>Water insecurity</p>	<p>Access to and ability to dispose of assets such as bio-inputs, adapted technologies and credit</p> <p>Access to markets</p> <p>Reduced working hours and division of domestic and care work</p> <p>Increasing gender equity</p> <p>Combating all forms of violence against women</p> <p>Training in fair division of labor/sexual division of labor and equal participation in mixed collective organizations</p> <p>Empowerment in rural institutions</p> <p>Training opportunities</p> <p>Productive diversification</p> <p>Access to social technologies for accessing, storing, and treating water</p>	<p>Technical advice provided by a team, preferably made up of women, with specific experience in working with women</p> <p>Support for access to the PNAE, PAA and local non-governmental markets, such as fairs</p> <p>Development of a Gender Strategy and Action Plan</p> <p>Increased participation and decision-making power in socio-economic planning (with specific diagnosis of women's demands)</p> <p>Communication interventions to change gender behavior</p> <p>Training processes on feminism, women's rights, and ways of accessing public policies for rural women.</p> <p>Training processes in collective organizations to promote women's empowerment and gender equity in management</p> <p>Promote the autonomy, income generation and productive organization of rural women.</p> <p>Installation of cisterns and other water access technologies</p> <p>Support for the implementation of SAFs and agroecological farmyards</p> <p>Rural Women Workers' Documentation Workshops</p> <p>Emphasize the importance of assisting rural women at all stages of the Project</p> <p>Participation of organizations representing rural women in all stages of the Project</p> <p>Call for specific ATER for women</p>

Target group	Challenges	Needs	Project Responses
<p>Rural youth</p>	<p>Higher incidence of poverty</p> <p>Lack of decent job opportunities and income generation</p> <p>Migration to cities due to lack of opportunities in the countryside</p> <p>Restricted access to land, bio-inputs, credit, adapted technologies, natural and productive resources</p> <p>Limited access to education, culture, and leisure</p> <p>Limited decision-making power due to patriarchal and sexist structures (young women)</p>	<p>Generation of work and income; in attractive and income-generating activities for young people</p> <p>Access to and ability to dispose of assets such as land/territory, bio-inputs, adapted technologies, credit and natural resources</p> <p>Opportunities for emancipatory education and training in agroecological production</p> <p>Greater voice, participation, and influence in collective family farming organizations</p>	<p>Promoting the socio-economic empowerment of young people</p> <p>Supporting youth entrepreneurship and innovation</p> <p>Promote meetings, exchanges, and learning routes for the exchange of agroecological knowledge</p> <p>Agroecological Youth Award</p> <p>Support for the implementation of Agroforestry systems (AFS)s and agroecological backyards</p> <p>Strengthening education in and from the countryside</p> <p>Specific calls for technical assistance for young people</p> <p>Training in topics such as associations and cooperatives</p> <p>Greater participation and voice in collective organizations</p> <p>Participation of organizations representing rural youth in all stages of the Project</p>

Target group	Challenges	Needs	Project Responses
Traditional Peoples and Communities (PCTs)	<p>Higher incidence of poverty and extreme poverty and food and nutrition insecurity</p> <p>Restricted access to bio-inputs, credit, adapted technologies, natural and productive resources</p> <p>Traditional knowledge and practices of production, food management and natural resources are not properly recognized and valued</p> <p>Land insecurity and vulnerability to land conflicts</p> <p>Lack of access to services such as health and education</p> <p>Decision-making power limited by structural racism</p>	<p>Creation of opportunities for decent work and income generation</p> <p>Access to and capacity for bio-inputs, credits, adapted technologies, natural and productive resources</p> <p>Respect and appreciation of traditional knowledge, practices, and ways of life</p> <p>Security of land tenure</p> <p>Access to indigenous and quilombola education and nutrition</p> <p>Contextualized technical training and social empowerment</p> <p>Combating racism</p>	<p>Promote socio-economic empowerment while respecting cultural specificities</p> <p>Promote ethno-development and access to adapted public policies</p> <p>Promoting socio-economic empowerment</p> <p>Expanding access to public policies and productive development</p> <p>Mapping the particularities of traditional communities</p> <p>Use of the free, prior, and informed consent form (FPIC)</p> <p>Training processes for technical teams on the specificities of working with PCTs.</p> <p>Support for access to the PNAE, PAA and local non-governmental markets, such as fairs</p> <p>Training processes on ethno-development and the rights of the PCTs</p> <p>Specific calls for technical assistance for PCTs</p> <p>Participation of PCT representative organizations in all stages of the Project</p>
LGBTQIAPN+ Community	<p>High rates of gender-based violence</p> <p>Lack of a focused social assistance policy</p> <p>Rural exodus of the LGBTQIAPN+ population to urban centers</p> <p>Limited access to income</p> <p>Low employability in the countryside</p> <p>School dropouts</p>	<p>Combating LGBTphobia and gender-based violence</p> <p>Creating sustainable decent work and income opportunities in the countryside</p> <p>Technical capacity building and training opportunities</p> <p>Access to and control of inputs, credits, technologies, and natural and productive resources</p>	<p>Awareness campaigns on the rights of the LGBTQIAPN+ community</p> <p>Implementation of IFAD's Diversity, Equity, and Inclusion Strategy (2021)</p> <p>Diagnostics with the LGBTQIAPN+ movements</p> <p>Diagnosis of the socio-economic and political barriers to inclusion for this group</p> <p>Elaborating a strategy and action plan for LGBTQIAPN+ inclusion</p>

Target group	Challenges	Needs	Project Responses
Agrarian Reform Settlers	Higher incidence of poverty	Creation of sustainable job and income opportunities	Ensuring regular and diversified income streams for families to support economic empowerment
	Limited access to technical assistance	Increased productivity	Activities to adapt and improve production practices, from the perspective of coexistence with the semiarid region, to promote agroecological transition, increase productivity, diversification, and income generation
3. Institutional analysis	Many do not have secure land titles	Increased diversification of healthy food production	Support for the implementation of Agroforestry Systems (SAFs) and agroecological backyards
	Poor or limited access to water and basic sanitation	Adding value	Promoting access to various public policies, such as PRONAF, Credit Garantia Safra and cisterns
	Lack of access to services such as health and education	Access to markets	Support for access to institutional markets, such as the PNAE and PAA, and local non-governmental markets, such as fairs
	Restricted access to bio-inputs, credit, adapted technologies, natural and productive resources	Collective organization	Training on issues related to gender, generation, and ethnic-racial inclusion
		Technical training	Providing ongoing technical assistance for agroecological transition
		Access to water for human consumption and production	Strengthening collective family farming organizations
		Social and economic training	Installation of cisterns and other social technologies for access to water
		Greater access to and ability to dispose of assets such as bio-inputs, creole seeds, adapted technologies and credit	Participation of representative family farming organizations in all stages of the Project
58. The Ministry of Agrarian Development and Family Farming (MDA) is responsible within the federal government for proposing and implementing public policies aimed at agrarian reform, promoting sustainable development, and strengthening family farming. Its actions are geared towards combating rural poverty, promoting food security and sovereignty, the sustainability of production systems and generating and value addition. The MDA's Secretariats will be strategic in implementing the Project, such as the Secretariat for Supply, Cooperativism and Food Security and the Secretariat for Territories and Production Systems.			

59. The **Ministry of Development and Social Assistance, Family and Fight against Hunger (MDS)** is responsible for strengthening national policies on social development, food and nutritional security, social assistance, and citizenship income, and for coordinating with federal, state, Federal District and municipal governments and civil society in establishing guidelines for national policies on social development, food and nutritional security, citizenship income and social assistance.
60. The **National Agency for Technical Assistance and Rural Extension (ANATER)** is a direct administration public-private entity whose main role is to contribute to the qualification of technical assistance and rural extension services in Brazil, to promote and support the dissemination of appropriate technologies for the rural public and, among other things, to promote and support the dissemination of appropriate technologies for the rural public.
61. **Main national policies, strategies, and regulatory frameworks relevant to the Project:**
- Brazil is a signatory to the UN CBD, the UNCCD^[40] and the UNFCCC (UN Framework Convention on Climate Change)^[41] In Brazil's **National Biodiversity and Action Plan (NBSAP)**, the targets for ecosystem restoration are: 4) promote sustainable production and consumption to reduce pressure on natural resources; 5) minimize the loss of native habitat; 11) increase protected areas; 14) restore and protect ecosystems that provide essential services to traditional communities; and 15) restore at least 15% of degraded ecosystems to mitigate and adapt to climate change and combat desertification. Brazil's **National Adaptation Plan (NAP)** recognizes the climate vulnerability of the Caatinga and its local population due to the projected increase in average temperatures and reduction in average rainfall, exacerbating desertification, droughts, and loss of productivity. Regarding its **Nationally Determined Contributions (NDCs)**, Brazil has committed to reducing GHG emissions by 37% below 2005 levels in 2025 and by 50% below 2005 levels in 2030^[42]. Brazil's commitments also include a

long-term goal to achieve climate neutrality by 2050^[43] Brazil's LDN targets by 2030 are to restore 12 million hectares of forests, 15 million hectares of degraded pastures and increase integrated crop-livestock-forestry systems (ICLFS) by 5 million hectares.

- The **National Environmental Policy** (PNMA - Law No. 6.938, of August 31, 1981) establishes Environmental Impact Assessment (EIA) as one of its instruments, through which it seeks to identify, mitigate, and evaluate the possible socio-environmental impacts of an activity or project.
- The **Law on the Protection of Native Vegetation (Forest Code)** establishes the general rules on where and how native vegetation can be exploited, and which areas must be preserved. It includes mechanisms for conserving and restoring native vegetation on private land and establishes two types of mandatory preservation areas - the Legal Reserve (RL) and the Permanent Preservation Area (APP).^[44]
- The **National Policy for the Recovery of Native Vegetation (PROVEG)** was created in 2017 to coordinate and strengthen public policies, financial incentives, markets, and good agricultural practices to promote the recovery of native vegetation in fallow and degraded areas with low productivity. CONAVEG is the government led council responsible for putting the policy into ^[45]
- The **National Plan for the Recovery of Native Vegetation (PLANAVEG)** is a key PROVEG mechanism whose aim is to expand and strengthen public policies, financial incentives, markets, recovery technologies, sustainable agricultural practices, and other measures necessary for the recovery of native vegetation, mainly in APP and RL areas, but also in degraded areas with low agricultural productivity.^[46]
- The **National Plan to Control Illegal Deforestation and Recover Native Vegetation (2020-2023)** seeks to coordinate efforts to reduce deforestation in all biomes.^[47]
- The main objective of the **National Policy for the Sustainable Development of Traditional Peoples and Communities** is to promote the sustainable development of **traditional peoples and communities**^[48] with an emphasis on recognizing, strengthening, and guaranteeing their territorial, social, environmental, economic, and cultural rights, while respecting and valuing their identity, their forms of organization and their institutions.
- The **National Policy for the Territorial and Environmental Management of Indigenous Lands (PNGATI)**^[49] has the general objective of guaranteeing and promoting the protection, recovery, conservation and sustainable use of the natural resources of indigenous lands and territories, ensuring the integrity of indigenous heritage, the improvement of quality of life and the full conditions for the physical and cultural reproduction of current and future generations of indigenous peoples, respecting their socio-cultural autonomy.
- The main objective of the **National Policy for the Sustainable Development of Traditional Peoples and Communities**^[50] (PNPCT) is to promote the sustainable development of **traditional peoples and communities**, with an emphasis on recognizing, strengthening, and guaranteeing their territorial, social, environmental, economic, and cultural rights, while respecting and valuing their identity, forms of organization and institutions.
- The **International Labor Organization (ILO) Convention 169 on Indigenous and Tribal Peoples** establishes free, prior, and informed consultation as a right of peoples and as a principle of their political relationship with national states. Article 6 defines the principles of the consultation process^[51].
- The **Maria da Penha Law** (Law 11.340/2006) creates mechanisms to prevent and curb domestic and family violence against women in its 46 articles^[52]. This rule is in line with the Federal Constitution (art. 226, § 8) and the international treaties ratified by the Brazilian state (Convention of Belém do Pará, Pact of São José da Costa Rica, American Declaration of the Rights and Duties of Man and Convention on the Elimination of All Forms of Discrimination against Women^[53]).
- **Law No. 13.718/2018 of the Penal Code** typifies the crimes of sexual harassment and disclosure of a rape scene, makes the nature of criminal prosecution of crimes against sexual freedom and sexual crimes against the vulnerable unconditional, establishes causes of increased punishment for these crimes and defines collective rape and corrective rape as causes of increased punishment.
- Brazil has several policies and programs to promote low-carbon agriculture and the internalization of biodiversity in rural areas. Examples of this are the ABC Program and credit instruments such as **PRONAF ABC**, **PRONAF ABC+Bioeconomy**, **PRONAF ABC+Agroecology** and **PRONAF ABC+Forest**, run by the BNDES in partnership with other banks such as Banco do Brasil (BB), Banco do Nordeste (BNB) and Banco da Amazônia (BASA)^[54].

4. Environmental and social category

62. The environmental and social risk category is "moderate". The justification for this rating results from the potential risks associated with habitat conversion, introduction of invasive species and the investments in small-scale livestock systems. Mitigation measures (e.g., exclusion of any habitat conversion from potential sub-projects, negative list of alien invasive species to be purchased by the project, adoption of best practices for pasture management and treatment of effluents) for all aforementioned risks are well known and should not be a challenge for the project's implementation teams.
63. Regarding social risks, there are risks related to the presence of indigenous peoples and traditional communities with their own knowledge and ways of life. The project will develop a Free, Prior and Informed Consent Implementation Plan (Free, Prior and Informed Consent Implementation Plan - FPIC Implementation Plan) to implement and strengthen FPIC processes, as well as processes for the effective participation of this target group in the planning and execution of project activities. The Project will also develop a Gender and Social Inclusion Strategy, which will contribute to mitigating any risks related to the inclusion, benefit, and empowerment of the target groups and to ensuring the quality participation and empowerment of the target groups.

5. Climate risk category

64. The climate risk category is "substantial" due to: i) the vulnerability and exposure of the target population to the effects of climate variability; ii) the still limited access of the Project's target population to policies and instruments that can reduce this vulnerability; and iii) the dangers of extreme events adversely affecting the Project's investments. This analysis is based on the results of the climate trends described above and on the historical experience of the region, which suffered its longest period of drought on record between 2012-2017, as well as periods of extreme rainfall in 2021-2022.
65. Based on the screening questions and the trends indicated above, the Project's inherent risk is "substantial". Climate risks include: the risk of hazards resulting from extreme events and changes in precipitation and temperatures include average temperature variations of more than 1° C, changes in the volume and regularity of precipitation. The risk of exposure results mainly from the fact that the project area is already a biome with climatic conditions that are adverse to agricultural, forestry and livestock activities, which are often negatively affected by the variability of the rainfall regime. The risk of sensitivity is mainly due to the dependence of the project's target population on agricultural production for their subsistence and income and the fact that they are already a socially vulnerable population. Adaptation capacity is limited by the population's relative lack of access to existing government instruments and policies, which still make it relatively difficult to adopt measures to adapt to climate change (either due to lack of access to information or difficulties, for example, in accessing credit for investments). There is also the risk of extreme events (droughts and rains) adversely affecting the implementation and sustainability of the production systems supported by the Project.

6. Recommendations for project design and implementation

66. Social recommendations:

- A specialist in Gender, Youth, and PCTs should be part of the PMU team and should guide, lead, and monitor compliance with social safeguards.
- The Gender, Youth, and PCTs specialist should lead the development of a strategy and action plan for the inclusion of young people and gender equity, and for serving traditional communities, in the project's actions and activities.
- The Gender, Youth, and PCTs specialist must regularly sensitize and train the project team and Technical Assistance teams on gender, youth, traditional peoples, and communities.
- The Nutrition specialist must regularly sensitize and train the Project team and the Technical Assistance teams on nutrition-related issues.
- To ensure that social safeguards are met, the PMU will have a Social, Environmental and Climate Safeguards specialist.
- Project information, including on the grievance and redress mechanism, should be presented in an accessible and culturally appropriate way, paying due attention to the specific needs of community groups that may be affected by project implementation (such as literacy, gender, language differences or accessibility of technical information or connectivity).
- The Technical Assistance and Rural Extension and other forms of technical advice team should guide families through the basics of nutrition, enriched and diversified diets, good food safety practices, sanitation, and hygiene to improve the quality of families' diets.
- Develop a robust M&E system with data disaggregated by gender, age and traditional peoples and communities to monitor the socio-economic empowerment of target groups.
- The project must ensure that the interventions address the gaps that hinder the access of women, young people and traditional peoples and communities (PCTs) to the inputs, technologies, and tools necessary for productive inclusion.
- In traditional peoples' communities in the target territories, the Free, Prior and Informed Consent (FPIC) procedure will be applied to obtain their acceptance and willingness to participate in the Project.
- The project will follow international working standards. All contracts with contractors, suppliers, and third parties to be financed with IFAD funds will include provisions that prohibit child labor and promote decent work conditions. Additionally, the PMU should establish a mechanism to supervise and follow up on project's actions with beneficiaries, considering working conditions issues.
- Robust grievances and redress mechanism (GRM) must be established. Through the Project's GRM, stakeholders or society, in general, will be able to submit anonymous complaints regarding abusive labor practices (e.g., forced or child labor), cases of gender-based violence, discriminatory working conditions and unsafe/unsanitary working conditions, which will be addressed and resolved as indicated in the mechanism.

67. Recommendations on the environment and climate:

- A specialist in Social, Environmental and Climate Safeguards should be part of the PMU team and should guide, lead, and monitor compliance with environmental and climate safeguards.
- To ensure that environmental and climate safeguards are complied with, the specialist must regularly sensitize and train the project team and TA teams on these issues.
- The project team should ensure that the approach of all activities is agroecological and design the activities to achieve the best possible environmental and social impacts, identifying and mitigating specific local climate risks.
- Considering that agroecology is knowledge-intensive, it is important to create spaces for continuous learning and exchange in agroecology the project's main partners.
- As part of the agroecological approach, it is recommended to promote the use of organic manures, natural fertilizers, and biocides, along with the adoption of sustainable traditional knowledge and innovative practices for integrated pest management. It is strongly advised that the project does not finance chemical inputs, especially pesticides and herbicides.
- As agroecology recognizes the importance of distinct types of knowledge and values co-creation and networks of knowledge and practices, TA needs to be structured at community level, avoiding individual assistance.
- It is advised that the environmental and climate diagnosis consider gender, interculturality, and intergenerational dialogue perspectives.
- Ensure close collaboration between the M&E professional and the Environment, Climate Change and Agroecology professional to assess the impact of activities and adjust them if necessary.
- Ensure close collaboration between the Social Inclusion professional and the Environment, Climate Change and Agroecology professional to take advantage of synergies between the themes (for example, promoting nutritious crops that are resilient to climate change).

7. Further studies needed

68. Due to the Project's moderate environmental and social category and substantial climate risk category, the following additional studies were prepared: i) Environmental, Climate and Social Management Plan (ESCMP), ii) Free, Prior and Informed Consent Implementation Plan (FPIC Implementation Plan), iii) Indigenous Peoples Planning Framework (IPPF) and iv) Targeted Adaptation Assessment (TAA). In addition, a Stakeholder Engagement Plan (SEP) and a project-level Grievance Redress Mechanism (GRM) were developed during the design phase as required for IFAD projects.

8. Monitoring and evaluation

69. Indicators of gender, youth, and traditional communities:

- Outreach indicator: people receiving services promoted or supported by the project (broken down by gender, youth, and traditional communities).
- CI (Core Indicator) 2.2.1 Persons with new jobs/work opportunities (disaggregated by gender and youth).
- CI 1.1.4 People trained in productive practices and/or technologies (disaggregated by gender and youth).
- Training in food security, gender, agroecology, and climate-resilient agriculture (disaggregated by gender).

70. Nutrition indicators:

- CI 1.2.8 Women reporting minimum dietary diversity (MDD-W).
- CI 1.1.8 Households provided with targeted support to improve their nutrition (disaggregated by gender, youth, and traditional communities).
- CEFFAS with innovative teaching materials and strengthened capabilities in food safety.

71. Environmental and climate indicators:

- CI 2.2 Households reporting the adoption of environmentally sustainable and climate-resilient technologies and practices
- CI 1.1 Groups supported to sustainably manage natural resources and climate-related risks (disaggregated by gender and youth)
- CI 3.2.1 Tons of Greenhouse gas emissions (tCO₂e) avoided and/or sequestered

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ESCMP Matrix

ESCMP Matrix						
Potential Environmental social and climate impacts	Recommended mitigation/improvement measures	Public consultation activities	Responsible institution in the implementation phase	Means of verification (Monitoring and reporting)	Check frequency	Cost estimate

<p>The project may potentially involve or lead to conversion or degradation of biodiversity, habitats and/or ecosystems and ecosystem services.</p>	<ul style="list-style-type: none"> - Definition of an eligibility criterion for sub-projects forbidding any conversion of biodiversity, habitats and/or ecosystems and ecosystem services. - Exclusion of list of alien invasive species (including <i>Apis sp.</i> in areas included in the buffer zones of strict protection areas). 	<ul style="list-style-type: none"> - Raising awareness of partner institutions and beneficiaries. - Capacity building and training of extension agents. 	<ul style="list-style-type: none"> - MDA - ANATER - MDS - Partner institution 	<p>ESMP implementation reports.</p>	<p>Every six months</p>	<p>Costs included in the ATER and PDRL investments.</p>
<p>The project may involve or lead to engagement in areas of forestry, including the harvesting of natural forests, plantation development, and/or reforestation</p>	<ul style="list-style-type: none"> - The project will support only forest restoration activities using only native species adopting best practices of forest restoration. 	<ul style="list-style-type: none"> - Raising awareness of partner institutions and beneficiaries. - Capacity building and training of extension agents. 	<ul style="list-style-type: none"> - MDA - ANATER - MDS - Partner institution 	<p>ESMP implementation reports.</p>	<p>Every six months</p>	<p>Costs included in the ATER and PDRL investments.</p>
<p>Risks related to livestock</p>	<ul style="list-style-type: none"> - Definition of scale threshold to ensure that only small-scale animal husbandry systems and animal products processing units are supported. 	<ul style="list-style-type: none"> - Raising awareness of partner institutions and beneficiaries. - Capacity building and training of extension agents. 	<ul style="list-style-type: none"> - MDA - ANATER - MDS - Partner institution 	<p>ESMP implementation reports.</p>	<p>Every six months</p>	<p>Costs included in the ATER and PDRL investments.</p>
<p>Risks related to labor and working conditions (including child labor)</p>	<ul style="list-style-type: none"> - Raising awareness about the issue with the PMU, partner institutions and beneficiaries. - Oversight of compliance with national labor norms. - Establishment of a grievance redress mechanism. 	<ul style="list-style-type: none"> - Raising awareness of partner institutions and beneficiaries. - Capacity building and training of extension agents. 	<ul style="list-style-type: none"> - MDA - ANATER - MDS - Partner institution - Social movements working with family farming 	<p>ESMP implementation reports.</p>	<p>Every six months</p>	<p>Costs included in the ATER and PDRL investments.</p>

<p>Limitations on family farmers' access to services, technologies, and resources</p>	<ul style="list-style-type: none"> - Provide technical assistance for the agroecological transition of production systems. - Providing input, financial, and productive resources and improving access to natural resources. - Support for family farmers' access to public policies such as cisterns - Promoting market access and developing food supply capacity for the PAA and PNAE - Strengthening rural organizations 	<p>Promotion and dissemination of the project through a variety of media with inclusive messages</p>	<ul style="list-style-type: none"> - MDA - Social movements working with family farming 	<ul style="list-style-type: none"> - Photographic and video records of activities, events - Minutes of meetings and agreements 	<p>Every six months</p>	<p>Costs included in the ATER and PDRL investments.</p>
<p>Gaps in the inclusion of rural women</p>	<ul style="list-style-type: none"> - Train TA teams in gender issues to meet their specific demands. - Promote women's participation and voice in socio-economic and environmental planning and natural resource management. - Select techniques and technologies that are suitable for use by women. - Providing input, financial, and productive resources and improving women's access to natural resources. - M&E of inclusive participation of at least 60% of rural women 	<ul style="list-style-type: none"> - Articulation with institutional actors linked to rural women - Promotion and dissemination of the project through a variety of media with gender inclusive messages 	<ul style="list-style-type: none"> - MDA - Articulation with institutional actors linked to gender issues, such as women's movements 	<ul style="list-style-type: none"> - Photographic and video recordings of activities, events, and meetings with rural women - Minutes of meetings and agreements with rural women 	<p>Every six months</p>	<p>Costs included in the ATER and PDRL investments.</p>

<p>Gaps in the inclusion of rural youth</p>	<ul style="list-style-type: none"> - Promoting the participation and voice of young people in socio-economic and environmental planning and natural resource management. - Provision of inputs, financial and productive resources, and better access to natural resources for young people - Training. - Promoting the education of rural youth - Supporting innovation and entrepreneurship among young people 	<ul style="list-style-type: none"> - Articulation with institutional actors linked to rural youth - Promotion and dissemination of the project through various media with inclusive messages for young people. 	<ul style="list-style-type: none"> - Rural education institutions, such as Family Farming Schools - Articulation with institutional actors linked to the youth issue 	<ul style="list-style-type: none"> - Photographic and video recordings of activities, events and meetings with rural young people - Minutes of meetings and agreements with rural youth 	<p>Every six months</p>	<p>Costs included in the ATER and PDRL investments.</p>
<p>Inclusion gaps for traditional peoples and communities</p>	<ul style="list-style-type: none"> -Promote Free, Prior and Informed Consent processes; -Respect the heritage, cultural identity, and ways of life of traditional peoples and communities. - Support for land titling processes -Monitoring and evaluation of the inclusive participation of at least 20% of people in PCTs. - Implementation of sensitization training for AT professionals on issues of race and ethnicity, with a focus on methodological approaches 	<ul style="list-style-type: none"> - Promotion and dissemination of the project among traditional peoples and communities in the project area -Ensure that the language of project materials and media is accessible and supportive. -Contact with organizations and movements representing PCTs 	<ul style="list-style-type: none"> - MDA - Partner institutions working on the rights of indigenous peoples and traditional communities 	<ul style="list-style-type: none"> - Report on the implementation of FPIC - Photographic and video records of activities, events, and meetings with PCTs 	<p>Every six months</p>	<p>Costs included in the ATER and PDRL investments.</p>

Unhealthy nutrition	<ul style="list-style-type: none"> - Promoting agroecological practices and raising awareness among families of the value of producing and consuming agroecological products. - Develop the capacity of nutrition technical assistance teams to promote basic nutrition, hygiene, and sanitation. 	<ul style="list-style-type: none"> -Dissemination of messages related to healthy eating through the valorization of local production 	<ul style="list-style-type: none"> - MDA - Partner institutions working on agroecology and healthy food issues 	<ul style="list-style-type: none"> - Training records - Training materials 	Every six months	Costs included in the ATER and PDRL investments.
Lack of water for production and risk of droughts and other extreme weather events	<ul style="list-style-type: none"> - Promote partnerships with the MDS cistern program and others to improve access to water for production. - Diagnosis of environmental and climate risks and opportunities. - Promoting diversified production systems that are resilient to the semiarid context and climate change - Promoting efficient water use practices. - Promoting crops and animals adapted to semiarid conditions. - Licensing from state/municipal water authorities. 	<ul style="list-style-type: none"> - Inclusion of these themes in the training of ATER technicians - Inclusion of these themes in ATER work with communities - Dissemination of innovations and research on these topics among technicians and communities 	<ul style="list-style-type: none"> - MDA - ANATER - MDS - Other leading partners in agroecology and coexistence with the semiarid region (civil society and educational and research organizations) 	<ul style="list-style-type: none"> - Training materials - Training agenda 	Every six months	Costs included in the ATER and PDRL investments.
Soil degradation and salinization	<ul style="list-style-type: none"> - Promoting agroecological soil conservation practices - Ensure reasonable irrigation to avoid soil salinization - Regular soil evaluations using low-cost and accessible methods 	<ul style="list-style-type: none"> - Inclusion of these themes in the training of ATER technicians - Inclusion of these themes in ATER work with communities 	<ul style="list-style-type: none"> - MDA - ANATER 	<ul style="list-style-type: none"> - Training materials - Training agenda 	Every six months	Costs included in the ATER and PDRL investments.

Risk of introducing invasive alien species	<ul style="list-style-type: none"> - Identify and respect the lists of invasive alien species of state environmental institutions or research centers - Negative list of species for project procurement. 	<ul style="list-style-type: none"> - Training for technicians on invasive alien species 	MDA	<ul style="list-style-type: none"> - Regular assessment by the Environment and Climate Change Safeguards Specialist - Evaluation with each purchase 	Every six months	Costs included in the ATER and PDRL investments.
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Footnotes

[1] The Unified Registry (Cadastro Único) is a database of information about families in situations of poverty and extreme poverty. This information is used by the Brazilian Federal Government, states and municipalities to implement public policies capable of promoting an improvement in the lives of these families.

[2] Brazil's Youth Statute (2013) defines young people as those between 15 and 29 years of age. Source: https://www.gov.br/mdh/pt-br/navegue-por-temas/juventude/publicacoes/estatuto_da_juventude_2022-defeso.pdf.

[3] "Traditional Peoples and Communities" are defined by Decree 6.040/2007 as "culturally differentiated groups who recognize themselves as such, who have their own forms of social organization, who occupy and use territories and natural resources as a condition for their cultural, social, religious, ancestral and economic reproduction, using knowledge, innovations and practices generated and transmitted by tradition". These groups include indigenous peoples, quilombolas, Afrodescendants, riverine communities, artisanal fishers, shellfish gatherers, caboclos, among other groups.

[4] Quilombolas are descendants of enslaved people who resisted the slave regime, having their own identity and cultural values, religious beliefs and means of subsistence.

[5] <https://www.gov.br/mma/pt-br/assuntos/ecossistemas-1/biomas/caatinga>.

[6] Representing 45% of STFP in South America.

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[40] Despite the existence of national and state plans to combat desertification, in line with the commitments made by Brazil in the UNCCD and the LDN, these practices do not reach the Northeast and the most vulnerable population, especially small producers in situations of poverty and extreme poverty.

[41] Brazil ratified the United Nations Convention to Combat Desertification in 1997, the Convention on Biological Diversity (CBD) in 1994 and the United Nations Framework Convention on Climate Change (UNFCCC) in 1994.

[42] Among the main measures that Brazil has committed to take in order to achieve its NDC target are: (i) zero illegal deforestation in the Amazon rainforest by 2030; (ii) restore and reforest 12 million hectares (29.6 million acres) by 2030; and (iii) restore 15 million hectares of degraded pastures and improve 5 million hectares of integrated crop-livestock-forest systems by 2030.

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[44] http://www.planalto.gov.br/ccivil_03/_ato2011-2014/2012/lei/112651.htm

[45] https://www.planalto.gov.br/ccivil_03/_ato2015-2018/2017/decreto/d8972.htm

[46] https://www.gov.br/mma/pt-br/assuntos/ecossistemas-1/conservacao-1/politica-nacional-de-recuperacao-da-vegetacao-nativa/planaveg_plano_nacional_recuperacao_vegetacao_nativa.pdf

[47] <https://www.gov.br/mma/pt-br/assuntos/servicosambientais/controlde-desmatamento-e-incendios-florestais/PlanoNacionalparaControladoDesmatamento202023.pdf>

[48] Legal basis: Federal Decree No. 6.040/2007.

[49] Legal basis: Decree No. 7.747, of June 5, 2012.

[50] Legal basis: Decree no. 6.040, of 2007.

[51] Article 6 defines the general consultation clause, which briefly describes its main elements: 1) the events in which consultation must take place (administrative and legislative measures that directly affect indigenous and tribal peoples); 2) the opportunity for it to take place (prior to the adoption of any decision); 3) the legitimate interlocutors for the consultation (the institutions representing the peoples involved); 4) the qualification of the consultative process (through procedures appropriate to the circumstances and in good faith); and 5) the final objective of the consultation (reaching an agreement).

[52] According to Article 5, "any action or omission based on gender that causes death, injury, physical, sexual or psychological suffering and moral or property damage constitutes domestic and family violence against women".

[53] Maria da Penha Institute. Summary of the Law. Available at: <https://www.institutomariadapenha.org.br/lei-11340/resumo-da-lei-maria-da-penha.html>

[54] However, in order for these instruments to reach the target audience of IFAD projects more widely and effectively, it is important to make progress in implementing the CAR and also in Technical Assistance and Rural Extension (ATER).

Environmental and Social Safeguards Classification: Moderate

Environmental and Social Safeguards				
Biodiversity conservation	Yes/No	Likelihood	Consequence	Risk Rating
1.1 Could the project potentially involve or lead to conversion or degradation of biodiversity, habitats (including modified habitat, natural habitat and critical natural habitat) and/or ecosystems and ecosystem services?	Yes	Possible	Moderate Project will significantly affect modified habitat, but will not impinge on natural habitat or critical natural habitat.	Moderate
1.2 Could the project involve or potentially lead to activities involving habitats that are legally protected, officially proposed for protection, or recognized as protected by traditional local communities and/or authoritative sources (e.g. National Park, Nature Conservancy, Indigenous Community Conserved Area, ICCA, etc.)?	No			Low
1.3 Could the project potentially involve or lead to an increase in the chance of human-wildlife encounters/conflict?	No			Low
1.4 Could the project potentially involve or lead to risks to endangered species (e.g. reduction, encroachment on habitat)?	No			Low
1.5 Could the project potentially involve or lead to impacts/risks to migratory wildlife?	No			Low
1.6 Could the project potentially involve or lead to introduction or utilization of any invasive alien species of flora and fauna, whether accidental or intentional?	Yes	Possible	Minor Low potential for invasive species of flora or fauna to be introduced, but strict controls are in place, and the probability of invasion is therefore low.	Moderate
1.7 Could the project involve or lead to the handling or utilization of genetically modified organisms?	No			Low
1.8 Could the project involve or lead to procurement through primary suppliers of natural resource materials?	No			Low
Resource Efficiency and Pollution Prevention	Yes/No	Likelihood	Consequence	Risk Rating
2.1 Could the project involve or lead to the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or transboundary impacts?	No			Low
2.2 Could the project involve or lead to primary not environmentally sustainable production of living natural resources? (Note: this includes the cultivation or rearing of plants or animals, including annual and perennial crop farming, animal husbandry (including livestock), aquaculture, plantation forestry, etc)	No			Low
2.3 Could the project involve or lead to engagement in areas of forestry, including the harvesting of natural forests, plantation development, and/or reforestation?	Yes	Possible	Minor Only a small component of the project is focused on forestry, and this aspect is well regulated.	Moderate

Environmental and Social Safeguards				
2.4 Could the project involve or lead to significant consumption of raw materials, energy, and/or water?	Yes	Possible	Minor The project will require consumption of raw materials, energy, and/or water, but this will be a small component of the project, and impacts can be appropriately managed.	Moderate
2.5 Could the project involve or lead to significant extraction, diversion or containment of surface or ground water (e.g. construction of dams, reservoirs, river basin developments, groundwater extraction)?	No			Low
2.6 Could the project involve inputs of fertilizers and other modifying agents?	Yes	Likely	Minor The project only requires minimal amounts of fertilizer	Moderate
2.7 Could the project involve or lead to procurement, supply and/or result in the use of pesticides on crops, livestock, aquaculture or forestry?	Yes	Possible	Moderate The project requires use of pesticides, but options are available to replace potentially polluting pesticides with alternatives.	Moderate
2.8 Could the project be located in an area which is being, or has been, polluted by an external source (e.g. a mine, smelter, industry)?	No			Low
2.9 Could the project involve livestock – extensive and intensive systems and animal products (dairy, skins, meat, etc.)?	Yes	Possible	Moderate Intensive/extensive livestock/aquaculture systems are in place, but these are only one component of the project.	Moderate
Cultural Heritage	Yes/No	Likelihood	Consequence	Risk Rating
3.1 Could the project be located in areas that are considered to have archaeological (prehistoric), paleontological, historical, cultural, artistic, and religious values or contains features considered as critical cultural heritage?	No			Low
3.2 Could the project directly or indirectly affect indigenous peoples' rights, lands, natural resources, territories, livelihoods, knowledge, social fabric, traditions, governance systems, and culture or heritage (tangible and intangible)?	No			Low
3.3 Could the project involve or lead to significant excavations, demolitions, movement of earth, flooding or other environmental changes?	No			Low
3.4 Could the project involve or lead to adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts)	No			Low
3.5 Could the project involve or lead to alterations to landscapes and natural features with cultural significance?	No			Low

Environmental and Social Safeguards				
3.6 Could the project involve or lead to utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes?	No			Low
indigenous peoples	Yes/No	Likelihood	Consequence	Risk Rating
4.1 Could the project be sited in areas where indigenous peoples are present (including the project area of influence)?	Yes	Possible	Minor The project is not sited in an area where indigenous people are present, but associated facilities may impact on indigenous people.	Moderate
4.2 Could the project result in activities located on lands and territories claimed by indigenous peoples?	Yes	Possible	Minor The project is sited in an area that was previously used by indigenous people, but no claim has been made on the land.	Moderate
4.3 Could the project result in impacts on the rights of indigenous peoples or to the lands, territories and resources claimed by them?	No			Low
4.4 Could the project result in the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples?	No			Low
4.5 Could the project lead to impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?	No			Low
Labour and Working Conditions	Yes/No	Likelihood	Consequence	Risk Rating
5.1 Could the project operate in sectors or value chains that are characterized by working conditions that do not meet national labour laws or international commitments? (Note: this may include discriminatory practices, high gender inequality and the lack of equal opportunities, denial of freedom of association and collective bargaining, labour migrants)	Yes	Possible	Minor The project operates in sectors or value chains that have, in the past, not met national labour laws, or international commitments, but is now adequately nationally regulated, and is part of international value chains that are subject to regular environmental and social auditing.	Moderate
5.2 Could the project use or operate in a value chain where there have been reports of forced labour? (Note: Risks of forced labour may be increased for projects located in remote places or where the status of migrant workers is uncertain)	No			Low

Environmental and Social Safeguards				
5.3 Could the project involve children (a) below the nationally-defined minimum employment age (usually 15 years old) or (b) above the nationally-defined minimum employment age but below the age of 18 in supported activities or in value chains?	Yes	Possible	Minor The project does not operate in sectors or value chains where the employment of children has ever been reported.	Moderate
5.4 Could the project: (a) operate in a sector, area or value chain where producers and other agricultural workers are typically exposed to significant occupational and safety risks, and/or (b) promote or use technologies or practices that pose occupational safety and health (OSH) risks for farmers, other rural workers or rural populations in general? (Note: OSH risks in agriculture might include: dangerous machinery and tools; hazardous chemicals; toxic or allergenic agents; carcinogenic substances or agents; parasitic diseases; transmissible animal diseases; confined spaces; ergonomic hazards; extreme temperatures; and contact with dangerous and poisonous animals, reptiles and insects. Psychosocial hazards might include violence and harassment.)	No			Low
Community Health, Safety and Security	Yes/No	Likelihood	Consequence	Risk Rating
6.1 Could the project be at risk from water-borne or other vector-borne diseases (e.g. temporary breeding habitats), and/or communicable and non-communicable diseases?	No			Low
6.2 Could the project lead to unintended negative impacts on nutrition?	No			Low
6.3 Is there a possibility of harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)?	No			Low
6.4 Could the project involve or lead to the construction or rehabilitation of dams?	No			Low
6.5 Could the project involve or lead to transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)?	No			Low
6.6 Could the project lead to adverse impacts on ecosystems and ecosystem services relevant to communities' health (e.g. food, surface water purification, natural buffers from flooding)?	No			Low
6.7 Could the project lead to the potential for gender-based violence, including sexual harassment, exploitation and abuse, as a result of labour influx, land redistribution, or other actions that alter community dynamics?	No			Low
6.8 Could the project lead to increases in traffic or alteration in traffic flow?	No			Low
6.9 Could the project lead to an influx of project workers?	No			Low
6.10 Could the project involve or lead to the engagement of security personnel to protect facilities and property or to support project activities?	No			Low
Physical and economic resettlement	Yes/No	Likelihood	Consequence	Risk Rating
7.1 Could the project result in temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)?	No			Low
7.2 Could the project result in economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)?	No			Low
7.3 Could the project present a risk of forced evictions?	No			Low
7.4 Could the project result in impacts on or changes to land tenure arrangements and/or community-based property rights/customary rights to land, territories and/or resources?	No			Low
Financial intermediaries and direct investments	Yes/No	Likelihood	Consequence	Risk Rating

Environmental and Social Safeguards

8.1 Could the investment be granted to an institution that does not have an environmental and social policies and an associated environmental and social management system (ESMS) in place (transparent, publicly available)?	No			Low
8.2 Could the investment be granted to an institution with insufficient capacities (i.e. unqualified personnel e.g. ES Officer) to implement the ESMS?	No			Low
8.3 Could the investment be granted to an institution that does not have an Exclusion List?	No			Low
8.4 According to the institution's portfolio classification: Could the institution have potential high-risk projects in their portfolio?	No			Low
8.5 Is there evidence that the institution does not comply with the local legal framework?	No			Low
8.6 Does the institution provide a stable communication channel with stakeholders and local communities (e.g. a Grievance Redress Mechanism)?	No			Low
8.7 Does the organization provide auxiliary or capacity building support services.	No			Low

Climate Risk Classification: Substantial

Step 1: Hazard identification	
What are the expected hazards in the project intervention area?	No, Yes, TBD
River flood	Yes
Costal Flood	Yes
Urban Flood	No
Landslide	Yes
Cyclone	No
Water Scarcity (agricultural droughts and/or dry spells)	Yes
Extreme Heat	Yes
Wildfires	Yes
Future climate scenarios foreseen (period 2040-2059) - Change in frequency and intensity	No, Yes, TBD
Change in temperature (increase or decrease)	Yes
Change in rainfall (increase or decrease)	Yes
Climate variability (larger or smaller)	Yes
Intensity and frequency of extreme events (larger or smaller)	Yes
Is the project expected to have an impact on climate change (i.e. contribute to greenhouse gas emissions)?	No, Yes, TBD
Is the project expected to be a significant emitter of greenhouse gases?	No
Step 2: Exposure Assessment	
Is the project located in exposed areas to weather-related natural hazards?	No, Yes, TBD
Low-lying areas (valleys, coastal zones, and small islands)	TBD
Very warm areas (subtropical)	No
Tropical areas (rainforests)	No
Arid and semi-arid areas (deserts)	Yes
Mountains zones and permafrost areas (tundra)	No
River banks	Yes
Does the project target agricultural systems, ecosystems or livelihoods exposed to weather-related hazards?	No, Yes, TBD
Is crop production frequently affected by rainfall variability, prolonged droughts, changes in temperature or pests and diseases?	Yes
Is livestock productivity frequently affected by rainfall variability, prolonged droughts, changes in temperature or diseases?	Yes
Are fisheries frequently affected by ocean acidification, water salinity and changes in sea surface temperature due to ocean-atmospheric oscillations or climate change?	No
Is forest productivity frequently affected by wildfires, diseases, rainfall variability, prolonged droughts, or changes in temperature?	Yes
Is the biodiversity in the project area likely to be affected by changes in climate variables?	Yes
Is any stage of the agricultural value chain (production, storage, processing and marketing) exposed to climate related hazards?	Yes
Is any rural infrastructure likely to be affected by flooding, landslides, changes in temperatures, and extreme winds.	Yes
Step 3: Sensitivity Assessment	
What are key sensitivities for the populations in the project's areas of intervention?	No, Yes, TBD
Is conflict exacerbating the population's sensitivity to weather related hazards?	Yes
Is population displacement being exacerbated by climate change impacts?	No

Are diseases (e.g. COVID-19, malaria, cholera) increasing the population's vulnerability and affecting their capacity to address potential weather-related hazards?	No
Is the income of the target population predominately coming from agriculture?	Yes
Are social inequalities (e.g. based on gender, youth, indigenous persons and other marginalized groups) being exacerbated by climate change?	Yes
Is the Human Development Index (HDI) equal to or below 0.6?	No
Is the Multidimensional Poverty Index (MPI) equal to or above 0.1?	No
Step 4: Adaptive capacity and climate resilience	
What are key adaptive capacities in the areas of project intervention?	No, Yes, TBD
Is the country well ranked in the Disaster risk reduction progress score?	Yes
Are climate and weather information services (real-time weather data, seasonal forecasts etc.) effectively being delivered (through radio, TV, SMS, extension services etc.) to farmers, rural dwellers, and end users?	TBD
Does the project country have an early action plan (preparedness and emergency response) to mitigate the impacts of weather-related hazards once the shock occurs?	TBD
Does the government or other institutions support the target population/communities with the necessary social and economic resources to prepare for or respond to climate-related events?	Yes
Is the target community carrying out (using their own means) agricultural adaptation?	TBD
Does the target population have the economic means or support to adjust or adapt their activities in response to weather related shocks?	No
Do policies/mechanisms exist that make financial credit, loans, and agricultural insurance available?	Yes
Are rural infrastructures effectively delivering services to farmers and rural dwellers?	No

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex 6: First Annual Work Plan and Budget (AWPB)

Mission Dates: 26/10/2023 - 03/11/2023

Document Date: 03/06/2024

Project No. 2000003598

Report No. 6690-BR

Latin America and the Caribbean
Programme Management Department

ANNEX 6: FIRST ANNUAL WORK PLAN AND BUDGET (AWPB)

A. Activities that will be carried out during the first year of implementation, by component.

1. This Annual Work Plan and Budget - AWPB outlines the methodological strategies and key activities defined for the first 12 months of operation of the Dom Hélder Câmara Project - PDHC III, enabling the Project to begin its activities.

2. The planning in this AWPB reflects the necessary steps to ensure that the Project fulfills the technical conditions to start field activities. Among others, it outlines the process of hiring the professionals who will build the Project Management Unit (PMU), the first stage of the Virtual Technical Assistance (VTA) pilots, workshops, and meetings involving the collegiate bodies for social participation. In addition, the purchase of office equipment and vehicles is planned to equip professional teams.

3. Specifically, the activities planned for the 1st year are presented in detail by component, as follows:

4. Component 1: Promoting food and nutritional security from an agroecological perspective: This component covers the main interventions aimed at the productive activities of the Project's beneficiaries, promoting the development of agroecology and agroecological transition as strategies for resilience in the face of climate change and improving the nutritional conditions of families, with greater variety, quantity, and quality of food. The activities include resources for productive development, direct Technical Assistance, resources for access to water and water reuse, and implementation of agroecological systems, among others. In addition, the component will also be responsible for strengthening organizations' market access capabilities with qualified technical assistance and investments. The component also brings technological innovation by implementing pilot projects in Virtual Technical Assistance (VTA), allowing expanding the group of ATER beneficiaries and other forms of face-to-face technical assistance. To implement this component, several Technical Assistance contracts will be elaborated with specialized companies in the 10 states in which PDHC III operates, as well as partnerships with civil society organizations and other ministries and government bodies to implement the topics planned for the component.

5. Considering the importance of the investments and the high demand present in various territories of the states listed as PDHC III areas of activity, it is first necessary to map and identify all areas of interest before direct intervention activities are carried out. In addition, efforts will be concentrated on planning and drafting the instruments for implementing the activities, such as the guidelines for the Technical Assistance calls, public calls for civil society organizations, among others, which at this stage will not involve any expenditure. Another important point is that the resources earmarked for equipping the teams and hiring them are concentrated in Component 3 and, for this reason, do not add up. Therefore, in the first year, Component 1 will be responsible for more specific investments in structuring activities: Study to develop VTA pilots.

6. Component 2: Capacity Building, Innovation, and Dissemination: The aim is to create an environment conducive to improving and updating knowledge that goes beyond the capabilities of the Project's professional teams, especially the ATER teams to promote models for agroecological transition with maximum technical efficiency, whose practices are sustainable, expanding the supply of organic and nutritious food.

7. Activities planned for the first year: The strategies and demands linked to capacity development must be geared to the needs of the beneficiaries from the perspective of their territories, communities, production units and family life, which are potentially different for each state and territory selected. For this reason, the

following will be developed in the first year: Social participation in PDHC III at the level of: Territories (municipalities, inter-municipal consortia), States (councils, forums, consortia, etc.), Federation (committees). The processes of dialogue and social participation will be fundamental for planning and drafting the instruments for implementing the actions in Components 1 and 2.

8. Component 3 - Project Management and Monitoring and Evaluation (M&E): The aim is to carry out all the activities required to manage the Project and monitor it to ensure its efficient implementation. A Project Management Unit (PMU) will be created under the responsibility of the Ministry of Agrarian Development and Family Farming (MDA), which will be responsible for all the organization and execution of the activities, including between partner organizations during activities. This component also includes the Monitoring and Evaluation (M&E) system which will support the planning, monitoring, and evaluation of results.

9. For the first year, the following activities are planned: i) Purchase of equipment (computer and audiovisual) for the PMU, ii) Purchase of vehicles for the MDA units located in the 10 selected states, for the key teams in the territories, iii) Hiring and remuneration of the Project's PMU team, coordinators, specialists, advisors, management, iv) Operation of the PMU, offices, daily allowance (per diems) and tickets, v) Construction of the M&E system.

B. Investments from the first Annual Work Plan and Budgeting

The AWPB is designed to execute a total amount of USD 1,332,101, of which USD 1,050,451 in IFAD resources and 281,650 in counterpart resources from the Federal Government, divided in direct (USD 202,627) and indirect resource (USD 79,023). The table below shows the amounts that will be invested per component and source of funds:

Table 1 - Resources invested by component, according to the source of funds

	GOV		IFAD		Total	
	USD	%	USD	%	USD	%
Component 1 - Promoting Food and Nutrition Security from an Agroecological Perspective	8.725	20	34.898	80	43.623	100
Component 2 - Capacity Building, Innovation and Dissemination	7.965	22	25.242	78	36.207	100
Component 3 - Project Management and Monitoring and Evaluation (M&E)	264.959	21	987.312	79	1.252.271	100
Total	281.650	21	1.050.451	79	1.332.101	100

10. The resources for the 1st year are distributed among the components, with a preponderance in component 3, i.e., aspects linked to Project management and its recurring costs for implementation, aiming to establish the Project team and prepare for the start of activities with the beneficiaries.

C. Physical and financial targets for the first AWPB

11. In the following chapters, the resources that will be invested will be presented in detail, broken down by component, sub-component, and activities, and according to the source of the resources.

D. Investment by Component

Component 1

Table 2 - Resources invested in component 1, and by sub-component and activities, according to the origin of the resources.

AWPB - 12 months		Unit	Q Year 1	Unit Value	Total USD	IFAD	GOVT D	GOVT I
1.1: Resilient and diversified agroecological production								
1.1.1	Service contracts for beneficiaries receiving non-reimbursable funds	Contract	0	676 159.15	-	-	-	-
1.1.2	PRODUCTIVE DEVELOPMENT resources for beneficiaries contracted via ANATER	Family	0	1 003.33	-	-	-	-
1.1.3	WATER ACCESS resources for TARE beneficiaries in general	System	0	2 617.39	-	-	-	-
1.1.4	Implementation of water reuse systems	System	0	1 308.70	-	-	-	-
1.1.5	Implementing agroecological systems for producing healthy food	System	0	1 090.58	-	-	-	-
1.1.6	PAA resources	Family	0	584.91	-	-	-	-
1.1.7	PRONAF resources	Family	0	936.52	-	-	-	-
1.1.8	SAFRA Guarantee	Family	0	184.04	-	-	-	-
1.2: Strengthening market access capacities					-	-	-	-
1.2.1	Qualified technical assistance to promote the collective organization of FF and access to markets	Contract	0	286 277.06	-	-	-	-
1.2.2	Direct investment in FF organizations to add value and access public and private markets	Project	0	14 541.06	-	-	-	-
1.3: Virtual technical assistance (VTA)					-	-	-	-
1.3.1	Study to develop digital TARE pilots	Study	1	43 622.73	43 622.73	34 898.19	8 724.55	-
1.3.2	Digital TARE pilots	Contract	0	261 739.02	-	-	-	-
1.3.3	Evaluation of pilot results	Study	0	10 906.22	-	-	-	-
Total					43 622.73	34 898.19	8 724.55	'

Component 2

Table 3 - Resources invested in component 2, and by sub-component and activities, according to the origin of the resources.

AWPB - 12 months		Unit	Q Year 1	Unit Value	Total USD	IFAD	GOVT D	GOVT I
2.1 - Innovation and capacity building								
2.1.1	Training TARE technicians in nutrition sensitive agriculture and agroecology, gender, and climate-resilient agriculture	Events	0	2 617.39	-	-	-	-
2.1.2	Training for women on issues related to gender, nutrition sensitive agriculture and agroecology,	Training	0	6 543.48	-	-	-	-
2.1.3	Food safety training for public school cooks	Training	0	4 194.54	-	-	-	-
2.1.4	Basic documentation workshops for rural women	Events	0	6 462.69	-	-	-	-
2.1.5	Support for the production of teaching materials for CEFFAS	Unit	0	35.77	-	-	-	-
2.1.6	Support for regional events	Events	0	26 173.90	-	-	-	-
2.2 - Capacity building for young people								
2.3.1	Structuring integrative pedagogical projects - Higher education scholarship	Scholarship	0	152.68	-	-	-	-
2.3.2	Structuring integrative pedagogical projects - Scholarship middle level	Scholarship	0	98.15	-	-	-	-
2.3.3	Structuring integrative pedagogical projects - Scholarship Teacher grant	Scholarship	0	305.36	-	-	-	-
2.3.4	Offering training processes with young people - awards	Events	0	31 990.33	-	-	-	-
2.3.5	Offering training processes with young people - Exchanges between young people by state	Events	0	4 362.32	-	-	-	-
2.3.6	Offering training processes with young people - Learning routes	Events	0	4 362.32	-	-	-	-
2.3 - Knowledge Management, South-South and Triangular Cooperation (SSTC) and policy dialogue								
2.2.1	Preparation and dissemination of knowledge management products	Product	0	6 543.48	-	-	-	-
2.2.2	Promoting South-South and Triangular Cooperation and public policy dialog through exchanges	Meeting	0	10 905.79	-	-	-	-
2.2.3	PDHC III social participation at territorial level - Territorial committees (municipal, inter-municipal)	Meeting	12	1 526.81	18 321.73	14 290.95	4 030.78	-
2.2.4	PDHC III social participation at state level - advisory councils, forums, consortia, CONDRAF	Meeting	3	5 234.78	15 704.34	12 249.39	3 454.96	-
2.2.5	Social participation PDHC III at federal level - Executive committees - MDA, MDS, MMA, ANATER)	Meeting	2	1 090.58	2 181.16	1 701.30	479.85	-
Total					36 207.23	28 241.64	7 965.59	-

Component 3

Table 4 - Resources invested in component 3, and by sub-component and activities, according to the source of the resources.

AWPB - 12 months		Unit	Q Year 1	Unit Value	Total USD	FIDA	GOVT D	GOVT I
3.1 Project management								
3.1.1	Purchase of equipment (computers and audiovisual) - one set in each state	Item	10	1 992.24	19 922.39	-	922.39	-
3.1.2	Acquisition of key staff vehicles in the territories - one set in each state	Item	10	24 746.23	247 462.30	247 462.30		-
3.1.3	Project coordination	person-year	1	26 340.98	26 340.98	-		26 340.98
3.1.4	Technical coordination	person-year	1	26 340.98	26 340.98	-		26 340.98
3.1.5	Financial coordination	person-year	1	26 340.98	26 340.98	-		26 340.98
3.1.6	Specialist in Administrative Management	person-year	1	22 828.85	22 828.85	22 828.85	-	-
3.1.7	Administrative Management Assistant	person-year	1	18 548.44	18 548.44	18 548.44	-	-
3.1.8	Manager of component 1	person-year	1	28 536.06	28 536.06	28 536.06	-	-
3.1.9	Specialist in component 1 (Nutrition Specialist)	person-year	1	22 828.85	22 828.85	22 828.85	-	-
3.1.10	Manager of component 2	person-year	1	28 536.06	28 536.06	28 536.06	-	-
3.1.11	Specialist in component 2	person-year	1	22 828.85	22 828.85	22 828.85	-	-
3.1.12	Senior financial and procurement specialist	person-year	1	34 243.27	34 243.27	34 243.27	-	-
3.1.13	Financial specialist	person-year	1	22 828.85	22 828.85	22 828.85	-	-
3.1.14	Procurement specialist	person-year	1	22 828.85	22 828.85	22 828.85	-	-
3.1.15	Procurement specialist	person-day	1	22 828.85	22 828.85	22 828.85	-	-
3.1.16	Gender and youth specialist	person-year	1	22 828.85	22 828.85	22 828.85	-	-
3.1.17	Specialist in knowledge management and communication	person-year	1	22 828.85	22 828.85	22 828.85	-	-
3.1.18	SECAP Specialist	person-year	1	22 828.85	22 828.85	22 828.85	-	-
3.1.19	Senior M&E specialist	person-year	1	34 243.27	34 243.27	34 243.27	-	-
3.1.20	M&E specialist (PCT reference)	person-year	1	22 828.85	22 828.85	22 828.85	-	-
3.1.21	Territorial Development Management	person-year	1	28 536.06	28 536.06	28 536.06	-	-
3.1.22	State coordinator (one per state)	person-year	10	17 121.63	171 216.34	171 216.34	-	-
3.1.23	ICA personnel costs	Commissioning	1	62.56	62.56	62.56	-	-
3.1.24	Daily (per diem)- M&E	Daily	15	878.03	13 170.49	10 272.98	2 897.51	-
3.1.25	Tickets - M&E	Passage	3	878.03	2 634.10	2 054.60	579.50	-
3.1.26	Vehicle maintenance, fuel, and insurance	Maintenance	10	6 585.24	65 852.44	22 389.83	43 462.61	-
3.1.27	Daily key staff (territories)	Daily	1 300	62.56	81 327.76	8 132.78	73 194.99	-
3.1.28	Per diem PMU team	Daily	200	62.56	12 511.96	9 759.33	2 752.63	-
3.1.29	Tickets - Key staff (territories)	Passage	10	1 068.27	10 682.71	-	10 682.71	-
3.1.30	Tickets - PMU Team	Passage	40	878.03	35 121.30	27 394.61	7 726.69	-
3.1.31	ICA operating cost	Commissioning	1	2 598.69	2 598.69	2 026.98	571.71	-
3.2 Monitoring and Evaluation								
3.2.1	Impact assessment study	Study	0	471 942.51	-	-	-	-
3.2.2	Building an M&E system	System	1	109 754.05	109 754.05	85 608.16	24 145.89	-
3.2.3	TARE performance evaluation	Study	0	109 754.05	-	-	-	-
3.2.4	Evaluation of other activities	Study	0	109 754.05	-	-	-	-
Total					1 252 271.62	987 312.06	185 936.63	79 022.93

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex 7: Procurement Plan for first 18 months

Mission Dates: 26/10/2023 - 03/11/2023

Document Date: 03/06/2024

Project No. 2000003598

Report No. 6690-BR

Latin America and the Caribbean
Programme Management Department

Summary of the Acquisitions and Contracting Plan

Country	Brazil			
Project's name	PDHC 3 - Dom Helder Camera Project			
Project ID:				
Version	1.0			
Version Closing	January 2, 2024			
Made by:				
Approved by:				
Acquisitions Category	Forecast		Effective Value	
Currency	USD	Local (ML)	USD	M.L.
Goods	8 813 874.00	-	-	-
works	-	-	-	-
Consulting Services	418 053.83	-	-	-
TOTAL	9 231 927.83	-	-	-

Past Exam Thresholds					
Boundaries	Assets	Construction	Common Technical Services - Without Consulting	Consulting Services (Legal Entity - Company)	Individual consulting services
Advance	≥ \$0.00	≥ \$0.00	≥ \$0.00	≥ \$0.00	≥ \$0.00

All direct contracts and source selection are only subject to prior review (in accordance with the IFAD Procurement Manual).

Acquisition and Contracting Methods			
	N.S.	NCB	ICB
Estate	<USD 0.00	≥ US\$0.00 to ≤ 0.00 US dollars	> USD 0.00
Construction	<USD 0.00	≥ US\$0.00 to ≤ 0.00 US dollars	> USD 0.00
Services that: are NOT Consulting	<USD 0.00	≥ US\$0.00 to ≤ 0.00 US dollars	> USD 0.00
	ICS/CQS	SFB/SBC	SBQC
Individual consulting services	<USD 0.00	≥ US\$0.00 to ≤ 0.00 US dollars	> USD 0.00
Consulting firm	<USD 0.00	≥ US\$0.00 to ≤ 0.00 US dollars	> USD 0.00

NS - Shopping: Price Comparison

NCB: National public bidding

ICB: International public bidding

ICS: Selection of qualified individual consultant

SBC: Selection based on lowest cost

SFB: Selection by fixed budget

CQS: Selection based on consultant qualifications

QCSB: Selection based on quality and cost

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex 8: Project Implementation Manual (PIM)

Mission Dates: 26/10/2023 - 03/11/2023

Document Date: 03/06/2024

Project No. 2000003598

Report No. 6690-BR

Latin America and the Caribbean
Programme Management Department

ANNEX 8: PROJECT IMPLEMENTATION MANUAL (PIM)

Brazil - Dom Hélder Câmara Project -m phase III (PDHC III)

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ABBREVIATIONS AND ACRONYMS

AFS - Agroforestry System
AL - Agroecological Logbooks
ANATER - National Agency for Technical Assistance and Rural Extension
APP - Permanent Preservation Area
ATER - Technical Assistance and Rural Extension
BPR - Biannual Progress Report
CAF - National Family Farming Register
CEFFAs - Family Training Centers by Alternance
CFC - Federal Accounting Council
CGU - Office of the Comptroller General
CONAB - National Supply Company
CONDRAF - National Council for Sustainable Rural Development
DAP - Declaration of Aptitude to PRONAF
DL - Distance Learning
EBIA - Brazilian Food Insecurity Scale
EMBRAPA - Brazilian Agricultural Research Corporation
ESMF - Environmental and Social Management Framework
FM - Financial Management
FMFCL - Financial Management and Financial Control Arrangements Letter
FPIC - Free, Prior and Informed Consent
GHG - Greenhouse Gases
ICT - Information and Communication Technology
IFAD - International Fund for Agricultural Development
IFR - Interim Financial Report
IICA - Inter-American Institute for Cooperation on Agriculture
INCRA - National Institute for Colonization and Agrarian Reform
INSA - National Semiarid Institute
IPP - Indigenous Peoples Plan
KCM - Knowledge and Communication Management
KM - Knowledge Management
LF - Logical Framework
MAC - Monitoring and Follow-up of Procurement and Contracting
M&E - Monitoring and Evaluation
MCTI - Ministry of Science, Technology, and Innovation
MDA - Ministry of Agrarian Development and Family Farming
MDS - Ministry of Development and Social Assistance, Family and Fight against Hunger
MROSC - Regulatory Framework for Civil Society Organizations
NCB - National Competitive Bidding
NCASP - Accounting Standards Applicable to the Public Sector
OGU - Union's General Budget [*Orçamento Geral da União*]
PAA - Food Acquisition Program
PAP - People Affected by the Project
PCR - Project Completion Report
PCTs - Traditional Peoples and Communities
PDHC III - Dom Hélder Câmara Project phase III
PDRL - Local Rural Development Plan
PIM - Project Implementation Manual
PLOA - Proposed Annual Budget Law

PMU - Project Management Unit
PNAE - National School Feeding Program
PNATER - National Policy for Technical Assistance and Rural Extension for Family Farming and Agrarian reform
PP - Procurement Plan
PPA - Pluriannual Plan
PPE - Personal Protective Equipment
PRONAF - National Program to Strengthen Family Farming
RFQ - Request for Quotation
RL - Legal Reserve
RO - Rural Organizations
SAF - Secretariat for Family Farming and Agroecology
SAT - Traditional Agricultural Systems
SARA - Environmental Sanitation and Water Reuse
SEAB - Secretariat for Supply, Cooperativism and Food Sovereignty
SEBRAE - Brazilian Micro and Small Business Support Service
SECAP - Social, Environmental and Climate Assessment Procedures
SETEQ - Secretariat for Territories and Quilombola and Traditional Productive Systems
SFDT - Secretariat for Land Governance, Territorial, and Socio-Environmental Development
SGA - ATER Management System
SIAFI - Federal Government's Integrated Financial Administration System
SIC - Selection of Individual Consultants
SMA - Monitoring and Evaluation System
SMR - Undersecretariat for Rural Women
SPOA - Undersecretariat for Planning, Budget, and Administration
SSTC - South-South and Triangular Cooperation
TED - Decentralized Execution Term
ToR - Terms of Reference
UNEFAB - National Union of Agricultural Family Schools of Brazil
VTA - Virtual Technical Assistance

1. INTRODUCTION

The Dom Hélder Câmara Project - Phase 3 (PDHC III), officially known as the Project for Food and Nutrition Security and Climate Resilience in the Northeastern Semiarid Region, is a Project co-financed by IFAD and the Federal Government and implemented by the Ministry of Agrarian Development and Family Farming.

Started in 2001, the Project is in its third phase of implementation, safeguarded by the strong partnership between the Brazilian government and IFAD and based on a successful history, mainly in the semiarid region of the Northeast. This region has the highest number of people living in poverty and the greatest susceptibility to climate change and desertification in Latin America.

The Project covers around 90,000 family farmers and seeks to improve income and food and nutrition security by strengthening production capacities for healthy food. PDHC III will also seek to reduce gender, generational, and ethnic-racial inequalities through access to public policies, technological innovations and resources that promote sustainable, biodiverse, and climate-resilient food systems. This objective will be achieved through the implementation of three components.

The Project will be run by the Secretariat for Land Governance, Territorial, and Socio-Environmental Development (SFDT) of the Ministry of Agrarian Development and Family Farming (MDA), which will serve as the decision-making body. In parallel, three governance bodies will be set up: the Territorial Committee, the Regional Committee, and the Executive Committee.

This Project Implementation Manual (PIM) provides a practical reference tool to guide the implementation of the Project and comply with the contractual clauses between IFAD and the Brazilian Government, on organizational, technical, and procedural aspects (eligibility, targeting, design, planning and implementation of interventions, monitoring and evaluation, supervision), as well as bidding and rules applicable to the contract, financial and accounting administration and audit procedures. This document should be revised throughout the Project implementation, when necessary, and submitted for no objection by IFAD.

2. PROJECT OVERVIEW

The **goal** of PDHC III is to contribute to reducing rural poverty and food and nutrition insecurity in family farming. The **Development Objective** is to generate more sustainable, biodiverse food systems that strengthen family farmers' resilience to climate change.

The Project is aligned with IFAD 13's cross-cutting commitments and will adopt a youth-sensitive, nutrition-sensitive, and climate-focused approach. It will contribute to strengthening social inclusion for the target group and

promoting their participation to enhance their capacities and empowerment at different levels. The Project's activities consider the major climate challenges facing the semiarid region and propose solutions for adaptation.

PDHC III's area of intervention will cover the semiarid region¹ of the 9 Northeastern states and the state of Minas Gerais, totaling 10 states. Around *90,000 families* (around 315,000 people) will benefit, 50% with activities focused on women, 30% on young people, and 7% on traditional peoples and communities (PCTs)².

The Project will receive funding of USD 35 million from IFAD and a direct contribution of USD 10 million from the Brazilian government. There is also an indirect contribution of USD 90 million from other government activities and contributions from the beneficiaries of around USD 20 million, totaling USD 155 million over six years of implementation.

The Project has three integrated components that comprehensively promote agroecological production, the strengthening of family farmers and their organizations, access to public policies, innovations, and social technologies and encouraging the participation of young people in rural schools for an increase in income, resilience and food and nutritional security: Component 1 - Promoting Food and Nutritional Security from an Agroecological Perspective, Component 2 - Capacity Building, Innovation and Dissemination and Component 3 - Project Management and Monitoring and Evaluation (M&E).

The aim of Component 1 is to improve families' income and food and nutrition security by strengthening the productive capacity of family farmers living in poverty and extreme poverty. It also aims to strengthen family farming organizations so that they can absorb surplus production, transform it, and market it with added value. It has three sub-components: 1.1 Resilient and diversified agroecological production, 1.2 Strengthening market access capacities and 1.3 Virtual technical assistance (VTA).

The aim of component 2 is to create an environment conducive to improving and updating the knowledge and skills of the Project's teams of professionals, especially extension and technical field advisors, civil society actors who work in training processes in the territories, leaders of collective family farming organizations, including associations and cooperatives, and

¹ The criteria used to delimit the semiarid region will be those approved by Sudene's Deliberative Council Resolutions No. 107 of July 27, 2017 and No. 115 of November 23, 2017: Average annual rainfall equal to or less than 800 mm; Thornthwaite Aridity Index equal to or less than 0.50; Daily percentage of water deficit equal to or greater than 60%, considering all days of the year. PL 2492 of 2019 will also be taken into account, by which 44 municipalities in Maranhão (MA) were included in the area considered Semiarid.

² "Traditional Peoples and Communities" are defined by Decree 6.040/2007 as "culturally differentiated groups who recognize themselves as such, who have their own forms of social organization, who occupy and use territories and natural resources as a condition for their cultural, social, religious, ancestral and economic reproduction, using knowledge, innovations and practices generated and transmitted by tradition". These groups include indigenous peoples, quilombolas, Afrodescendants, riverine communities, artisanal fishers, shellfish gatherers, caboclos, among other groups.

teachers from rural educational institutions, as well as some of the beneficiaries, to promote agroecological transition and sustainable and nutritious agri-food systems. It has three sub-components: 2.1 Innovation and capacity building, 2.2 Capacity building for young people and 2.3 Knowledge Management, South-South and Triangular Cooperation (SSTC) and policy dialog.

Component 3 will carry out the necessary Project management activities to ensure efficient implementation through a Project Management Unit (PMU). The M&E system will support the planning, monitoring, and evaluation of results. It has two sub-components: 3.1 Project Management and 3.2 Monitoring and Evaluation (M&E).

3. INSTITUTIONAL ARRANGEMENTS, ROLES, AND RESPONSIBILITIES

Project management and coordination

PDHC III will be implemented by the SFDT/MDA, which will be the decision-making body for the Project's activities.

A Project Management Unit (PMU) will be established in the SFDT/MDA, with a team dedicated exclusively to PDHC III and will be responsible for the entire implementation of the Project. Monitoring and reporting of field activities will be the responsibility of contracted partner organizations. The PMU team will visit the intervention sites periodically to ensure that the activities are being carried out and to certify their quality. Phase III will draw on the experience and skills of the team responsible for implementing Phase II.

To inform about the deliberations of the PMU, promote social participation and increase the capillarity and articulation with territorial, state, regional and national public policies, three other governance spaces will be established for information, preparation, and alignment of actions. They are:

- a. **Territorial Committee:** in each Territory where the Project will operate, a Committee will be set up within the Territorial Collegiate as a space for social control; dialogue on the demands of the communities and their alignment with the Project's activities at the territorial level; and articulation with other public policies, programs, and projects, in particular, those of IFAD and the Federal Government. The Project can support the functioning and meetings of the Territorial Committees for discussions and implementation of its activities;
- b. **Regional Committee:** within the regional framework of the Northeast and Minas Gerais, a space will be established for disseminating information and discussing the Project's activities between the states where the PDHC operates and the organizations representing family farming at a regional level. This Committee will be made up of representatives of civil society

organizations, including those that make up the National Council for Sustainable Rural Development (CONDRAF), and representatives of state governments. Through the Regional Committee, the Project will present its activities and thus ensure alignment, synergies, and complementarities with state governments and family farming civil society organizations operating in the states;

- c. **Executive Committee:** this will be made up of representatives from the units of the Ministry of Agrarian Development and Family Farming (MDA) and other federal bodies with a prominent role in the Project and will act as a mechanism for monitoring actions and coordination between the different areas of the Ministry and the Federal Government that are part of the Committee.

The Project will support the functioning of the above-mentioned governance bodies for meetings relating to PDHC III and may support the participation of some of their members, provide secretarial support for meetings, and prepare Knowledge Management products to contribute to the debate and dialogue on activities.

The main objective of these governance bodies will be to: i) serve as spaces for dialogue, social control, and integration of policies; ii) contribute to the process of social management of public policies by strengthening these spaces in the territories where the Project will operate (Territorial Committee). As part of this work, the Project will be able to support the functioning of the Territorial Committees, helping to generate proposals on issues to be considered in the dialogue agendas and building partnerships to carry out specific undertakings or activities defined in these areas; iii) promoting the participation of civil society organizations and strengthening the capacities of rural communities and different actors (including women, young people and PCTs) to participate in these spaces; iv) contributing to the definition of the Project's priority activities, planning, monitoring and evaluating their implementation; v) contributing to the definition of possible innovative methodologies; and vi) disseminating and analyzing results on innovative methodologies applied by the Project and evaluated as successful, aiming at their possible adaptation and upscaling.

Main partnerships and key players

The main partner organizations of PDHC III are: i) the state offices and all the final secretariats of the MDA, Family Farming and Agroecology (SAF), Supply, Cooperativism and Food Sovereignty (SEAB), Territories and Quilombola and Traditional Productive Systems (SETEQ), as well as the Undersecretariat for Rural Women (SMR) and bodies linked to the MDA, INCRA and CONAB; ii) the MDS, offering public policies to overcome rural poverty, such as Rural Productive Development, and access to water for consumption and production, with the Cisterns Program; iii) ANATER, with the contracting of ATER services from public and private organizations for the development of biodiverse and climate-resilient food systems, preferably integrated with the MDS's Productive Development and other public policies and credit programs, adding value, marketing, agricultural

health, access to water, among others; iv) the National Council for Sustainable Rural Development (CONDRAF) and other organizations representing family farming in the semiarid region, which will be involved in all stages of the Project, carrying out social control and qualifying knowledge about the reality in which it is intended to operate, the challenges of implementation and the possibilities for improving the Project's activities; v) Civil Society Organizations that work in processes of co-construction of knowledge, training and dissemination of innovations, offering different types of technical assistance and investment in collective family farming organizations to promote agroecological transition, social participation in territorial collegiate bodies, gender, generational and ethnic-racial inclusion and market access; vi) EMBRAPA of MAPA, with the role of introducing innovations into the Project and strengthening the capacities of the actors and networks involved in providing technical assistance and education in the field; vii) the MCTI's INSA, which will develop and promote access to technologies adapted to the semiarid region, with an emphasis on forage species, such as palm resistant to carmine mealybug, and water reuse; viii) the MMA's Coordination to Combat Desertification, which will support climate resilience activities and the alignment of public policies; ix) Universities and Federal Institutes, which will contribute to building innovations and strengthening the capacities of the actors and networks involved in providing technical assistance and rural education to family farmers.

Financial management, procurement, and governance

The Project will have a Management Unit (PMU) with a key team composed of Federal Government employees (permanent, commissioned, and outsourced) and contracted professionals in the Coordination, financial, procurement, and monitoring and evaluation sectors.

Most of the tenders will be carried out through the decentralization of resources. Based on the legal terms of Brazil, this means that the international rule for procurement is not required, and the executing entity must follow the national legislation. The agreements/partnerships established in the Project between the MDA and other government and civil society entities that contain IFAD resources will undergo a no objection analysis by IFAD to ensure compliance with the anti-corruption and anti-harassment policy, the identity of the Project and monitoring and evaluation items. Co-executing entities that outsource execution must guarantee the agreements signed between the MDA and IFAD. Fourth-party execution will not be allowed. And, on a smaller scale, with resources from Component 3, part of the execution will be carried out with centralization of resources, following IFAD procurement rules.

In the decentralization of resources modality, tenders will, in principle, be carried out via ANATER, EMBRAPA, INSA, and other federal organizations, as well as via civil society organizations under the Regulatory Framework for Civil Society Organizations (MROSC).

Under the centralization of resources modality, bidding will be carried out by the PMU/MDA's bidding team and through an agreement with the Inter-American Institute for Cooperation on Agriculture (IICA), under the coordination of the PMU/MDA, which is the entity that already supports the SFDT/MDA. IICA will hire professionals to advise the Project, mainly the PMU, as well as training, procurement of technical goods and services, and logistics, considering its expertise in agriculture and knowledge of IFAD policy, due to its experience in supporting the implementation of other similar projects.

All entities that are designated to bid and contract within the scope of the Project with IFAD resources, whether in whole or in part, must comply with the PMU's periodic monitoring of the progress of execution, whether carried out by the bidding team through the MAC (Monitoring and Follow-up of Procurement and Contracting), or by the M&E, Monitoring and Evaluation team for the Project as a whole.

IFAD will carry out the necessary training for new members of the PMU in procurement management, especially in the use of OPEN, IFAD's current procurement system. In addition, at the request of the SFDT/MDA, it will verify the possibility of implementing the ICP/FIDA system to meet the particularities of decentralized execution of PDHC III, to allow the upload of spreadsheets with the data of the contracts and acquisitions of the executing partners directly into the system.

Partner entities will be trained at the beginning of implementation on project management in terms of monitoring bids and contracts, on IFAD's anti-corruption and anti-harassment policy and on the use of the IFAD self-certification form in bids and contracts.

Government entities will not operate the IFAD bidding system, the OPEN. This responsibility will be solely for the Project Management Unit.

4. SECAP - Social, Environmental, and Climate Assessment Procedures

IFAD Safeguard Policy. IFAD is committed to rural transformation through equitable, sustainable, and inclusive development. To enhance its contribution to the 2030 Agenda, to eradicate poverty in all its forms leaving no one behind, the Fund aims to direct its resources towards improving the livelihoods of people experiencing poverty and vulnerability in rural areas through its country strategies, investment projects, and grants.

All projects undergo an environmental, social and climate assessment to help IFAD determine how to deal with potential risks and impacts (both those affecting the Project and those caused by the Project). The degree of socioenvironmental and climate risk is determined in the assessment, with mitigation measures appropriate to the nature and scale of the Project. Should unforeseen environmental and social risks or impacts arise during Project implementation, the Project team, in collaboration with national

authorities and implementing entities, must adjust the Project plan or introduce appropriate mitigation measures. For all IFAD-supported projects, the relevant standards - and how they will be applied throughout the Project life cycle - are identified during the Project preparation and appraisal process.

Climate change. Recognizing the importance of addressing the causes and consequences of climate change in the countries where IFAD operates, IFAD assesses vulnerability to climate risks and supports its partners in developing climate adaptation and mitigation measures in line with their national climate plans and commitments. IFAD also identifies opportunities to avoid, minimize, or reduce greenhouse gas (GHG) emissions in the projects it supports, as well as opportunities to support the implementation of climate change adaptation measures aimed at Project sustainability.

Minimize adverse social and environmental impacts. IFAD will avoid or mitigate potential adverse impacts on the environment (including biodiversity and ecosystems), health and safety, working conditions (including the prevention of all forms of harmful or exploitative forced labor and child labor), and the well-being and livelihoods of Project workers and local communities. IFAD will avoid any potential unintended consequences imposed by an IFAD-supported operation in areas beyond the project boundaries.

Gender. Addressing all forms of violence against women and gender-based discrimination and promoting gender equality is within IFAD's mandate. IFAD-supported projects will identify any actions of misogyny and develop measures to prevent gender-based violence. IFAD will require its partners to adopt measures to prevent and deal with any form of gender-based violence, including sexual harassment, exploitation and abuse, discrimination, bullying, and intimidation.

Improve the livelihoods of indigenous peoples and other marginalized groups. IFAD-supported projects will be designed to: (i) ensure ownership of and access to indigenous peoples' ancestral lands and territories; (ii) strengthen their institutions; (iii) ensure free, prior, and informed consent (FPIC); (iv) value indigenous knowledge systems; and (v) document and report the results of consultations with indigenous peoples and other marginalized groups. FPIC will also apply to communities of non-indigenous peoples when project activities impact their access and land use rights.

Food sovereignty, food security and nutrition. In line with the recommendations of the Food Systems Summit, IFAD will contribute to ensuring the protection and preservation of Indigenous Peoples' food systems, which are strongly interconnected with their secure access rights over their lands, territories and natural resources, as well as their cultural, social and spiritual well-being. In its investments, IFAD will promote: (i) diverse and indigenous food sources, and cultural and social practices linked to food gathering and production; (ii) agroecological and territorial management practices; and (iii) the availability, accessibility, affordability

and consumption of diverse, nutritious foods, including neglected and underutilized species (NUS) and their genetic protection.

Promoting appropriate agricultural and manufacturing processes.

Agricultural processes will be guided by agroecological principles, the basis of sustainable agriculture, including traditional, indigenous, and climate-resilient technologies, as well as social technologies already developed for food production, integrated pest management and the use of alternative and biological pest control. Where the use of agrochemicals is necessary, projects will ensure (for example, through greater environmental awareness, farmer training and better field extension services) that their selection, application, storage, and disposal are in line with international standards. IFAD will require clients to apply international standards, including those on safe and healthy working conditions, and to establish and maintain a sound environment and social management systems.

IFAD's Environmental and Social Standards comprise key requirements for the environmental and social sustainability of projects.

The Standards are intended for Project design and implementation and for partners who are responsible for Project implementation. The Standards are based on the good practices of the United Nations, international financial institutions, and multilateral development banks. They should be consulted in full and cross-referenced, as necessary. The list of standards used by PDHC III is as follows³:

Table 1: IFAD socio-environmental standards triggered by the Project and their objectives

Standard	Objectives
<p>Standard 1: Biodiversity conservation</p>	<ul style="list-style-type: none"> • Maintaining and conserving biodiversity; • Ensure the fair and equitable sharing of the benefits from the utilization of genetic resources; • Respect, preserve, maintain and encourage the knowledge, innovations and practices of indigenous peoples and local communities relevant to the conservation and sustainable use of biodiversity, and their customary use of biological resources; and • Adopt a preventive approach to the conservation and management of natural resources to guarantee opportunities for environmentally sustainable development.
<p>Standard 2: Resource efficiency and pollution prevention</p>	<ul style="list-style-type: none"> • Avoid, minimize, and manage the risks and impacts associated with substances and materials, including pesticides; • Avoid or minimize Project-related emissions of short- and long-lived climate pollutants; • Promote more sustainable use of resources, including energy, land, and water; and • Identify opportunities to improve resource efficiency.

³https://www.ifad.org/documents/38711624/43547646/secap2021_01.pdf/31edfeff-f70c-67b0-994a-d0ec4630dd81?t=1635770346986.

Standard	Objectives
Standard 4: Indigenous peoples	<ul style="list-style-type: none"> • Support indigenous peoples in defining priorities and strategies for exercising their right to development; • Ensure that each Project is drawn up in partnership with indigenous peoples and with their full, effective, and meaningful consultation, leading to FPIC; • Ensure that indigenous peoples obtain fair and equitable benefits and opportunities from the activities supported by the project in a culturally appropriate and inclusive manner; and • Recognize and respect indigenous peoples' rights to the lands, territories, waters, and other resources they have traditionally owned, used or relied on.
Standard 5: Labor and working conditions	<ul style="list-style-type: none"> • Promote direct activities to foster decent rural employment; • Promoting, respecting, and realizing fundamental principles and rights: preventing discrimination and promoting equal opportunities for workers; supporting freedom of association and the right to collective bargaining; and preventing the use of child labor and forced labor; • Protecting and promoting workers' health and safety; • Ensure that projects comply with national labor and employment laws and international commitments; • Leave no one behind by protecting and supporting workers in situations of disadvantage and vulnerability, including women (e.g., maternity protection), young workers, migrant workers, workers in the informal economy and workers with disabilities.
Standard 9: Climate Change	<ul style="list-style-type: none"> • Ensure the alignment of IFAD-supported projects with countries' nationally determined contributions and the objectives of the Paris Agreement and other international frameworks; • Ensure that proposed activities are screened and assessed for climate change and disaster risks and impacts, including the impacts of and on projects; • Apply the mitigation hierarchy in project design; • Strengthen the resilience of communities to deal with the risk of climate change impacts and climate-related disasters; • Increase the capacity of communities to adapt to the adverse impacts of climate change and promote climate resilience and low GHG emission projects that do not threaten food production.

In general, vulnerable groups face barriers to participating in public consultation meetings. They may not understand the impacts of this Project due to language barriers (or feel inhibited due to their status in the community) and therefore may not always be able to understand and freely express their concerns and interests about PDHC III. Some people, especially those with a low level of literacy and members of indigenous communities who are not fluent in Portuguese, face communication challenges and may find it impossible to participate. To avoid this potential exclusion, in the FPIC process, indigenous peoples will need to be consulted in their own language whenever possible. The Project must consider the limitations identified and ensure that all mapped interest groups, especially Project Affected People (PAP), are included and supported to overcome the limitations they face and participate in the consultation processes.

Potential adverse social and environmental impacts and mitigation measures

The environmental and social category of the PDHC III Project is "moderate". The justification for this classification stems from the possible risks associated with habitat conversion, the introduction of invasive species, and investments in small-scale livestock systems. Mitigation measures (e.g., exclusion of any habitat conversion from potential sub-projects, negative list of exotic invasive species to be acquired by the Project, adoption of best practices for pasture management and effluent treatment) for all the risks mentioned are well known and should not be a challenge for the Project implementation teams.

For the environmental, social and climate management of the Project, the Social, Environmental and Climate Management Plan (ESCMP - Annex E) was drawn up, with a detailed description of the risks and management measures to be implemented by the Project.

Regarding social risks, there are risks related to the presence of indigenous peoples and traditional communities with their own knowledge and ways of life. The Project will develop an Indigenous Peoples Plan (IPP) and a Free, Prior and Informed Consent Plan (FPIC Plan) to implement and strengthen processes for the effective participation of indigenous peoples and traditional communities in the planning and execution of Project activities. The Project will also develop a Gender, Youth, Social Inclusion and Nutrition Strategy to mitigate any risks related to the inclusion, benefit, and empowerment of the target groups and to ensure the effective participation of these groups.

ESMF implementation plan

The Project has an environmental and social management framework (ESMF) and a climate assessment. Both documents analyze the Project's implementation context, its possible adverse impacts, risks, and mitigation measures. The relevant legal and institutional framework (national and IFAD regulations) is also presented. The ESMF will be implemented by the ATER institutions and other technical assistance services involved in the Project, under the supervision of the PMU, which will establish a specialized team to monitor the implementation of social, environmental and climate safeguards. The points mentioned in the following paragraphs must be observed during the preparation of the PDRLs (Local Rural Development Plan). The ESMF report includes the forms to be filled in for the formulation of the PDRLs, which will also serve to monitor the Project's social, environmental and climate safeguards.

OBJECTIVES TO BE OBSERVED IN THE ANALYSIS OF SOCIAL AND ENVIRONMENTAL IMPACTS DURING THE PREPARATION OF PROJECTS AND ACTIVITIES

BIODIVERSITY CONSERVATION

- Maintain and conserve biodiversity;
- Ensure the fair and equitable sharing of the benefits from the utilization of genetic resources;
- Respect, preserve, maintain, and encourage the knowledge, innovations and practices of indigenous peoples and traditional communities relevant to the conservation and sustainable use of biodiversity, and their customary use of biological resources; and
- Adopt a preventive approach to the conservation and management of natural resources to ensure opportunities for environmentally sustainable development.

ITEMS TO BE OBSERVED IN THE IMPACT ANALYSIS

- Suppression of vegetation;
- Collecting forest products;
- Restoration of Legal Reserves (LR) and/or Permanent Preservation Areas (APP in the Portuguese acronym);
- Risk of degradation of arable land;
- Soil erosion.

RESOURCE EFFICIENCY AND POLLUTION PREVENTION

- Avoid, minimize, and manage the risks and impacts associated with hazardous substances and materials, including pesticides;
- Avoid or minimize Project-related emissions of pollutants related to short- and long-term climate change;
- Promote the sustainable use of resources, including energy, land, and water; and
- Identify, where feasible, Project-related opportunities for resource efficiency.

ITEMS TO BE OBSERVED IN THE IMPACT ANALYSIS

- Site and species selection for trees planting;
- Integrated soil fertility management;
- Integrated disease and pest management;
- Use of pesticides;
- Production and treatment of waste and effluents;
- Integration of trees and shrubs that maintain or improve biodiversity and ecosystem functionality.

INDIGENOUS PEOPLES AND TRADITIONAL COMMUNITIES

- Support indigenous peoples and traditional communities in defining priorities and strategies for exercising their right to ethnodevelopment;
- Ensure that each project is drawn up in partnership with indigenous peoples and traditional communities and with their full, effective, and meaningful consultation, leading to FPIC;

- Ensure that indigenous peoples and traditional communities obtain fair and equitable benefits and opportunities from the activities supported by the Project in a culturally appropriate and inclusive manner; and
- Recognize and respect the rights of indigenous peoples and traditional communities to the lands, territories, waters, and other resources they have traditionally owned, used or relied on.

ITEMS TO BE OBSERVED IN THE IMPACT ANALYSIS

- Free, Prior and Informed Consultation - Community consent;
- Adaptation of activities to the culture and organization of the community.

LABOR AND WORKING CONDITIONS

- Promote direct activities to foster decent rural work;
- Promoting, respecting, and realizing fundamental principles and rights: Preventing discrimination and promoting equal opportunities for workers; Supporting freedom of association and the right to collective bargaining; Preventing the use of child labor and forced labor;
- Protecting and promoting workers' health and safety;
- Ensure that projects comply with national labor and employment laws and international commitments; and
- Leave no one behind by protecting and supporting workers in situations of disadvantage and vulnerability, including women (e.g., maternity protection), young workers, migrant workers, workers in the informal economy and workers with disabilities.

ITEMS TO BE OBSERVED IN THE IMPACT ANALYSIS

- Hiring labor from outside the community (existence of protocols to prevent sexual exploitation, transmission of STDs, sanitary conditions of construction sites);
- Use of Personal Protective Equipment (PPE);
- Obtaining building permits;
- Observation of labor legislation;
- No child labor.

CLIMATE CHANGE

- Ensure the alignment of IFAD-supported projects with countries' nationally determined contributions and the objectives of the Paris Agreement and other international frameworks;
- Ensure that proposed activities are screened and assessed for climate change and disaster risks and impacts, including the impacts of and on projects;
- Apply the mitigation hierarchy in Project design;

- Strengthen the resilience of communities to deal with the risk of climate change impacts and climate-related disasters;
- Increase the capacity of communities to adapt to the adverse impacts of climate change and promote climate resilience and low GHG emission projects that do not threaten food production.

ITEMS TO BE OBSERVED IN THE IMPACT ANALYSIS

- Reports of water shortages at the Project site;
- Reports of irregularity or lack of rain at the Project site;
- Reports of periods of drought (regular or irregular) at the Project site;
- Reports of an increase in diseases such as dengue or malaria at the Project site;
- Location of Project investments in areas subject to flooding;
- Location of Project investments in areas subject to forest fires/burn-offs;
- Location of Project investments in areas subject to landslides (slopes, ravines).

5. TARGETING

Area of intervention

The PDHC III intervention area will cover the semiarid region⁴ of the 9 Northeastern states and the state of Minas Gerais, totaling 10 states. The population of the Project area is estimated at 30,926,841 people, 51% of whom are women (15,774,866) and 23% young people aged between 15 and 29 (7,197,689). There are 1,833,657 agricultural establishments in the intervention area, of which 79% (1,446,842) are family farms. Of the total number of family farms, 346,096 (or 23.9%) are run by women and 156,500 (or 10.8%) by young people under the age of 35⁵. Most properties owned by family farmers in the region are smaller than 20 hectares. The population of the municipalities in the Project's area of intervention is among the poorest in Brazil - 45.7% of them (14.1 million people) live in poverty compared to 29.4% in the country, with limited access to basic social services, high levels of social, environmental, and climatic vulnerabilities and high rates of food and nutritional insecurity (approximately 68%).

Profile of target groups

⁴ The criteria used to delimit the semiarid region will be those approved by SUDENE's Deliberative Council Resolutions No. 107 of July 27, 2017 and No. 115 of November 23, 2017: Average annual rainfall equal to or less than 800 mm; Thornthwaite Aridity Index equal to or less than 0.50; Daily percentage of water deficit equal to or greater than 60%, considering all days of the year. PL 2492 of 2019 will also be taken into account, by which 44 municipalities in MA were included in the area considered to be semiarid.

⁵ Although by law young people in Brazil are defined as those aged between 15 and 29, the data from the Agricultural Census (2017) is not available disaggregated by this age group. In this context, we opted to use the under-35s as a reference, even if it is an approximation.

Approximately 90,000 family farming families⁶ (around 315,000 people) will benefit from the Project, of which 60% will have a Single Registry profile, 50% will focus on women, 30% on young people⁷ and 7% on traditional peoples and communities (PCTs).

The Project's main **target groups** are: i) family farmers living in poverty and extreme poverty; ii) rural women; iii) rural youth; iv) PCTs; and v) land reform settlers; vi) the LGBTQIAPN+ community.

The Project's target group is very diverse in terms of socio-cultural characteristics, forms of productive organization, relationship with the territory, level of articulation / association and access to the market. Therefore, the Project will have a flexible approach, adapted to the needs, capacities and demands of the beneficiary families and communities, respecting and valuing cultural differences and the diversity of their ways of life and social and productive organization.

(i) Family farmers living in poverty and extreme poverty: these are the Project's main and largest target group due to their high levels of food and nutritional insecurity. This target group consist of rural families in poverty and extreme poverty living in the Project area, whose livelihoods are based on low productivity family farming, ensuring self-consumption with the sale of surpluses and some cases of activities exclusively for sale, extractive practices, and small livestock farming. The Project will work with family farmers to promote agroecological production systems to increase diversification, climate resilience, production, and income. PDHC III will prioritize Agrarian Reform settler families and households headed by women and young people, as these are the most vulnerable subgroups.

(ii) Rural women: will represent at least 50% of the total beneficiaries (45,000 families with activities focused on women), with young women and women from PCTs being the target subgroups. In the Project area, there are 15,774,866 women, representing 51% of the total population⁸. Rural women in the Project area are more exposed to vulnerability. They have less access than men to rights, resources and opportunities, and their gender roles as primary caregivers of children and families translate into an overload of unpaid work⁹ (more details in Annex 5 - SECAP Review Note). For example, great inequality persists in the management of rural establishments: only 23.9% (346,096) of the total family farms in the

⁶ The concept of family farming in Brazil is defined by Law No. 11.326 of July 24, 2006, according to land, economic and social parameters, and also includes foresters, aquaculture farmers, extractivists, fishermen, indigenous peoples and members of rural quilombo communities and other traditional peoples and communities who meet the other requirements set out in the law.

⁷ The Youth Statute was instituted by Law No. 12,852, of August 5, 2013, and defines young people as people between the ages of 15 and 29.

⁸ IBGE, 2022. Demographic Census.

⁹ In Brazil in 2019, women spent almost twice as much time caring for people or doing household chores as men: 21.4 hours compared to 11 hours a week. Source. IBGE. Gender statistics: social indicators for women in Brazil, 2021.

Project area are managed by women and only 3.3% by young women under the age of 35¹⁰.

Target subgroups:

Female-headed households: women-headed households lag behind their male counterparts in access to and ownership of most inputs, goods, and services, due to the challenges imposed by society in accessing public policies and the invisibility and devaluation of women's work, which is relevant to productive activities in rural areas. The risk of food insecurity is higher among women-headed households compared to male-headed households in Brazil. According to recent data from the country, 63.0% of women-headed households had some degree of food insecurity and hunger affecting 18.8% of them¹¹. In comparative terms, hunger affects 7.4 percentage points more female-headed households than male-headed households nationally. In this context, PDHC III will focus on women-headed households experiencing poverty and food insecurity.

Women from indigenous peoples and traditional communities: Indigenous and quilombola women are the most marginalized and socially excluded groups, facing higher rates of violence, poverty, and food insecurity, as well as having even more limited access than other women in the Project area to public health and education policies, among others¹². In addition to being the target of triple discrimination: gender, race, and socioeconomic status, they are also the target groups most vulnerable to climate change because they are the main collectors of water, food, and firewood in a context where increasing pressure on natural resources and environmental degradation are negatively affecting water supplies and access to food. Despite this, women from Traditional Peoples and Communities (PCTs) play a fundamental role in the preservation of socio-biodiversity, as guardians of ancestral productive and food knowledge and practices.

Young women: Young women in rural areas are often "left behind" due to a triple burden of overlapping challenges: age, socioeconomic status, and gender. PDHC III activities aimed at rural youth will aim to reach at least 50% of young women. In addition, special attention will be paid to promoting the self-esteem and self-confidence of this target group, as well as addressing issues such as early pregnancy and gender-based violence.

To reduce the gender gap in the target population, the Project will develop activities to include women, in particular women whose work is made invisible, families headed by women, women from traditional peoples and communities and young women. The project will adopt strategies tailored to the distinct groups of women, indigenous peoples and traditional communities. The PDHC III Project will promote an integrated approach to

¹⁰ IBGE, 2017. Agricultural Census.

¹¹ PENSSAN (2022). II National Survey on Food Insecurity in the Context of the COVID-19 Pandemic in Brazil [II VIGISAN: final report]. Brazilian Research Network on Food Sovereignty and Security - PENSSAN. São Paulo, SP: Friedrich Ebert Foundation. PENSSAN Network, 2022. <https://pesquisassan.net.br/olheparaafome/>.

¹² UN Women (2021). PRODOC. Indigenous and Quilombola Women's Human Rights Project: a question of governance.

promoting gender equity in rural areas and strengthening the agency of rural women in the semi-arid region, based on the concept that women have a high capacity to change their own reality, to reject imposed patterns and to resist the limitations established by the environment. To do so, the Project will draw on lessons learned and good practices from Brazil's portfolio to: i) promote economic empowerment and equal access to and control over resources and assets; ii) foster changes in the dynamics of the sexual division of labor, addressing women's overload in combining productive and reproductive work; iii) increase and strengthen the participation of women's groups and associations; and iv) contribute to expanding decision-making spaces for women's participation in rural institutions and organizations. The Project will use Technical Assistance and training methodologies to achieve these objectives. This includes the Agroecological Logbooks (ALs), a valuable tool for measuring, valuing, and giving visibility to women's fundamental contributions to the family economy and community development. This methodology promotes women's self-esteem and confirms their important contribution to a healthy, diversified, and safe family diet. The Project aims to further reduce challenges of women's work through the introduction of social technologies, especially those related to access to water. Rural women will be prioritized in the activity to issue documentation to rural workers and to provide specific gender-sensitive Technical Assistance, and all technical assistance teams will receive gender training.

(iii) Rural youth: Young people between the ages of 15 and 29¹³ will represent at least 30% of the Project's total beneficiaries (around 27,000 families run by young people), half of which should be represented by young women. In the Project area, there are 7,197,689 young people, 23% of the total population¹⁴. Rural areas in the semi-arid region generally do not offer attractive job and income opportunities for young people, as the region is characterized by low-income generation capacity, precarious working conditions, and a lack of basic services, which leads to youth exodus. The target sub-groups will be: i) young people who are involved in agricultural or non-agricultural activities, with an interest in expanding their activities or undertaking them individually and/or collectively in associative and cooperative organizations; ii) young people who want to start implementing productive projects, agricultural or non-agricultural; iii) young people from indigenous peoples and traditional communities; and iv) young students from CEFFAs and similar institutions. The project will adopt strategies tailored to the distinct groups of youth.

Target subgroups:

Young men and women involved in subsistence farming, with an interest in expanding their activities or becoming entrepreneurs.

Young men and women from indigenous and traditional communities: Indigenous and quilombola youth are among the most marginalized and

¹³ According to the age range defined in the Youth Statute (Law No. 12,852 of August 5, 2013).

¹⁴ IBGE, 2022. Demographic Census.

socially excluded groups, facing higher rates of poverty and food insecurity, and will be prioritized.

Young men and women from the Family Training Centers by Alternance (CEFFAs) and other similar rural education institutions: the Project will strengthen the CEFFAs and other alternance training institutions, taking advantage of the experiences of the alternance pedagogy to multiply good practices in contextualized education, productive inclusion, and income generation for rural youth, associativism, cooperativism and solidarity economy.

The Project will take an integrated approach to tackling the root causes of youth exclusion, using successful approaches from other IFAD-supported projects in Brazil. Examples of these approaches are i) supporting the involvement of young people in the adoption of practices, approaches and techniques based on the principles of agroecology and coexistence with the semiarid region, which encourage the sustainable use and management of natural resources; ii) creating new income-generating opportunities; iii) promoting social skills and involvement in the process of social transformation in the territories; iv) training young people in decision-making at community, territorial and organizational level; v) specific Technical Assistance calls for young people and technical assistance services adapted to their different needs and incorporating young people into their teams, especially graduates of CEFFAs and similar institutions.

(iv) Traditional Peoples and Communities (PCTs): they will represent at least 7% of the Project's total beneficiaries (approximately 6,300 families). Women and young people from these communities will be target sub-groups. They are among the groups with the highest percentage of people living in poverty and vulnerability in the semiarid region, facing the highest levels of poverty and food insecurity, and being the first victims of socio-environmental conflicts. They face material and symbolic violence resulting from the expropriation of their territories, environmental degradation and other risks to their protection and physical and cultural existence. At the same time, they are among the main actors in protecting and conserving the environment and socio-biodiversity.

PDHC III will implement IFAD's Policy for Action on Indigenous Peoples (2022) with its focus on the empowerment of traditional communities (PCTs) in the Project areas. The Project will adopt Free, Prior and Informed Consent (FPIC) in activities involving traditional peoples and communities (PCTs) and will prioritize them whenever present in the selected territories. This will be approached from a perspective that considers the multidimensionality of the territories of the PCTs, oriented towards the governance and sustainable collective management of their territories, ethnodevelopment, the sustainability of their food systems, the conservation and use of biodiversity and agrobiodiversity based on traditional knowledge, as well as access to markets for the promotion of cultural identity. The technical assistance approach will consider these socio-cultural aspects, traditional knowledge and ways of life, and a specific Technical Assistance call for PCTs will be promoted. These communities will

also benefit from greater access to water through adapted social technologies that improve their living conditions and will be prioritized in receiving productive development. In addition, the Project will contribute to valorizing and disseminating traditional knowledge related to production (Traditional Agricultural Systems - SATs) and nutrition, through participatory nutritional education activities. The MDA's Secretariat for Quilombola and Traditional Territories and Productive Systems will be a key partner in implementing the Project's strategy for the inclusion of PCTs.

(v) LGBTQIAPN+ community: The lack of government data on the socio-economic and political challenges faced by the LGBTQIAPN+ community is indicative of the statistical invisibility and marginalization of this group. The lack of a social assistance policy, the rural exodus of this population to urban centers, the lack of family support, limited access to income and low employability in rural areas, the difficulty of staying in the school environment due to prejudice, are some of the factors that maintain the invisibility of data and exclusion of the LGBTQIAPN+ population in rural areas. In addition, rates of violence against this group are high. In 2022, there were a total of 273 deaths of LGBTQIAPN+ people, a national average of 1.31 deaths per million people¹⁵. Most of the deaths occurred among young people aged between 20 and 29, and the Northeast region had the highest absolute number of violent deaths.

PDHC III will seek to include the LGBTQIAPN+ community in its activities, considering LGBTQIAPN+ diversity, to promote their inclusion and guarantee respect for their rights. It will seek to implement IFAD's Diversity, Equity, and Inclusion Strategy (2021). Initially, the Project will map LGBTQIAPN+ movements and conduct consultations to hear their main demands, as well as surveying the socio-economic and political challenges they face in family farming. Based on the diagnosis and consultations, a strategy for the social inclusion of this group will be defined. Awareness campaigns on the rights of the LGBTQIAPN+ community will be promoted, as well as support for LGBTQIAPN+ movements in rural areas.

¹⁵ Observatory of LGBTI+ deaths and violence in Brazil. Dossier 2022: Deaths and violence against LGBTI+ people in Brazil. Available at: [Dossie-de-Mortes-e-Violencias-Contra-LGBTI-no-Brasil-2022-ACONTECE-ANTRA-ABGLT.pdf](#).

Target group	Challenges	Needs	Project Responses
<p>Family farmers in poverty and extreme poverty</p>	<p>High rates of poverty, extreme poverty and food and nutritional insecurity</p> <p>They mainly grow crops in mixed crop-livestock systems, mainly for self-consumption, with some added value through processing and selling surpluses</p> <p>Limited access to technical assistance</p> <p>Many do not have secure land titles</p> <p>Poor or limited access to water and basic sanitation</p> <p>Limited decision-making power</p>	<p>Creating sustainable work and income opportunities</p> <p>Increased productivity</p> <p>Increased diversification of healthy food production</p> <p>Adding value</p> <p>Market access</p> <p>Collective organization</p> <p>Technical training</p> <p>Access to water for human consumption and production</p> <p>Social and economic empowerment</p> <p>Greater access to and ability to dispose of assets such as land/territory, bio-inputs, creole seeds, adapted technologies and credit</p>	<p>Ensure regular and diversified income streams for families to support economic empowerment</p> <p>Activities to adapt and improve production practices, with the aim to coexists with the semiarid region, to promote agroecological transition, increase productivity, diversification, and income generation</p> <p>Support for the implementation of Agroforestry Systems (AFSs) and productive agroecological backyards</p> <p>Promoting access to various public policies, such as PRONAF, Garantia Safra and Cisterns</p> <p>Support for access to institutional markets such as the PNAE and PAA and local non-governmental markets such as fairs</p> <p>Training on issues related to gender, generation, and ethnic-racial inclusion</p> <p>Provision of ongoing technical assistance for agroecological transition</p> <p>Strengthening collective family farming organizations</p>

Target group	Challenges	Needs	Project Responses
			<p>Installation of cisterns and other social technologies for access to water</p> <p>Participation of organizations representing family farming in all stages of the Project</p>
<p>Rural Women</p>	<p>Restricted access to land, credit, documentation, technology, and natural and productive resources</p> <p>challenges in marketing their production</p> <p>Double working load</p> <p>Violence against women</p> <p>Decision-making power limited by the patriarchal and macho structure</p> <p>Lack of access to basic services such as education, health, and social assistance</p> <p>Higher incidence of food and nutritional insecurity</p> <p>Water insecurity</p>	<p>Access to and ability to dispose of assets such as bio-inputs, adapted technologies and credit</p> <p>Market access</p> <p>Reduced working hours and distribution of domestic and care work</p> <p>Increasing gender equity</p> <p>Combating all forms of violence against women</p> <p>Training in fair division of labor/sexual distribution of labor and equal participation in mixed collective organizations</p> <p>Training opportunities</p> <p>Productive diversification</p> <p>Access to social technologies for access to water</p> <p>Encouraging collective organizations/groups of rural women</p>	<p>Technical assistance provided by a team, preferably of women, with specific experience in working with women</p> <p>Support for access to PNAE, PAA and local non-governmental markets, such as fairs</p> <p>Drawing up a gender strategy and action plan</p> <p>Increased participation and decision-making power in socio-economic planning (with specific diagnosis of women's demands)</p> <p>Promoting the autonomy, income generation and productive organization of rural women.</p> <p>Emphasize the importance of serving rural women at all stages of the Project</p> <p>Training processes on feminism, women's rights, and ways of</p>

Target group	Challenges	Needs	Project Responses
			<p>accessing public policies for rural women</p> <p>Training processes in collective organizations to promote women's empowerment and gender equity in the management of organizations</p> <p>Installation of cisterns and other water access technologies</p> <p>Support the implementation of SAFs and productive agroecological backyards</p> <p>Rural women workers' documentation drives</p> <p>Specific Technical Assistance calls for women</p> <p>Participation of organizations representing rural women in all stages of the Project</p>
Rural youth	<p>Higher incidence of poverty</p> <p>Lack of opportunities for decent work and income generation</p> <p>Migration to cities due to lack of opportunities in rural areas. Restrictions on access to land, bio-inputs, credit, adapted technologies, natural and productive resources</p> <p>Limited access to education, culture, and leisure</p>	<p>Generating work and income in activities that appeal to young people</p> <p>Access to and ability to dispose of assets such as land/territory, bio-inputs, adapted technologies, credit and natural resources</p> <p>Opportunities for emancipatory education and training in agroecological production</p>	<p>Promoting the socio-economic empowerment of young people</p> <p>Supporting young people's entrepreneurship and innovation</p> <p>Promote meetings, exchanges, and learning routes to exchange agroecological knowledge</p> <p>Agroecological youth award</p>

Target group	Challenges	Needs	Project Responses
	Decision-making power limited by the patriarchal and macho structure	Greater voice, participation, and influence in collective family farming organizations	<p>Support for the implementation of SAFs and agroecological backyards</p> <p>Strengthening education in and from rural areas</p> <p>Specific calls for technical assistance for young people</p> <p>Training in associations and cooperatives</p> <p>Participation of organizations representing rural youth in all stages of the project</p>
Traditional Peoples and Communities (PCTs)	<p>Higher incidence of poverty and extreme poverty and food and nutritional insecurity</p> <p>Restrictions on access to bio-inputs, credit, adapted technologies and natural and productive resources</p> <p>Traditional knowledge and practices of production, food and natural resource management are not properly recognized and valued</p> <p>Land insecurity and vulnerability to land conflicts</p> <p>Lack of access to services such as health and education</p>	<p>Creating opportunities for decent work and income generation</p> <p>Access to and control of bio-inputs, credits, adapted technologies and natural and productive resources</p> <p>Respect and appreciation of traditional knowledge, practices, and ways of life</p> <p>Security of land tenure</p> <p>Access to indigenous and quilombola education and food</p> <p>Contextualized technical training and social empowerment</p> <p>Overcoming racism</p>	<p>Promoting socio-economic empowerment while respecting cultural specificities</p> <p>Promoting ethno-development and access to adapted public policies</p> <p>Mapping the particularities of traditional communities</p> <p>Use of free, prior, and informed consent (FPIC)</p> <p>Training processes for technical teams on the specificities of working with PCTs.</p> <p>Support for access to PNAE, PAA and local non-governmental markets, such as fairs</p>

Target group	Challenges	Needs	Project Responses
	<p>Limited decision-making power due to structural racism</p>		<p>Training processes on ethno-development and PCT rights</p> <p>Specific calls for technical assistance for PCTs</p> <p>Participation of the organizations representing the PCTs in all stages of the Project</p>
<p>Agrarian reform settlers</p>	<p>Higher incidence of poverty</p> <p>Limited access to technical assistance</p> <p>Many do not have secure land titles</p> <p>Poor or limited access to water and basic sanitation</p> <p>Lack of access to services such as health and education</p> <p>Restrictions on access to bio-inputs, credit, adapted technologies, natural and productive resources</p>	<p>Creating sustainable work and income opportunities</p> <p>Increased productivity</p> <p>Increased diversification of healthy food production</p> <p>Adding value</p> <p>Market access</p> <p>Collective organization</p> <p>Technical training</p> <p>Access to water for human consumption and production</p> <p>Social and economic empowerment</p> <p>Greater access to and ability to dispose of assets such as bio-inputs, creole seeds, adapted technologies and credit</p>	<p>Ensure regular and diversified income streams for families to support economic empowerment</p> <p>Activities to adapt and improve production practices, with the aim to coexistence with the semiarid region, to promote agroecological transition, increase productivity, diversification, and income generation</p> <p>Support for the implementation of Agroforestry Systems (AFSs) and productive agroecological backyards</p> <p>Promoting access to various public policies, such as PRONAF, Installation Credit, Safra Guarantee and cisterns</p> <p>Support for access to institutional markets such as the PNAE and PAA and local non-governmental markets such as fairs</p>

Target group	Challenges	Needs	Project Responses
			<p>Training on issues related to gender, generation, and ethnic-racial inclusion</p> <p>Provision of ongoing technical assistance for agroecological transition</p> <p>Strengthening collective family farming organizations</p> <p>Installation of cisterns and other social technologies for access to water</p> <p>Participation of organizations representing family farming in all stages of the Project</p>
<p>LGBTQIAPN+ community</p>	<p>High rates of gender-based violence</p> <p>Lack of a focused social assistance policy</p> <p>Rural exodus of the LGBTQIAPN+ population to urban centers</p> <p>Limited access to income</p> <p>Low employability in rural areas</p> <p>School dropouts</p>	<p>Combating LGBTphobia and gender-based violence</p> <p>Creating decent work and income opportunities in rural areas</p> <p>Technical training and training opportunities</p> <p>Access to and control of bio-inputs, credits, adapted technologies and natural and productive resources</p>	<p>Awareness campaigns on the rights of the LGBTQIAPN+ community</p> <p>Implementation of IFAD's Diversity, Equity, and Inclusion Strategy (2021)</p> <p>Diagnostics with the LGBTQIAPN+ movements</p> <p>Diagnosis of the socio-economic and political barriers to inclusion for this group</p> <p>Drawing up a strategy and action plan for LGBTQIAPN+ inclusion</p>

5.1 Geographical targeting

PDHC III will take a territorial approach with a geographical focus to avoid dispersing interventions and promote integration between public policies, social participation, and federative coordination. From 1 to a maximum of 3 priority territories (group of municipalities) will be chosen per state, preferably contiguous within the state, based on the following technical criteria:

- i) incidence of poverty measured by the percentage of people enrolled in the Single Registry in relation to the total number of resident families;
- ii) climate impact risk index (MCTI's Adapta Brasil indicator);
- iii) food insecurity index (MDS);
- iv) concentration of rural establishments owned by family farmers;
- v) concentration of agrarian reform settlements; and
- vi) concentration of Traditional Peoples and Communities (PCT).

The Project should ensure potential synergies and avoid overlap with other relevant IFAD, MDS, MDA and state government projects and programs in the region.

In addition, it was agreed that no state should have more than 15% of the families benefiting from the Project and no state should have less than 5%. Also, a minimum number of families per territory should be established. The following criteria, among others, should be considered when selecting the locations to benefit from the Project, located in the selected territories:

- i) High percentage of families registered with Single Registry (at least 60% of families per locality).
- ii) A minimum of 10 families per location to boost collective activities and avoid isolated activities.
- ii) Contiguity (or at least proximity to each other) between locations for effective and efficient implementation.

5.2 Social targeting

The Project's main social targeting criterion will be that at least 60% of the beneficiary families must have a Single Registry profile (indicating a situation of poverty or extreme poverty). The remaining 40% must be family farmers, as defined by Federal Law No. 11.326 of July 24, 2006. **Direct Targeting.** Among the direct targeting measures, the Project will introduce training processes, participation quotas, investments and activities aimed specifically at women, young people and PCTs.

Other possible direct targeting measures include: introducing training processes aimed specifically at women, PCTs and young people; prioritizing women to develop demonstration/learning units, lead discussions, make presentations and participate in agricultural/social technology exhibitions; providing recognition awards for the transformative role in their territories specifically for young people and women farmers; promoting visits,

exchange programs and participation in fairs and exhibitions by women, young people and PCTs.

Empowerment and capacity-building measures. PDHC III will provide differentiated technical assistance to those groups historically excluded from public policies, facilitating their access to them, encouraging more active participation by the target groups in the Project's activities and in decision-making processes at the family, association, community, and territorial levels.

Other possible empowerment measures include: raising awareness, through trainings and Project activities, about gender, youth inclusion, race and ethnicity in communities; mobilizing women, youth and members of traditional peoples and communities to participate in Project activities and supporting the participation of their representative organizations in PDHC III collegiate bodies; strengthening and supporting the formation of groups, associations and networks of women, youth and members of traditional peoples and communities; providing leadership training for women, youth and members of traditional peoples and communities; work with women, youth and PCTs with innovative approaches in the communities; integrate issues related to gender, youth, nutrition, race and ethnicity into all rural extension and farmer training programs; disseminate public information about the Project to ensure that activities and services are accessible to all and that there is transparency; formulate an inclusive communication strategy at Project level; discuss gender, youth, ethnic-racial and targeting issues in workshops and community sensitization meetings. Also, PDHC III should promote capacity-building aimed at sensitizing target groups on the key resources they have in terms of biodiversity and foods diversity on neglected and under-utilized species with high nutritional value and resilient to climate change, as well as their ancestral agricultural practices that are environmental sustainable.

Self-targeting measures. The services provided by the Project will respond specifically to the priorities, strengths and working capacity of the target groups. Income-generating activities, such as development plans, will be planned with the target group's participation, considering their needs, their livelihood difficulties, and what they consider relevant and within their reach. The Project will work according to the territorial approach to rural development, promoting, among other things, the social participation of organizations representing family farming in territorial councils and their influence on dialogue, deliberation, and monitoring of the Project's activities.

Other possible self-targeting measures include: setting limits or ceilings on the granting of assistance available to a group or individuals; selecting, in dialogue with their representative organizations, technologies that address women's work constraints and are suitable for use by women, young people and members of traditional communities; improving crops suitable for women, young people, people living in poverty and members of traditional communities, taking into account local biodiversity, the communities' ancestral knowledge and practices, their potential for food and nutrition

security, local sales, small volume, low consumption, low risk, proximity to home, local processing and opportunities for adding value.

Facilitating measures. PDHC III will promote sustainable and socially equitable development through awareness-raising activities and policy dialogue. The Project's technical assistance bodies will receive training focusing on gender, generation, race/ethnicity, nutrition, and climate resilience issues. Dialogue will also be fostered with the government to influence its actions and policies regarding investments in family farmers, young people, women and traditional peoples and communities; advocating approaches in favor of the most vulnerable rural populations, gender equality, youth empowerment; conducting policy studies on aspects of social inclusion, ensuring research agendas that address issues of relevance to farmers living in poverty, women, young people and PCTs.

Operational measures. A gender, youth and social inclusion specialist will be integrated into the PMU team and a nutrition specialist (Terms of Reference in Annex 1). Both the PDHC III team and the implementing partners will be informed about gender, generation, race/ethnicity, and nutrition issues. In addition, gender, generation and race/ethnicity parity and diversity will be sought within the PDHC III team, among ATER providers and other technical assistance modalities, as well as in the representation and participation spaces promoted by the Project.

Other possible operational measures include: translating application forms and Project documents into the indigenous languages of the Project area; communicating the criteria for participation in the Project to the communities; communicating the mechanisms and procedures for complaints and grievances to communities; providing child monitoring services in order to facilitate women's participation in the Project's collective activities, including Technical Assistance; providing free technical support to help groups fill in application forms and prepare and fund sub-project proposals; simplifying and streamlining application and record-keeping procedures.

Details of the operational measures for gender, ethnic-racial, youth, social inclusion, and nutrition:

Gender.

- Development of a gender strategy and a gender action plan for the Project (based on a specific study to be carried out at the start of implementation - baseline). The gender and nutrition strategy should be well integrated as well as the planning of the capacity-building activities fostering GEWE and improved nutrition.
- Setting targets for women as a percentage of beneficiaries: 50% of all beneficiaries will be women.
- Allocation of budget for specific gender-related activities, such as Agroecological Logbooks, creation of territorial women's committees and holding women's meetings.
- One person from the Project management team will be responsible for gender, youth, and social inclusion issues (overseeing the implementation of the gender strategy, training staff, and helping

colleagues to address gender equality and women's empowerment issues in their operations, including knowledge management, M&E indicators and measuring results).

- Responsibility for gender integration will be included in all key Project staff's reference terms.
- Responsibility for gender integration will be included in service providers' terms of reference.
- In all its activities, IFAD's policy on preventing and combating sexual harassment, sexual exploitation, and sexual abuse (SEA), as well as the federal legislation and regulations related to the subject, including the typification in the Penal Code for sexual harassment and the Code of Professional Ethics for Civil Servants of the Federal Executive Branch, will be complied with. This will be reflected in the terms of reference of all the Project's key employees and service providers. In all agreements and contracts within the framework of IFAD-funded projects, whether by Project staff, contractors, suppliers and other third parties, they must immediately report incidents related to sexual harassment, exploitation, and abuse (SEA) in IFAD-funded activities or operations to the competent authorities in the country, as provided for in national legislation. More details can be found in the Procurement and Contract Management section of this Manual.
- Data will be collected and analyzed disaggregated by sex. In the event of low involvement of women in the Project or unqualified participation, corrective action will be taken.
- The studies carried out by the Project will include a gender perspective.
- Technical Assistance (TA) teams must be made up of at least 30% women. The minimum percentage will be 50% in ATER calls specifically for women and there will be an incentive for companies to increase this percentage even further.

Youth.

- Development of a detailed youth strategy and action plan for the project (based on a specific study carried out at the start of implementation - baseline).
- Setting targets for young people as a percentage of beneficiaries. At least 30% of all beneficiaries will be young people, of which 50% will be young women.
- Budget allocation for specific youth-related activities.
- Recruitment of a full-time gender, social inclusion, and youth specialist by the Project management team (to oversee the implementation of the youth strategy, build staff capacity and help colleagues integrate youth inclusion considerations into their operations, including knowledge management and measuring results).
- Technical assistance teams must be made up of at least 30% young people. There will be an incentive for young people trained in CEFFAs and similar institutions to be hired by entities providing ATER and

other types of technical assistance to the communities benefiting from the Project.

- Data will be collected and analyzed disaggregated by age.
- The studies carried out by the Project and the Knowledge Management (KM) products produced will include a generational perspective.

Traditional Peoples and Communities.

- Development of a detailed Project strategy for indigenous peoples and traditional communities (based on a specific study carried out at the start of implementation - baseline).
- Setting targets to reach members of traditional communities and indigenous peoples as a percentage of beneficiaries: 7% of all beneficiaries will be from traditional peoples and communities.
- Allocation of budget for specific activities related to PCTs, such as FPIC a priori and the specific Technical Assistance call aimed at this target group.
- Recruitment of a full-time expert on traditional peoples and communities by the Project management team (to oversee the implementation of the strategy for PCTs, develop the team's capacity and help colleagues integrate traditional peoples' and communities' inclusion considerations into their operations, including knowledge management and M&E).
- Data will be collected and analyzed disaggregated by indigenous peoples and traditional communities.
- The Project's studies will include a perspective on the inclusion of PCTs.

Nutrition.

- Develop a detailed nutrition strategy with an integrated approach that includes gender, race/ethnicity, youth, and climate resilience for the Project, specifying the activities and methodologies that will be adopted to achieve the nutrition results based on the pathways identified in the Project and on a study carried out at the beginning of the Project (baseline).
- Ensure that all the Project's priority groups, including women, young people, indigenous peoples, and members of traditional communities, take part in training processes on nutrition. Capacity-building activities on nutrition need to be planned in an integrated manner with gender and youth training.
- Ensure that the Project team is trained in issues related to nutrition and the Project's integrated approach.
- Ensure that technical assistance teams are trained in nutrition-related issues, including the specific nutritional problems of women and the influence of socio-cultural aspects in the case of indigenous peoples and traditional communities. Project TA team, which will be working to foster agroecology, should be well trained on nutrition sensitive agriculture.
- Budget allocation for specific nutrition-related activities, including training for Project staff and partners.

- Recruitment of a full-time nutrition specialist in the Project Management Unit team (to oversee the implementation of the nutrition strategy, develop the team's capacity and help colleagues integrate nutrition considerations into their operations, including knowledge management and performance measurement and evaluation).
- Specific nutrition indicators will be monitored, and the data will be analyzed regularly. M&E Project specialist will be trained on IFAD COI on nutrition in order to track them in coordination with the Nutrition Specialist.
- The studies conducted by the Project and the knowledge management products developed will include a nutritional perspective.

6. IMPLEMENTATION OF THE COMPONENTS

6.1 Component 1: Promoting Food and Nutrition Security from an Agroecological Perspective

It aims to improve families' income and food and nutrition security by strengthening the productive capacity of family farmers living in poverty and extreme poverty. It also aims to strengthen family farming organizations so that they can absorb surplus production, transform it, and market it with added value. This will be achieved through a territorial approach, with agroecological characteristics for coexistence with the semiarid region. Technical Assistance and Rural Extension (ATER), Virtual Technical Assistance (VTA), training, exchanges and other individual and collective training processes will act as a means of interaction and knowledge exchange, and as the primary inducer of technological innovations in the field.

The operational strategy will be based on the sustainable use of biodiversity by strengthening the productive capacities of family farmers living in poverty and extreme poverty. The component will focus on production for self-consumption, the generation of surpluses for marketing, and access to public policies.

This component will strongly contribute contribution to productive inclusion and strengthening the capacities of family farmers, especially the target groups of women, young people and PCTs.

The association of ATER activities with productive Development resources will create more resilient production systems, which should contribute to mitigating the effects of climate change, also considering the reduction or mitigation of CO emissions² .

Subcomponent 1.1: Resilient and diversified agroecological production

This sub-component aims to provide ATER services, training, and exchanges, with a view to strengthening production systems.

The ATER services and other forms of technical assistance will follow the principles of living in the semiarid region and adapting to climate change, by implementing agroecological systems for producing healthy food. The

approach involves sustainable technologies, leveraging traditional knowledge and innovative good practices, activities for the sustainable management of natural resources, recovery of degraded areas and access to water, the introduction of diversified agroforestry systems and other polycultures, as well as activities aimed at knowledge and access to the main public policies for family farming.

For part of the beneficiary families, the Project will provide technical assistance services through a decentralized process monitored by the PMU, through public and private entities contracted by ANATER. Specific contracts will provide technical assistance for priority groups such as women, young people and PCTs. In addition, and in coordination with these services, non-reimbursable financial resources will be made available for productive investments, via the MDS Rural Productive Development. In certain instances, beneficiaries may also receive cisterns for collecting and storing water (human consumption and productive use), financed by MDS public policies.

The Technical Assistance services will consist of individual and collective visits, thematic workshops, courses, and exchanges. They will take place over at least a year and a half, both in person and hybrid. The Project will adopt participatory methodologies that promote experiential learning, co-creation and sharing of knowledge, combining farmers' traditional knowledge with scientific innovation. Among other criteria, the methodologies must meet the specific needs of the Project's target groups (women, young people, PCTs, land reform settlers and the LGBTQIAPN+ community). Priority will be given to strategies that use Information and Communication Technologies (ICTs) and tools, whenever possible.

Through Technical Assistance services, access to the main public policies aimed at family farming will be promoted, such as the National Program for Strengthening Family Farming (PRONAF)¹⁶, the Food Acquisition Program (PAA)¹⁷, the National School Feeding Program (PNAE)¹⁸, the National Land Credit Program (PNCF)^{19,20}. To this end, information workshops will be held on policy rules and procedures. Also, support will be provided to meet the requirements of each policy. These activities, which are considered fundamental from the point of view of the sustainability and expansion of

¹⁶ PRONAF offers financing for the costing and investment in the implementation, expansion or modernization of the production, processing, industrialization and services structure in the rural establishment or in nearby rural community areas, with the aim of generating income and improving the use of family labour.

¹⁷ The PAA includes the acquisition of products from family farming, their distribution to food insecure people and the formation of strategic stocks. The program includes specific targets for serving quilombola communities.

¹⁸ The PNAE is a strategy to promote the Food and Nutrition Security (SAN) of public school students and a public procurement program that encourages the local purchase of foodstuffs from family farming (minimum of 30% of FNDE resources) and prioritizes agrarian reform settlements, indigenous communities and quilombolas.

¹⁹ The PNCF is a program run by the MDA for land reorganization and rural settlement, complementary to agrarian reform, financed through land credit from the resources of the Land and Agrarian Reform Fund, aimed at access to land and basic investments.

²⁰ Garantia-Safra is a PRONAF program that aims to guarantee minimum survival conditions for family farmers in municipalities that are systematically subject to severe crop losses due to drought or excess water.

the Project's activities, will be aimed at families, groups of families and their organizations.

For another group of families, there will be a specific activity to implement agroecological systems for producing healthy food (such as productive backyards and agroforestry systems), as well as the implementation of social technologies for sanitation and water reuse (bio-water, SARA, among others). As part of these contract modalities, specific Technical Assistance is also offered as part of a public call for tender carried out by the PMU.

Strategic partnerships will be established with research institutions (EMBRAPA, INSA, Universities, Federal Institutes, and others) and civil society organizations in dialogue with traditional knowledge and practices, to implement social and technological innovations adapted to the beneficiary public, such as the SARA system²¹, the use and conservation of creole seeds, mechanization for small-scale family farming, etc.

Subcomponent 1.2: Strengthening market access capacities

This subcomponent aims to promote collective organization, strengthening capacities, as well as making investments so that organizations can add value to their products and services, which will allow them to access different markets under better conditions.

It will be implemented through incentives for market diversification, the establishment of short marketing chains for the local market, as well as for wider markets, considering the potential of family farming products from the Caatinga biome from agroecological practices. Collective organizations of women and/or with women in decision-making spaces will be prioritized.

The component will implement two complementary lines of activities. The first will focus on strengthening the capacities of the organizations' teams, through qualified technical assistance on topics such as financial and administrative management, modernization of processes, access to financing and, in particular, working capital, diversified marketing strategies and access to different types of market (institutional, private, etc.), access to health, origin, quality and identification labels (including the Quilombola, Indigenous, PCT and Family Farming label), development of new products, dissemination and use of digital technologies.

The second line of activity will focus on purchasing specific goods and equipment to adapt or complete the organizations' physical facilities. The investments should make it possible, among other things, to improve value-adding processes, implement certification processes, organize local fairs, or improve internet access.

These two lines of activities will be implemented through calls for tenders conducted by the PMU to: i) hire qualified technical assistance services to strengthen capacities; and ii) acquire the goods and equipment needed to improve production processes.

All the activities in this subcomponent will also strengthen the PDHC III's priority cross-cutting themes, such as increasing the participation of women

²¹ Environmental Sanitation and Water Reuse (SARA): a technology developed by INSA as an alternative to rural basic sanitation for families, offering treated water for agricultural purposes.

and young people in management processes and decision-making positions, improving the quality of food regarding food safety and nutritional characteristics, and introducing practices, technologies and innovations beneficial for the environment and fostering climate change adaptation, such as installing solar panels to generate electricity.

Obtaining distinctive labels of health, quality, identification, and origin will be an activity to seek recognition and reach specific markets that value these labels. Mechanisms will be created and implemented to increase the participation of family farming products, preferably from cooperatives, associations, and traditional peoples and communities, in public food procurement programs.

This subcomponent will also provide training so that these organizations can supply the PNAE and PAA in a more structured and meaningful way.

Regarding integrated implementation strategy at Project level, priority will be given to complementarity between the organizations benefiting from the marketing point of view and the families supported within the framework of building sustainable production under subcomponent 1.1. For example, by ensuring that part of the families is or can be associated with these organizations.

Subcomponent 1.3: Virtual technical assistance (VTA)

With increasing access to computers, smartphones, and the internet in rural regions, encouraging the development of digital products, services, and markets to respond to the opportunities of family farming is imperative in the design of new IFAD projects in Brazil. Information and Communication Technologies (ICTs) not only play a crucial role in the expansion and modernization of Technical Assistance services but are also driving digitalization in rural areas. This process is reconfiguring the various segments of production chains, changing the paradigm of rural development.

This subcomponent aims to design and implement a VTA pilot ²² ²³, as a complement to the face-to-face Technical Assistance provided by PDHC III.

To prepare the VTA pilot, studies on existing tools, methods, potential, limits, and innovations on the subject are planned to allow the definition of which methodology will be applied to the PDHC III. At the same time, specific studies will be carried out on the quality of the tool's application to adapt it and check its scope, effectiveness, and ineffectiveness. It is worth mentioning that since 2020, IFAD has been conducting a series of studies

²² <https://lac-conocimientos-sstc.ifad.org/documents/262275/417c76fc-78af-c73a-32d9-c6c0f21d1544>

²³ <https://lac-conocimientos-sstc.ifad.org/documents/262275/0102b72b-56e8-22c2-5916-03ed4bc439f7>

with partners²⁴ on the themes of rural connectivity, remote Technical Assistance, and digital inclusion.

Initially, the VTA is expected to provide relevant information for farmers, such as meteorological data, market prices, soil conditions, information on public policies, agroecological pest management, etc. This will enable farmers to adapt to climate change, obtain higher prices, and improve the quality of their products, always from an agroecological perspective of coexistence with the semiarid region.

Digital services within the scope of these remote activities to be provided include: a) Digital technical assistance: education, training, and access to healthy food production tools, such as plant and insect identification and recommendations for fertilization or agroecological management of weeds or pests; b) Support in accessing information services: prices, logistics, weather information and early warning systems, etc.) Financial services: financial management tools and access to credit and insurance; d) Digitization of the supply chain: recording information, planning tools, sharing equipment, shared transport of products and inputs, etc. e) Access to markets and e-commerce: selling family farm products, buying inputs, etc.

The possibility of including a direct communication channel with ATER technicians will be evaluated, allowing personalized and timely assistance, and supporting more urgent queries, such as pests and/or diseases present on a farm.

These VTA activities could guarantee a greater "presence" of the PDHC III in the field, complementing the irreplaceable dynamics of face-to-face, individual, and collective training processes, extending the technical monitoring of production activities, the development of skills and the exchange of knowledge, the dissemination of social technologies and the incorporation of new tools.

Digital media will be used to strengthen the knowledge exchange in the field. The virtual activities will focus on developing and adopting communication and information methodologies and tools to be used directly by rural producers. In addition, the aim is to use digital media to exchange knowledge with the Family Training Centers by Alternance (CEFFAs), as a complementary and innovative form of classroom activity.

Aiming for an integrated implementation strategy at the Project level, priority will be given to complementarity between the application of the VTA pilot with the families that will receive ATER and other types of technical assistance under subcomponents 1.1 and 1.2, as well as students from CEFFAs and similar institutions under subcomponent 2.2.

²⁴ Federal University of Viçosa (AKSAAM Project); USP - Esalq Public Policy Group; CAATINGA (Advisory Center for Workers and Non-Governmental and Alternative Institutions) a Civil Society Organization.

It was decided to focus the VCT pilots on CEFFAs and similar institutions, given that it is easier to work with digital technologies and methodologies among the younger population. In addition, there are several integrated government activities for the development and implementation of public policies for internet access in schools in rural areas to serve family farming. The digital methodology was also chosen because it allows students to be involved without interfering with their school calendar.

The aim, therefore, will be to involve 5,000 families in VTA activities, providing, in addition to technical assistance for their productive activities, capacity building, the dissemination of social technologies and the incorporation of new tools, and improved integration into the virtual world.

These VTA activities will be implemented by Technical Assistance companies specializing in this type of service. Technical content (publications, videos, booklets, etc.) for providing the service, when not available from the contracted Technical Assistance companies, can be obtained via the Family Farming Hubtech project, Zap Rural, and other similar programs. The Hubtech project, implemented by the Department of Technical Assistance and Rural Extension (DATER) of the Ministry of Agrarian Development and Family Farming (MDA), aims to develop various communication channels, and make technical information available to the target audience, family farmers²⁵.

Finally, these VTA activities will be evaluated through an effectiveness and impact study. As they are structured and tested in PDHC III, these activities can be adapted and disseminated to other family farmers in the Project by the MDA, ANATER and state secretariats, given their respective responsibilities in implementing the National Policy for Technical Assistance and Rural Extension for Family Farming and Agrarian Reform (PNATER) throughout the country.

6.2 Component 2: Capacity Building, Innovation and Dissemination

This component aims to strengthen the institutional and technical capacities of Project members, including a set of activities aimed at developing and disseminating innovations, knowledge and good practices identified at territorial, regional, national, and international levels. The knowledge generated in this component will be disseminated to the beneficiaries and

²⁵ One of the main channels established by the project is an online portal, which serves as a platform for sharing information and knowledge in the selected agricultural areas. On the portal, there are specific pages dedicated to both production chains and topics of interest to family farming. These pages bring together up-to-date knowledge, links and technical materials obtained from the portals of research institutions and universities, public ATER entities, agricultural magazines and other relevant resources. The portal also advertises digital services and events, such as fairs, virtual field days and training opportunities. Through its portal, the Project offers information on an ongoing basis, ranging from courses to educational and informational materials, links to other websites, services and information activities, such as webinars and lives, among others. This information is intended to support technical assistance services, both face-to-face and remote, broadening the reach of ATER actions.

other institutions participating in the Project, to subsidize broader political dialogue and South-South and Triangular Cooperation activities.

It aims to create an environment conducive to improving and updating the knowledge and skills of the Project's teams of professionals, especially extension and technical field advisors, civil society actors who work in training processes in the territories, leaders of collective family farming organizations, including associations and cooperatives, and teachers from rural educational institutions, as well as some of the beneficiaries, to promote agroecological transition and sustainable and nutritious agri-food systems.

One line of action will focus on the technical staff of Technical Assistance organizations, to promote agroecological transition and sustainable and nutritious agri-food systems, as well as including issues related to gender, generation, race and ethnicity and food and nutritional security.

Another line aims to support the generation of knowledge among CEFFAs by supporting the production of teaching materials on topics related to PDHC III. In addition, school cooks at rural schools located in the Project's region of operation will receive training to improve food production, prioritizing the use of local socio-biodiversity and agroecological products, aiming to improve students' diet and ensuring better food and nutritional security. With a broader vision, the students will be able to take good practices back to their homes/communities.

The knowledge generated by the Project will be disseminated through the publication of technical products and exchanges, benefiting family farmers in Northeast Brazil and in South American and African countries, mainly through South-South and Triangular Cooperation (SSTC) activities. These materials will be used for policy dialogue activities, to support new public policies and improve existing ones.

This component will strongly contribute to increasing the capacities of ATER professionals, civil society actors who work in training processes in the territories and youth, focusing on priority target groups of women, young people and PCTs.

The Knowledge Management products developed and disseminated, and more qualified ATER, will enable the replication of more resilient and sustainable production systems, which should help mitigate climate change effects.

The Knowledge Management products, aligned with policy dialog and SSTC, will allow these good practices to be scaled up, increasing replicability beyond the territories in which they operate.

Subcomponent 2.1: Innovation and capacity building

This subcomponent aims to implement activities to co-construct, improve and disseminate knowledge and strengthen capacities for a diverse public, such as ATER teams, civil society actors who work in training processes in the territories, rural school cooks and women farmers. The training will

cover topics of interest to these groups, including food and nutrition security, gender, agroecology, climate-resilient agriculture, etc. To this end, training processes will be carried out, as well as support for regional events/fairs and the preparation of teaching materials. Among the training processes to improve capacities, the Project will promote popular education activities aimed at contributing to farmers' knowledge of public policies for sustainable rural development, spaces for political participation and mechanisms for strengthening the structures of representation and collective action of family farming.

A program of training will be established, which will include face-to-face activities and virtual content (distance education) that will take place throughout the implementation of the Project.

The following activities will be implemented: i) training field agents and other ATER professionals; ii) strengthening the technical and managerial capacities of family farmers and their organizations; iii) supporting the production of specific materials for distribution in CEFFAs, as pedagogical support and integration of innovation in the field of youth training iv) organizing events to exchange knowledge, innovations and best practices; v) support the organization of fairs and solidarity marketing networks with the aim of expanding and diversifying access to markets and marketing options among farmers vi) carry out a specific training program for women, including courses for rural school cooks in the Project's area of operation with the aim of boosting food and nutritional security in communities, the use of food, the use of socio-biodiversity products, etc.

Table 1. Subcomponent activities

Dissemination of innovations and qualification of technical advice and field education actions provided by the C. 1		
Activity	Unit	Total
Training for ATER technicians and other technical assistance services in food and nutrition security, gender, agroecology, and climate-resilient agriculture	Events	240
Training for women in topics related to gender, food and nutrition security and agroecology	Training	200
Training public school cooks in food and nutrition safety	Training	200
Support to produce teaching materials for CEFFAs	Unit	10.000
Support for events, exchanges, and fairs	Events	5

To carry out these activities, the Project will establish partnerships with research and innovation centers such as EMBRAPA, INSA, universities and federal institutes, and with civil society organizations. In dialog with traditional knowledge and practices, these partnerships aim to implement

and develop social and technological innovations adapted to the beneficiaries. The innovations are geared towards agroecological practices for coexistence in the semiarid region and low carbon emissions, preserving biodiversity and increasing the resilience of production systems in the face of climate change.

The results of these innovations will be integrated to update and complete other training activities (courses, workshops, seminars, and exchanges) of the Project, aimed at other audiences, such as public policy managers, technical assistance teams and teachers from CEFFAs and rural education institutions in rural areas.

Subcomponent 2.2: Capacity building for young people

The recent history of rural education in Brazil is marked by significant advances, not only in terms of legal frameworks, but also in terms of recognizing the particularities and needs of rural communities. The issue is not just a matter of curriculum and infrastructure but also an expression of appreciation for these regions' cultural, social, and environmental diversity. Present in various formats and modalities²⁶, it recognizes that rural populations play a fundamental role in food production and sustainable development, as well as enabling the advancement of the country's rural areas themselves.

This subcomponent seeks to strengthen the knowledge and practices of the alternance pedagogy for secondary school students in the Family Training Centers by Alternance (CEFFAs)²⁷ and similar institutions, by providing teaching grants for students and teachers, organizing awards, learning routes and exchanges.

The CEFFAs play a strategic role in sustainable territorial development, with young people as the protagonists. With the support of the Project, the schools will strengthen their pedagogical program for the emancipatory training of young people based on the territorial diagnosis, as well as their institutional capacities.

The subcomponent aimed at students and teachers from these institutions will strengthen their role as multipliers of knowledge and good agroecological practices, as well as productive inclusion and income generation for rural youth, contributing to their permanence and succession in rural areas. The subcomponent's activities are structured around 3 axes: 1. training, 2. agroecological production, and 3. processing and market access, detailed below:

²⁶ Family Training Centers by Alternance (CEFFAs); Agricultural Technical Schools; Federal Institutes of Education, Science and Technology (IFETs); Agrotechnical Schools; Rural Universities and Popular Education Projects are some of the institutions responsible for developing education in rural areas.

²⁷ Family Training Centers by Alternance (CEFFAs) are known by different names, among them: Rural Community Schools (ECORs); Agricultural Family Schools (EFAs); Rural Family Houses (EFAs) and Sea Family Houses (CFMs).

Axis 1. Training: the aim is to support students and teachers from CEFFAs and similar institutions by awarding grants for projects related to the themes covered by the PDHC III. The grants should enhance the impact of these actors on the school community and rural territories, always seeking integration with the other subcomponents of the Project. The successful work carried out by the SAF EDU EFA pilot project, under the AKSAAM Program, will be used as a reference. It is aimed to develop a technical and educational program for Agroforestry Systems (AFSs) in the Agricultural Family Schools and Communities supported by REFAISA. In PDHC III, this experience will be expanded both in terms of geographical coverage, the number of teachers and students, and the topics covered. In addition to AFSs, other topics to be added include: agroecological production, participatory guarantee systems, good food safety practices, conservation and use of creole seeds, access to public policies, such as the new line of credit for young people under the National Land Credit Program, as well as topics that expand young students' capacity for political participation by strengthening rural youth groups and associations in the territories where the Project operates. These fellows and other students from the institutions will also participate in the pilot VTA project under subcomponent 1.3.

In addition, the aim is to strengthen education in and of rural areas through partnerships with other local research and educational institutions - creating specific activities for rural youth that emphasize agroecology, sustainability, and entrepreneurship. Meetings, exchanges, and learning routes will be held between young students and teachers from the CEFFAs with researchers/teachers from universities, federal institutes, and other partner institutions (EMBRAPA, INSA, civil society organizations, etc.) to promote the exchange of knowledge about agroecological practices adapted to the semiarid region, as well as encouraging continuing education and research among students. The Project will also contribute with lectures and specific courses on topics of interest through its team, contracted ATER entities, partner civil society organizations, or by mobilizing specialists from EMBRAPA, universities, SEBRAE or other organizations.

The activities will be structured based on a broad dialogue with the CEFFAs' representative organizations and with the schools themselves, considering their demands, knowledge, and current pedagogical practices. In addition, professors from universities and federal institutes who work in rural education will co-coordinate the activities, establishing a link with the CEFFAs that will make it possible to grant scholarships, exchange knowledge, research, and innovation.

Overall, 300 integrative pedagogical projects will be developed with the offer of scholarships²⁸ for students, CEFFA teachers and teachers from Federal Universities/Institutes. At the same time, over the six years of the project, 50 youth exchanges will occur; 50 learning routes, as well as the organization of six awards. The table below summarizes these elements.

²⁸ Bag for students: R\$ 450,00; for CEFFA teachers; R\$ 700,00; for teachers at Universities / Federal Institutes: R\$ 1.400,00 .

Capacity building for young people	Quantity per year							
		1	2	3	4	5	6	Total
Activity Group 1 - Developing integrative pedagogical projects								
Scholarship for CEFFAs teachers	Scholarship		20	20	30	20	10	100
Scholarship for students	Scholarship		40	40	50	40	30	200
Scholarship for teachers at universities / federal institutes	Scholarship		60	60	80	60	40	300
Activity Group 2 - Offering training processes with young people								
Awards	Events				2	2	2	6
Youth exchanges	Events			10	20	10	10	50
Learning routes	Events			10	10	20	10	50

In axes 2 and 3, the CEFFAs themselves will benefit from the Project's activities, in addition to their teaching staff and students, as mentioned above. After carrying out a specific diagnosis (curriculum and physical and productive structure) of the situation of each CEFFA supported by the Project, priority activities that could be supported by PDHC 3 will be defined in dialogue with the schools and the CEFFAs' representative organizations, as detailed below:

Axis 2. Agroecological production: productive areas can be developed in the CEFFAs, seeking to introduce new practices supported by the Project. For example, the implementation of agroforestry systems, nurseries for seedling production of native forest and fruit species, creole seed banks, the installation of animal husbandry systems, etc.; and

Axis 3. Processing and access to the market: Small processing units could be set up in CEFFAs, according to local specificities, to supply the demand of each school, and allow the sale of the production surplus. Processing innovations could be introduced, always seeking to contribute to the schools' pedagogical practices.

These structures will be implemented in an integrated way with the pedagogical projects of Axis 1, serving both as experimental units to be potentially replicated by the students in their communities, and for training processes that could involve other actors in the territory, family farmers and their collective organizations. With this, the Project will seek to contribute to enhancing the transformative and knowledge-multiplying role of the CEFFAs in the territory. Given the diversity of types of schools in rural areas, it was decided to work primarily with CEFFAs because they have a greater connection with rural communities, i.e. because they use the alternance pedagogy as an educational methodology, they enable dialogue not only with the young people in training, but also with their families and

the rural communities in which they are located. As for the distribution of these institutions in the Project area, the systematization of information from the Professions Monitor (MONP) of the Ministry of Labor and Social Security, through the Secretariat of Labor, identifies 66 EFAs or CFRs in the Northeast, offering technical courses (farming, agriculture, agribusiness, aquaculture and zootechnics), with a total of 4,439 students enrolled, especially in the states of Bahia, Piauí and Maranhão, as shown in Table 2.

State	No. of institutions	No. of Enrolments	Course	No. of Enrolments
Bahia	23	2323	Agriculture (crop production)	115
Ceará	3	141	Agribusiness	109
Maranhão	23	848	Agriculture (crop & livestock)	4054
Piauí	16	1068	Aquaculture	28
Sergipe	1	59	Zootechnics	133
Total	66	4439	General	4439

Subcomponent 2.3 - Knowledge management, South-South and Triangular Cooperation (SSTC) and policy dialogue

The subcomponent's activities will aim to strengthen and expand the development and exchange of good practices in the management of public policies, innovations, and social technologies for living in the semiarid region, focusing on strategies for adapting to climate change and promoting food and nutritional security, in line with the Project's activities.

As specified in the previous subcomponents, the primary beneficiaries of the activities will be family farmers, directly or through their organizations, networks of young people and women farmers, networks of Technical Assistance technicians and organizations, the network of CEFFAs and federal universities/institutes, as well as national and local public managers responsible for rural development and anti-poverty policies. Likewise, it will be essential to strengthen the territorial collegiate bodies, state and municipal councils in the areas covered by PDHC III, to guarantee the proper implementation of activities and integration with other policies to support families and territories.

These activities and materials will also benefit people located in the Project area, in the entire semiarid region of Brazil, as well as countries in South America and Africa.

The Project will be able to work with the extensive systematization of experiences, innovations, knowledge and evidence produced by IFAD grant projects developed in recent years, especially the most recent ones, SEMEAR International²⁹, AKSAAM and DAKI³⁰, as well as by the Centre for Knowledge and South-South and Triangular Cooperation³¹, Latin America

²⁹ <http://portalsemear.org.br/>.

³⁰ <https://aksaam.ufv.br/pt-BR/publicacoes> [and https://semiaridovivo.org/pt/experiencias/](https://semiaridovivo.org/pt/experiencias/).

³¹ <https://lac-conocimientos-sstc.ifad.org/>.

and Caribbean Division created in 2018, which provide a vast array of interventions and social technologies with proven effectiveness and the possibility of scaling up from the other investment projects.

In addition, the Project will produce publications in different formats, which will support seminars, workshops, and exchanges (national/international and face-to-face/online), training processes such as courses, and workshops and training (face-to-face/distance).

Likewise, it will benefit from the extensive mapping of studies, publications, and databases of federal public policies that the MDA, in dialog with its partner networks, has been carrying out for a new digital library and a future rural development observatory.

Other important focuses of the knowledge management actions will be i) the strengthening of strategies for advocacy, articulation, and coordination of public policies, taking the territorial approach to rural development as a reference; ii) possibilities for adequate mechanization for family farming; and iii) strengthening of monitoring and evaluation strategies, for example, for agroecology and climate change actions. Ultimately, the aim is that the intervention and innovation models developed in the Project can positively influence public policies and be scaled up to other government initiatives.

The SSTC activities, in turn, will have to consider Brazil's new international role in the environmental agenda and the fight against hunger, especially in the presidency of the G20 and in the preparation for COP 30. In addition, new topics are emerging that demand new intersectoral responses and can mean opportunities for income generation and sustainable rural development, such as the bioeconomy. The activities will also be developed within the framework of the MDA's actions with REAF and in connection with the demands received from other governments, especially those of African countries, which are looking to Brazil for innovative approaches and successful design and governance models for establishing public policies to combat hunger, overcome poverty and promote family farming.

The PDHC III will maintain a close exchange and dialog with the other Ministries (MDS, MMA, MCTI, MAPA, etc.), the National Council for Sustainable Rural Development (CONDRAF), the Interstate Consortium for Sustainable Development in the Northeast (Consórcio Nordeste), the Forum of Family Farming Managers (Eugênio Peixoto Forum), the territorial collegiate bodies in the area covered, social movements³² and representatives of family farming organizations, so that the planning, implementation, monitoring and evaluation of activities takes place in a participatory, articulated and comprehensive manner.

The Project will support the functioning of the Territorial Committees within the Territorial Collegiates in each territory so that they can function as spaces for dialog and alignment of policies and can generate proposals and partnerships for actions and investments.

³² Landless Rural Workers' Movement (MST); Small Farmers' Movement (MPA); Northeast ATER Agroecology Network; Rural Youth Ministry (PJR); Northeast Feminism and Agroecology Network; among others;

6.3 Component 3: Project Management and Monitoring and Evaluation (M&E)

This component will carry out all the necessary Project management activities to ensure efficient implementation through a Project Management Unit (PMU), under the responsibility of the Secretariat for Land Governance, Territorial, and Socio-Environmental Development (SFDT/MDA). The M&E system will support the planning, monitoring, and evaluation of results.

Subcomponent 3.1: Project Management

Through this subcomponent, a Project Management Unit (PMU) will be set up at the SFDT/MDA in Brasília (DF), with responsibility for implementing the Project and carrying out technical coordination activities, managing the agreements made with partner entities, procurement management, financial management and audits. This sub-component is considered fundamental, as it presented one of the main bottlenecks in the implementation of phase II of the PDHC, since not enough resources were invested in the composition of teams and the development of systems, making it necessary to set it up as an individual component in the PDHC III proposal.

The PMU's key team will be composed of government employees and complemented by professionals hired through a partnership with the Inter-American Institute for Cooperation on Agriculture (IICA) and/or other forms provided for in national legislation.

This will fund, in addition to the advisory team, equipment, logistics related to events (workshops/seminars) that support the implementation of the planned activities.

Subcomponent 3.2: Monitoring and Evaluation (M&E)

This sub-component includes financial resources for contracting evaluation studies, such as the Impact Evaluation (with baseline, mid-term, and final evaluation), as well as follow-up/evaluation studies on the implementation of Technical Assistance. Activities relating to TEDs and other forms of implementation will be monitored and evaluated through specific studies.

The following activities are planned: i) Project planning and management, including support for decision-making; ii) monitoring of the logical framework (LF); iii) evaluation studies, including baseline, mid-term, and impact assessment; and iv) support for the preparation of technical documents in synergy with the Knowledge Management strategy.

7. IMPLEMENTATION PLANS

Supervision, Mid-Term Review, and Completion Plans

Negotiations on the Financing Agreement between IFAD and the MDA will take place after the Project has been approved by the MDA and IFAD's internal review bodies, and before the Project is presented to the IFAD Executive Board. After approval by the Council, the Financing Agreement

will be signed. The MDA will make efforts to monitor the approval process both in the Senate and in the Ministry of Finance and other internal federal bodies.

Project preparation activities to be carried out by the executing entity (SFDT/MDA) between the signing of the Financing Agreement and the start of operations include: i) confirming the budget allocated for the first year; ii) designating the International Technical Cooperation Agency responsible for administering contracts for staff, services, consultants, among others, to support Project activities; iii) completing/adapting the PIM; iv) updating the First AWPB (Annex 6) and the Procurement Plan PP for the first 18 months of Project operation (Annex 7); v) preparing the disbursement plan; vi) setting up the PMU; vii) drawing up the M&E and knowledge management plan; viii) officially launching and publicizing the Project; and (ix) preparing the Project kick-off seminar.

To facilitate the start of the Project, IFAD provides the following financing mechanisms: i) Retroactive financing: allows for the eligibility of expenditure from IFAD sources and counterparts upon approval by the IFAD Executive Board³³; and ii) Initial expenditure: under this mechanism, the Project may receive an advance before the pre-disbursement conditions are met³⁴.

The Project will be supervised directly by IFAD under the current guidelines for direct supervision, in dialog with the SFDT, the executing entity of the MDA. To ensure alignment with other IFAD projects in Brazil, complementary supervision will be carried out to exchange actions and knowledge between the projects. The IFAD Office in Salvador will supervise and support the Project and design the operation.

The missions will review progress towards achieving the objectives, the performance of the Project and compliance with the contractual conditions. The following missions will be carried out during the course of PDHC III: i) a PDHC III launch mission after signature; ii) at least one Supervision Mission and one Implementation Support Mission annually; iii) a Mid-Term Review Mission, possibly in year three; and iv) the closing mission to prepare the technical and administrative closure and plan the Project Completion Report (PCR), which will be submitted to IFAD 6 months after the date of completion of the physical execution period.

³³ This mechanism allows the government to pre-finance certain expenses and submit them to IFAD for reimbursement or accounting in the case of counterpart, once the Project becomes effective and all pre-disbursement conditions have been met. The admissible retroactive financing expenses will be those associated with the hiring of key personnel, initial operating expenses, final preparation of the PIM, hiring of the necessary Accounting System, preparation of the baseline, training or others agreed with IFAD in a specific POA.

³⁴ The expenses that may be incurred in this modality are the same as those allowed for retroactive financing. The maximum amount for retroactive financing and start-up costs will be fixed in the Financing Agreement, as well as the corresponding categories in which they can be accounted for.

8. MONITORING AND EVALUATION (M&E)

8.1. Introduction

Monitoring and Evaluation (M&E) will be one of the mechanisms responsible for planning, monitoring, and recording the project's physical activities and measuring the results and impacts achieved.

To achieve these objectives, M&E will work in tandem with the teams from the other components to help with the Project's strategic planning and to ensure that its actions are aligned with the premises set out in the design document. In activities to operational complementarity, these links will be fundamental to ensuring that the Project is executed as defined in the PIM and the AWPB/PP for the current year.

The planning process will involve the PDHC III's collegiate bodies, integrating the Project team, focal points from the Ministries, Secretariats, Bodies involved in implementation and organizations representing family farming, to build a participatory planning process. The PMU will be responsible for creating mechanisms and procedures to integrate the planning process at local and regional level with other public and private partners in the states and municipalities it covers.

The M&E team will be made up of professionals with full and exclusive dedication to PDHC III, and will be assigned to the PMU, which will be responsible for registering beneficiaries and activities, as well as planning and conducting the Project's evaluation studies. There will also be professionals as focal points in the partners involved in the decentralized execution of activities, such as other Ministries, MDA Secretariats, etc.

The M&E team will work in conjunction with the MDA's General Coordination for Monitoring and Evaluation, the sector responsible for the Ministry's information management. In this way, PDHC III activities will form part of the MDA's public policy portfolio, bringing greater visibility to these activities. This sector will also provide information on other MDA and government public policies, helping the Project team to make decisions.

The information generated by the M&E system will be widely used by the Knowledge Management and Communication (KM&C) team in the systematization, communication, and dissemination process, serving as inputs to influence public opinion and the political sphere. In this way, the materials produced will form a solid basis for gaining scale, helping draw up legal frameworks and public policies aimed at sustainable management of the resources produced by the Project.

It should be noted that the Knowledge Management and Communication (KM&C) specialist will work in line with the M&E team, the components, and the gender, race, and ethnicity team. In this way, knowledge will be produced in an integrated, cross-cutting, and multidisciplinary manner, capable of supporting new activities and helping to disseminate the main results obtained.

8.2 Planning

Regarding planning, the M&E team will be responsible for drafting and monitoring the following documents:

8.2.1 Monitoring and Evaluation Plan - M&E Plan

This document will be drawn up by the M&E team at the start of the Project and aims to define the guidelines to be followed during its implementation. For example, the presentation of M&E processes, the dictionary of indicators and the methodology for feeding the Logical Framework (LF), the definition of evaluation studies, among other topics. This plan, when completed, should be sent to IFAD for no objection.

IFAD has a model M&E Plan that will be made available to the Project team.

8.2.2 Logical Framework (LF)

The LF is an important tool for monitoring and evaluating the Project's activities. The indicators defined at the time of design reflect the main activities that will be carried out during implementation, as well as their expected results. It is important for the Project team to be aware of these indicators in planning activities.

Each LF indicator contains quantitative data (targets) and references explaining the source of the data, the entity responsible for the information and the assumptions used in its calculation. While implementing the Project, the data source, responsibility, and assumptions may be adjusted. Indicators and targets can only be changed with IFAD's approval.

For each indicator, there are targets to be met by the end of the Project. The annual targets will be defined by the Project when drawing up the AWPB for the following year. Therefore, the AWPB must be related to the LF, where the planned activities with the budget will be related to meeting the physical targets in the LF.

The indicators will be monitored in a disaggregated way, by women, youth, indigenous peoples, and traditional communities, whenever applicable. The frequency with which quantitative information is entered into the LF is defined by indicator. The LF with the updated physical progress should be included in the AWPBs, Semi-Annual Progress Reports and in the moments before IFAD missions start.

A LF has three levels of indicators: output, effect, and outcome. While the first records the physical scope of the Project, the last two types of indicators are responsible for assessing the progress and results achieved by the activities in the field and will serve as a basis for reconsidering and realigning the strategies for implementing the planned activities. Below is a breakdown of the 3 types of indicators:

Output indicators: The output indicators will be constantly monitored and will be represented by the direct progress of the Project. Through these, it will be possible to know quantitatively what benefits the Project is providing and who is receiving them. For this reason, it is important to have an efficient system for registering beneficiaries and activities, so that the M&E team can issue management reports in a timely manner.

Effect/outcome indicators: The effect/outcome indicators will be measured mainly by carrying out the impact assessment study, with checks at the Baseline, Mid-term, and Final Evaluation, and will present the results

of the activities in the field, such as increased productivity, access to markets, expansion of green areas, etc.

The outcome indicators, classified as Core Outcome Indicators (COIs), have a methodology proposed by IFAD, with a set of questions that should be included in the impact evaluation questionnaire. The Project team should consult the IFAD manual on this subject: Evaluation Manual, prepared by the Independent Office of Evaluation of IFAD; and the Manual for measuring COIs: Core Outcome Indicators - Measurement Guidelines (COI).

The other LF effect/outcome indicators could be evaluated over a shorter period than those proposed for the COIs to serve as parameters for adjustments in the Project's implementation processes.

The impact assessment subject will be dealt with more in the specific section of this document.

8.2.3 Annual Workplan and Budgeting (AWPB)

The AWPB is a document drawn up annually by the Project, which consists of a forecast of the activities to be carried out in the following year. Its planning will be in line with the Project's main documents, such as the design and implementation manual, and will contain a description of the financial resources that will be used over the course of the year. Activities involving the assistance of families must present the physical quantities, i.e., how many families will be benefiting. In addition, each activity must be related to an LF indicator, and the target will be included in this for the year in question. As an example, in the AWPB being drawn up for year 02, it is stated that resources will be invested in providing ATER to 1,000 families. This amount represents the targets for the LF indicators relating to this activity in the given year.

The AWPB that will be sent for IFAD's no objection must contain the LF, including the targets for the year it is in implementation, as well as the physical progress made to date.

The preparation of the AWPB will be the responsibility of the PMU team, especially the component managers and those responsible for the Project's cross-cutting themes, such as youth, for example. The M&E team will be responsible for providing the team with information on the progress of the Project, as well as presenting the demands for implementation based on the final LF objectives. M&E will be responsible for providing input for the consolidation and evaluation of the AWPB, checking its consistency with the Project documents.

IFAD has an AWPB template that will be made available to the Project team.

8.3 Project monitoring

Regarding monitoring, the M&E team will be responsible for defining the means and methods that make it possible to obtain information on the implementation of PDHC III. This topic will be addressed in more detail in the Monitoring and Evaluation Plan. The main topics are presented below.

8.3.1 Monitoring tools and methods

Implementation and use of a monitoring system: The Project must keep the information management system up to date, which will store disaggregated data specific to the beneficiaries, such as the composition of their family, ethnic group and, above all, the type of benefit received. It is also important that this system is available to the other PMU teams, so that they can feed and consult the system.

To this end, two pieces of software will be used: i) the ATER Management System (SGA), under the responsibility of ANATER, which will be the system used to register beneficiaries and activities within ANATER; and ii) the Monitoring and Evaluation System (SMA) for the other PDHC III activities, prepared by the PMU.

The systems should make it possible to monitor the progress of LF indicators, disaggregated by gender, youth and PCTs. It should also allow the inclusion of geographical coordinates of families and activities. In both systems, the team will have to check the consistency of the information entered by the partner/contracted institutions to carry out the physical activities in the field.

Registration of beneficiaries and activities: The registration phase is very important for the Project and will generate the database with information on the families and the benefit received. The SGA provides a user interface that allows ATER technicians to input data in the field on tablets and monitor the management and progress of registered indicators. Also, the SGA facilitates recording ATER activities when a family is visited. In the case of the SMA, it has not yet been decided whether there will be a tablet interface.

Registration will be required for all families (and their members) benefiting from the Project, in addition to each family geographical area and productive uses. The main information to be recorded are: name of the beneficiary, name of the other family members, family farming category (quilombola, indigenous, riverine, settler, etc.), date of birth, gender, race and ethnicity, registration documents (CPF), as well as the geographical coordinates of the residence. The community's registration data, such as its name and typology, must also be included.

The M&E team should check which data should be obtained from these registers, including questions related to production, income, etc., to evaluate the results of the Project's work with these families. It is important to note that some data is already collected in other Federal Government systems, such as Single Registry and DAP (Declaration of Aptitude to PRONAF/CAF (National Family Farming Register)). This data will be accessed by the PMU to analyze the profile of the families and the results/impacts. Using the beneficiary's CPF, data can be cross-check between these databases.

Regarding the benefit, the system will record the type of benefit received and the start and end date of the activity. If the family receives more than one benefit, the Project will need to record these interventions in the family register, ensuring that the family is counted only once as a Project beneficiary.

8.4 Evaluation

Regarding evaluation, the M&E team will be responsible for defining the means and methods that will be able to measure the results and impacts of the Project's implementation, in dialogue with the MDA's General Coordination for Monitoring and Evaluation. These analyses will be obtained through evaluative studies and should be further explored in the Monitoring and Evaluation Plan. The main topics are presented below.

8.4.1 Evaluation tools and methods

Preliminary results assessments: Preliminary results assessments will be used to support management and indicate whether the Project is on track. The M&E team will use data obtained at the time of registering the families (using the SGA software) and will update it as planned in the M&E Plan.

Evaluation of outcome indicators (COIs): The LF Core Outcome Indicators (COIs) will be assessed during the impact assessment study, i.e., the questions that will bring answers to these indicators will be part of the baseline, mid-term, and final assessment.

The M&E team should consult the IFAD manuals about the impact evaluation and monitoring of COIs (Evaluation Manual, prepared by the Independent Office of Evaluation of IFAD; and Manual for the measurement of COIs: Core Outcome Indicators - Measurement Guidelines (COI), and its methodology inserted in the M&E Plan).

Impact assessment:

The first step in carrying out the impact assessment of PDHC III will be to verify the theory of change, to validate that the links projected in the design document between the Project's activities and products are in line with the desired short-, medium- and long-term results. This point is fundamental, as this will enable the study to accurately identify and capture the results achieved in all the existing dimensions. The study should begin before the benefits are provided to the families, preferably in year 1.

The impact assessment study will be carried out based on 2 groups:

- i) Treatment group: Consists of families who will benefit from the Project's activities. Therefore, to select the treatment group, PDHC III will need to identify which families will receive benefits from the Project and the type of benefit. For example, those benefiting from Technical Assistance and non-reimbursable funds, or those benefiting only from

social technology, etc. This information will be extremely important for drawing up the sampling plan, with specific strata for each outcome that will be assessed by the study.

ii) Control group: Consists of families who are not PDHC III beneficiaries but have the same social profile as the treatment group. They are included to provide a basis for comparison in the study. These families may or may not live in the same municipalities as the Project beneficiaries. This will be defined depending on the impact assessment methodology applied. If the families live in the Project area of intervention, it must be ensured that they do not receive any benefits from PDHC III during the whole Project period. This is a delicate point, as these families have the same social profile as the beneficiary family and will be prevented from receiving any benefits from the Project, so as not to influence the assessment. If families are chosen from municipalities outside of the PDHC III area, it must be ensured that in addition to social parity, these families live in similar conditions to the treatment group, for example, with identical rainfall patterns. Considering that the family farming segment in the semiarid region has a certain homogeneity and that the Project will operate in specific territories in each state, whenever possible, families of the control group will be selected from areas not served by the Project, but within the same state. This measure allows for greater transparency with the control group families and avoids questions about the selection of families.

Sample: For the treatment group, PDHC III must ensure that it has a representative sample of beneficiaries, including women, young people and families from traditional peoples and communities. However, to do so, the Project needs to complete the selection of beneficiary families, as this selection will serve as a basis for the sampling plan. For the control group, the sample should be drawn from family farmers with the same social and productive characteristics as the families in the treatment group. This sample can be chosen from existing databases, such as the Single Registry, DAP/CAF, among others.

The basic questionnaire for the survey will be provided by IFAD. New questions can be added to the questionnaire based on the desired results and the MDA's Monitoring and Evaluation guidelines.

The results of the impact assessment will be used to fill in the results of the LF Core Outcome Indicators (COIs), as well as providing information to support the preparation of the Project Completion Report (PCR).

The study should address the following issues, among others: i) income; ii) level of assets and wealth; iii) production, consumption and marketing; iv) management of the environment and natural resources, including access to water; v) agroecological transition of production systems; vi) level of participation of families in groups, networks, associations, cooperatives and other collective organizations of family farming and territories; vii)

appreciation of gender, race, ethnic and generational identity; viii) access to public policies; and ix) food and nutritional security.

Regarding food and nutrition insecurity (FNS), the assessment will use a comprehensive analysis of the issue for diagnostic purposes. This will allow the Project to outline activities to achieve the objectives of improving FNS. The survey should be based on the EBIA methodology (Brazilian Food Insecurity Scale), or others adopted by the Federal Government.

The impact assessment will consist of 3 stages: The Baseline Study, the Mid-Term Evaluation, and the Final Evaluation.

Baseline: The baseline is a kind of initial X-ray of the Project's beneficiary families, where information on family composition, production, income, etc. will be obtained for later comparison with subsequent studies.

The baseline will be obtained through a sample survey involving treatment groups, which will represent the families to be benefited, and a control group, which will represent families that will not be assisted by the Project. The questionnaire to be used in the survey will be the same model used by IFAD projects in Brazil, adapted to cover all the impacts expected for PDHC III and the MDA's Monitoring and Evaluation guidelines.

The baseline study and its database should be available before any productive investment projects are implemented. Baseline data should be compared with data collected during implementation and, above all, in the mid-term and final impact evaluation.

The baseline report will detail the sampling design, including the factors for expanding the sample, the plan for applying the questionnaire in the field and the delivery of the manual for the data collection instrument. The preliminary report will contain a detailed description of the activities carried out to apply the questionnaire in the field, the delivery of the database and a preliminary report on the results of the fieldwork. The final report should include: i) an executive summary; ii) a sample design; iii) the identification and selection of observations; iv) a description of the study methodology and the calculation of indicator data; v) a presentation of the data analysis of the set of evaluation indicators listed above and collected using the information collection instrument (questionnaire), with illustrations using graphs, maps and tables; and vi) conclusions and recommendations. The report should include, as an appendix, the database, summarized in printed format and in its full form in Excel and "csv" electronic format, and other material relevant to the study, such as photographs of the surveyed households.

Mid-term evaluation: The mid-term evaluation will be carried out between years 3 and 4 of the Project, i.e., halfway through its implementation. The questionnaire applied in the mid-term evaluation will be the same as the one applied to the families in the previous study (baseline), with the aim of identifying whether the PDHC III activities are bringing results in the field,

as defined in the Theory of Change of the Project design. With the results, the Project will be able to feed the LF Core Outcome Indicators (COIs), as well as using them as a source of information for managers, who will be able to assess the need for changes in the way the activities are implemented in the field.

Final and Impact Evaluation: This study will use the same questionnaire applied during the baseline and mid-term evaluation, making it possible to identify changes in the set of impact indicators listed above, to allow for a more in-depth impact analysis of the Project's activities on the beneficiary families. The study will be carried out during the final year of the Project, on the same group surveyed in the previous stages. It is important that the families in the treatment group have benefited for at least two years, to ensure that the impact can be identified after the investments have matured.

8.5 Preparation of technical documents

8.5.1 Semi-annual Progress Report

The Semi-annual Progress Report should be sent to IFAD every six months, containing a detailed description of the activities carried out in the last six months of the Project, including information on physical and financial progress by component and sub-component and the extent to which they contributed to meeting the Project's goals. The report for the 1st semester, with data from January to June, will be sent to IFAD by August 15, and the report for the 2nd semester, with data from July to December, will be sent to IFAD by February 15.

The Semi-annual Progress Report should present the progress of the LF indicators in relation to the targets estimated by the current AWPB for the year and the total targets set in the design. The Semi-annual Progress Report for the 1st semester should provide the lines of correction to be adopted by the Project in the second semester, so that delays in the execution of activities can be corrected, according to a specific schedule. The Semi-annual Progress Report for the 2nd semester, in addition to detailing the activities for the period, should present an overview of the Project's activities for the entire year.

M&A will be responsible for providing quantitative and qualitative data to the Project team, as well as being responsible for consolidating the final document.

The Semi-annual Progress Reports for the 2nd semester must also present an analytical description of the Project's level of progress by component and sub-component, as well as the relevance of the activities carried out to the results of the indicators. This analytical section should i) register, qualify, monitor and evaluate the contracted service providers; ii) qualify the degree of efficiency of the information flows between the stakeholders, as well as contribute to strengthening the local planning coordination processes; iii)

evaluate the quality of the Project's products, results and impacts, according to the LF indicators; iv) evaluate the success of the targeting strategy, including issues of gender, race, ethnicity and generation for each component, in order to ensure that the Project is reaching the target groups; and v) evaluate the relationship between the activities and investments and the management of natural resources in the context of climate change.

It is important that the document includes photographs to show the main activities carried out during the period.

IFAD has a Semi-annual Progress Report template that will be made available to the Project team.

8.5.2 Project Completion Report (PCR)

The PCR is the final Project report to be elaborated by IFAD team. The PCR must follow IFAD guidelines and should contain information on the implementation of the Project, changes (if any), as well as the results achieved. Focal points should be defined in the PMU with the aim of liaising with the other Project professionals and supporting IFAD in the inclusion of information in the main document of the PCR.

It is important to note that the document should be elaborated in such a way that the cross-cutting themes related to activities with young people, women, etc., are present throughout the text, including in the Project results. The KM materials and the results and impact evaluations will be fundamental to the preparation of the PCR, and, for this reason, their deliveries should be aligned to ensure complementarity.

Closing workshop: This workshop will be the main closing event and will be attended by the main participants in the Project, such as the beneficiaries, ATER entities and other types of technical assistance, organizations representing family farming and the territories served, federal partner bodies, as well as municipal and state government bodies. During this event, the Project will present its activities and the obtained results, as well as gather information and testimonies from the participants. The results of this event will be systematized and included in the Project's PCR.

9 KNOWLEDGE MANAGEMENT, COMMUNICATION AND SOUTH-SOUTH AND TRIANGULAR COOPERATION

Based on the main strategies and lines of activities outlined in subcomponent 2.3, one of the first activity after the official launch of the Project will be to build an integrated plan for Knowledge Management (KM), Communication and South-South and Triangular Cooperation (SSTC). This plan will be elaborated in a participatory manner, bringing together the

initial demands for studies, research, collaboration between countries and the communication and dissemination strategies to be developed.

The plan should consider IFAD grant projects and MDA initiatives regarding KM, SSTC and communication and seek ways to synergize and use the broad systematization of good practices, innovations, policies, and programs, as well as the courses, training, evaluations, and mobilization methodologies produced. The plan will be revised annually, include new demands, and will be reflected in each AWPB for proper budget execution.

The activity will be managed directly by the PMU, with a team dedicated to the Project, and will interface with the General Coordination of Knowledge and Information Management and the MDA's International Advisory Office, as well as with IFAD's Regional Center for Knowledge Management and South-South and Triangular Cooperation.

Based on the Semi-annual Progress Report and systematic M&E activities, the innovations, good practices, and social technologies implemented under the Project will be catalogued and disseminated, initially through short dissemination materials (such as booklets, newsletters, and short videos on social networks) and then in systematization publications and seminars. The plan will also be fed by the contracting and dissemination of studies and research based on the demands of the Project and partners.

The virtual library being developed by the MDA as well as SAL - Semi-annual Latin America Library³⁵ will be used as a repository, in addition to dissemination via the official social media of the Project, the MDA, IFAD and the main partners.

The data and evidence produced will help the PMU's decision-making processes, political dialogues and accountability to partners and territories, and the dissemination of activities to the media and public opinion.

The materials produced in this subcomponent will be made in different formats to reaching a wider audience, including not only research and studies of a more technical nature, but also booklets, manuals and newsletters with visual appeal, as well as audiovisual products for social networks that record the activities and impacts on the lives of the beneficiaries, such as short videos, reports and podcasts.

The contracting of services from individuals and legal entities required to carry out the activities of the Integrated Plan for Knowledge Management, Communication and South-South and Triangular Cooperation, such as research, studies, publications, communication activities and logistical support for events, must follow the rules stipulated in this PIM.

10 IFAD MISSIONS

The following missions will be planned and carried out during the course of PDHC III: i) a PDHC III launch mission after signing; ii) at least one Supervision Mission and one Implementation Support Mission annually; iii)

³⁵ <https://bibliotecasemiarios.ufv.br/>.

a Mid-Term Review Mission, possibly in the third year of implementation; and iv) the closing mission to prepare the technical and administrative closure and plan the Project Completion Report (PCR), which will be delivered to IFAD 6 months after the end date of the physical execution period.

Based on the analysis of Project documents (such as the AWPB, PP, progress reports and data from the M&E system) and field visits to the areas benefiting from the Project, the missions will review progress in achieving the objectives, the performance of the Project based on the planned activities and compliance with the contractual conditions.

The field missions will visit beneficiary families and organizations, as well as implementing entities and other partners, seeking to identify how the activities are being carried out and delivered, identify possible difficulties and bottlenecks in the different stages and, where appropriate, recommend corrective and improvement actions. The recommendations will be shared with the PMU for action and will be monitored by IFAD from then on.

For each mission, IFAD and SFDT will produce a term of reference with the objectives, areas to be visited and the profile of the professionals needed. IFAD may hire external consultants to support the missions.

Occasionally, based on monitoring data, information from complaints mechanisms or at the request of the PMU or partners, additional specific missions may be carried out.

11 CONCLUSION AND CLOSURE OF THE PROJECT

11.1 Project Completion Report (PCR)

Document to be elaborated by IFAD with the support of the PDHC III team, consisting of the Project's final report.

This report will describe the situation at the end of the intervention, focusing on the results achieved in relation to the targets set in the LF and the lessons learned. The PCR must follow IFAD guidelines and should contain information on the implementation of the Project, changes (if any), as well as the results achieved. Focal points should be defined in the PMU, with the aim of liaising with the other Project professionals and supporting IFAD team in the inclusion of information in the main document of the PCR.

It is important to emphasize that the document should be elaborated in such a way that the cross-cutting themes related to activities with young people, women, etc., are present throughout the text, including in the results of the Project. Examples include women's groups, young people and traditional peoples and communities. The KM materials and the results and impact assessments will be fundamental to the preparation of the PCR, and, for this reason, their deliveries should be aligned to ensure complementarity.

The PCR is the responsibility of IFAD and the Project Development Team (PDT). The PCR represents the last stage of the partnership between IFAD and the country to achieve the agreed development results and is therefore formally the last stage of supervision and implementation support.

IFAD prepares the PCR, which: (a) assesses the extent to which the Project achieved its objectives and evaluates the overall performance of the Executor and the Fund; and (b) draws lessons from this experience to improve the design of future projects, country programs / strategies and policies.

IFAD usually starts discussing the plans for Project closure with the grantee during the penultimate supervision mission to allow discussion of the activities required for completion, which are then included in the final AWPB. The following are the main areas related to Project completion to be addressed during the penultimate and final supervision mission:

- Status of all contracts or activities under implementation and the timeframe for their completion, to align these dates with the Project's completion date and allow for timely payment to all contractors, consultants, and suppliers.
- Status of closure activities - finalization of withdrawal requests, recovery and/or reimbursement of advances, reimbursement of any ineligible expenses.
- Project data collection processes to facilitate the evaluation of project achievements.
- Organization of any impact assessments.
- The need to inform co-funders, stakeholders, and development partners of the closing date of the funding and to make arrangements for the closure of activities.
- The possible organization of a final mission to help collect relevant data as input for the PCR.
- Modalities and deadlines for the final audit report.

11.2 Timeliness of Project completion

The Project Completion date is defined as the end of Project activities, "on which the implementation of the Project will be completed". It marks the end of the Project implementation period and eligible expenses must be incurred before that date. After that date, only expenditure on settlement activities will be eligible. The Funding Closure Date is defined as the date on which the Beneficiary's right to request withdrawals from the Loan and Grant Accounts ends, which is six (6) months after the Project Completion Date or later which IFAD may designate by notification to the Recipient.

The Project will have a completion period (the six months after completion of its activities) to document the expenses incurred before the completion date. During this period, the last (independent) external audit will be carried out and remunerated. Contract expenditure should be completed by the end of the Project to proceed with financial closure.

12 FINANCIAL MANAGEMENT

Provisions relevant for financial management of the project are included in the following documents which should be read in conjunction with this manual: i) The signed Financing Agreement and attached General Conditions; ii) The Project Financial Management and Financial Control Arrangements Letter (FMFCL) issued by IFAD; iii) [Handbook for Financial Reporting and Auditing of IFAD-Financed Projects](#); iii) [IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations](#); iv) the legal framework and policies of Federative Republic of Brazil; v) procedures and information systems in place within the Ministry of Agrarian Development and Family Farming (MDA) and/or the Secretariat for Land Governance, Territorial, and Socio Environmental Development (SFDT).

Organizational structure for financial management

The Executing Agency for PDHC III will be the Secretariat for Land Governance, Territorial and Socio-Environmental Development (SFTD) of the Ministry of Agrarian Development and Family Farming (MDA).

Within SFDT in Brasilia a dedicated Project Management Unit (PMU) will be established with at least two dedicated finance staff. PMU staff will be responsible for financial management of the project in particular: (i) Maintaining accurate and complete accounting records ii) Ensuring adequate levels of internal control; (iii) Submitting the quarterly IFRS and presentation of justifications of expenditure disbursement requests based on the same; (iv) Preparation of annual financial statements; and (v) Coordinating timely submission of external audit including all funding sources.

The project covers a large geographic area covering 9 Northeastern States of Brazil and the implementation approach is decentralized through the hiring of a substantial number of partner entities /subcontractors for implementation of project activities. The financial management capacity of the partner/contracted entities and the flow of funds will be assessed during the contracting phase before issuance of No objections by IFAD to the agreements with partner entities /subcontractors.

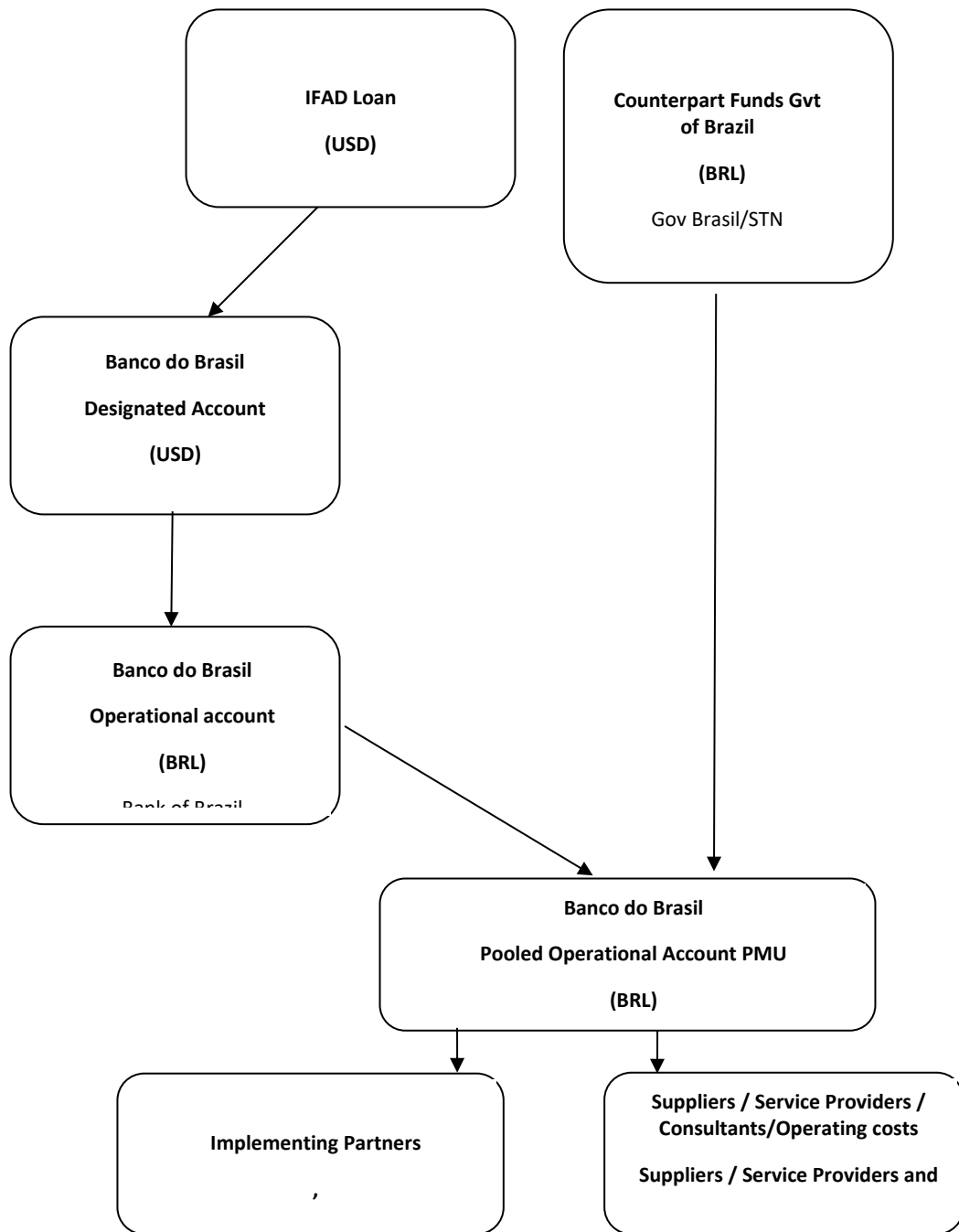
Budgeting: The project budget planning process should be based on the costs calculated in the design, in the cost annex (COSTAB). This document is part of the design and constitutes a reference document in which the activities and resources of the project and the sources of financing are defined. Using the COSTAB as a reference, an Annual Workplan and Budgeting (AWPB) will be submitted to IFAD for No Objection no later than 60 days before the end of each year. The AWPB will include all funding sources and include a breakdown of expenditure by component, category, source of funding and quarter of execution. The SFDT will be responsible for including the required budget amount for both IFAD and Gvt funding in the

Annual Budget Law (LOA) and the Multiannual Plan (PPA) of the Union's General Budget (OGU). Approved budgets are entered in the Governments SIAFE system.

Flow of funds: Disbursements will also be made in accordance with the provisions communicated through the FMFCL letter. This document includes in Annex 1 details on methodologies for disbursements and supporting documentation required.

The loan funds will be disbursed by IFAD in dollars (USD) and deposited in a designated account held at the Banco do Brasil in dollars in the name of the Brazilian government by the National Treasury Secretariat (STN), which will provide the funds in local currency to the SFDT. There will be an operational account held at the Banco do Brasil in Brazilian reais (BRL) managed by the SFDT to receive the funds from the designated account based on exchange contract; and an additional operational account held at the Banco do Brasil managed by the PMU, receive the funds from the operational account and the counterpart funds. From the PMU account, the project will make payments to service providers and suppliers, and transfer funds to other Project partners.

Withdrawal requests are processed electronically through IFAD's Client Portal System - ICP, whose terms and conditions of access are included in Annex 2 of the FMFCL. The procedure for making a Disbursement Request is described in the FMFCL letter. As indicated in the letter, disbursement requests to IFAD are based on the IFRs (Interim Financial Reports), which should be accompanied by the bank reconciliations of the designated account and operational accounts in Brazilian Reals, together with the other documents required in the FMFCL letter.



Accounting: The project will use the Government SIAFE system which is obligatory for processing of payments. The Chart of Accounts in the SIAFE system follows the government standard used for all direct administration bodies. For PDHC III I, FAD will accept the application of accounting standards as per Law No. 4.320 which mandates the use of accrual accounting based on standard set by Federal

Accounting Council which as per IFAC evaluation of adoption status is aligned with International Public Sector Accounting Standards (IPSAS).

An auxiliary financial system will be contracted, which allows for based on data SIAFE system : i) accounting for all sources of funding including the non-financial counterpart, by disbursement category; ii) Generation of budget versus actual reports by Category and component; iii) Generation of the interim financial reports (IFR) required by IFAD for justification of expenditure and request for disbursement. This system should be reconciled monthly with the Designated (USD) and Operational (BRL) accounts and should capture all counterpart contributions from other government sources and the contribution from beneficiaries.

To account for the amount withdrawn from the Designated Account, expenses in local currency funded through the Project's operating account with IFAD funds will be converted at the exchange rate applied by the bank when transferring the funds from the Designated Account to the Project's operating account in local currency. The amounts withdrawn from the Project's operating account to finance 100% of the expenses with funds from the Federal Government, as well as the beneficiaries' contribution, must be converted at the exchange rate of the last day of the month in which these expenses are incurred (Central Bank rate - Ptax Closing Rates/US DOLLAR - Dollar Purchase)

<https://www.bcb.gov.br/estabilidadefinanceira/historicocotacoes>

All supporting documentation (contracts, invoices, payment vouchers, bank statements, etc.) will need to be properly archived for reviews during IFAD missions and audits for a minimum of 10 years after the end of the Project. For the decentralized implementation and in compliance with national legislation, supporting documentation is kept by the decentralized unit.

Financial Reporting: The reporting periods are detailed in the FMFCL. On a quarterly basis, within 30 days of period end, the PMU will submit to IFAD through the Financial Execution module in the IFAD Client Portal ICL the Interim Financial Reports (IFRS) which consist of: i) AWPB Report and Cash Forecast (next 2 quarters); ii) Summary of Sources and Uses of Funds; iii) Designated Account Activity Report (bank reconciliation); iv) Quarterly Variation Analysis; v) Yearly Variation Analysis; and vi) Cumulative Variation Analysis. The format to be used for the IFR is Included as Annex 3 to the FMFCL.

The unaudited financial statements shall be prepared in accordance with the [Handbook for Financial Reporting and Auditing of IFAD-Financed Projects](#) and submitted to IFAD within 120 days of the end of the fiscal year through the Financial Execution module

Internal Control will be ensured by establishing segregation of duties, reconciliation of accounts, levels of approval of expenditure supported by opinions or other documents. Process flows must be clear and well understood by PMU staff. All the Project's budgetary and accounting transactions must be carried out in SIAFI, observing the established routines for commitment, settlement, and payment, since they take place within the scope of the Federal Government's budgetary, financial and asset execution. All Project costs are entered in accordance with their entities' charts of accounts and linked to a specific revenue account for the Project, which will allow comparison and reconciliation with the Project's own records, registered in the systems.

The Project includes transfers to other public and private entities to carry out activities under the Project. In the transfer of resources to other public or private entities, responsibilities will be established in the legal instruments signed with each party, in accordance with national legislation. These instruments will establish the obligations and technical and fiduciary safeguards, including those related to accountability for expenditure and IFAD's anti-corruption policies. These transfers will have to be monitored by the PMU and the arrangements for monitoring and rendering accounts. to ensure that resources are used for the purposes relevant to the Agreement and with due consideration for economy, efficiency, and transparency. The PMU will include as an annex to the PIM a procedures manual which will include detailed procedures and guidelines for disbursements, payments, approvals, and reporting to IFAD by implementing partners.

The PMU will include as an annex to the PIM detailed procedures for the approval, disbursement, reporting and sign off on final reports for investment plans. This annex will also include provision for the valuation, reporting and registration of contributions from beneficiaries.

National legislation relating to the budget cycle, the administrative process, the MDA's competencies, the relationship between government and civil society, ethics and public governance require the civil servants involved in the Project to comply with the Agreement and respect the principles of Public Administration: legality, impersonality, morality, publicity, and efficiency. MDA is subject to the oversight by the Comptroller General of the Union by way of public audits, fraud deterrence procedures, control, corruption prevention, and ombudsman activities.

External Audit. The Project's accounts will be audited annually by the Office of the Comptroller General of the Union (CGU/PR), according to annual terms of reference and following the International Standards on Auditing (ISAs), issued by the International Federation of Accountants (IFAC) and translated into Portuguese by the Federal Accounting Council in the form of the NBC-TA. The PMU must submit through the IFAD Client Portal (ICP) the auditor's report, management letter and

audited financial statements in English or Spanish within six months of the end of the financial year.

Considering the decentralized implementation through public or private entities the project will request the CGU/PR to include field visits and review of books of implementing entities in their audit plan. Alternatively, agreements signed with implementing entities managing resources, may include the requirement to submit an audited statement of expenditure with project funds.

Financial Management Supervision Plan: Financial supervision of the Project will be carried out directly by IFAD through on-site supervision of the Project (including visits to the co-executors), without prejudice to other national control and inspection bodies, and will consist of assessing the quality of financial management, identifying corrective actions, where appropriate, and monitoring fiduciary risks. The supervision mission will be complemented by desk IFRs and Audit Reports.

Counterpart Funding

Direct Counterpart Funding: The Brazilian government will be responsible for the co-financing defined in the Financing Agreements signed with IFAD and ensure adequate counterpart funding is included in the AWPB and Annual Budget Law (LOA) as submitted for approval to congress,

Indirect Counterpart Funding: The financial and non-financial resources that do not go through the PMU, whether from the MDA itself or from other sources and government bodies, applied to the objectives of the Project and duly provided for in the AWPB, will be considered as indirect counterpart. Consideration will also be given to monetary counterparts that are measurable and can be effectively proven. It will be up to the PMU to monitor and demand financial contributions and the registration of these counterparts, based on the details of the counterparts provided for in the Project based on clear criteria for the registration and valuation in the financial procedures annex to the MOP.

13 PROCUREMENT AND CONTRACT MANAGEMENT

Project tenders must be provided for in the Procurement Plan (PP), a standard IFAD model. No purchase or selection may take place unless it is included in the PP approved by IFAD with a "no objection". Only operating expenses that are not eligible for competitive bidding are excluded from the PP, but they must be included in the AWPB, the Annual Work Plan and Budget.

The preparation of the Acquisition Plan must be carried out in compliance with the requirements of SECAP (Social, Environmental and Climate Assessment Procedures), which can be found in Annex V.

The PP will indicate the type of IFAD review, whether prior or post. The thresholds for IFAD prior reviews are defined in the Procurement Arrangements Letter (PAL), as well as the thresholds for the use of each bidding method. The project must refer to the PAL for all procurement activities including for the updates to the Procurement Plan.

In prior review bids, the bid documents will be analyzed by IFAD at each stage of the bidding process, where no objections will be issued to proceed to the next stage. In post reviews, IFAD will analyze the tender documents during supervision missions to verify that they have been carried out in accordance with its regulations and this Implementation Manual, taking into account that all IFAD-funded tenders must comply with all the mentioned procurement principles, including Value for Money (VfM), Economy, Integrity, Fitness for Purpose, Efficiency, Transparency, Fairness, Ethics, Accountability, Competence, Effectiveness and Best Value for Money.

When preparing the Project's Terms of Reference, the SECAP provisions must be observed and considered, and the planned mitigation measures must be identified. At the level of the SECAP Procurement Plan (ANNEX V), the Project Management Unit must clarify to the co-executors about the non-financing of invasive exotic species and pesticides within the scope of the project.

The Post Reviews may be carried out on acquisitions from PIU or any of the government entities that have received FIDA resources and for this purpose, biddings and contracts documents must be available for analysis.

The Borrower shall prepare and submit to FIDA a General Notice of Tenders, model in Annex VI, before initiating any procurement activity under the project. IFAD will issue a no objection to the General Procurement Notice and arrange for publication of the GPN online in UN Development Business (UNDB Online), while the Borrower will arrange for publication in the Official Country Gazette.

This action must be repeated annually after approval of the 1st Acquisition Plan of each year.

The GPN contains the following information:

- a. the name of the Borrower (or prospective Borrower);
- b. the purpose and amount of the financing;
- c. the scope of procurement reflecting the Procurement Plan;
- d. the Borrower's contact point;
- e. if known, an indication of the scheduled dates for the specific procurement opportunities.

It is recommended that the Borrower also publish the GPS in a newspaper with large national circulation, in addition to the official gazette.

As provided for in national legislation, tenders must be published in a comprehensive manner to allow for broad participation, considering various means of communication, including the Project's website, national and local newspapers, the internet, partners, etc.

This Implementation Manual details the method for Selecting Individual Consultants, for selecting the teams that will provide the Project's activities, regardless of the contracting method chosen, whether it is a national contract, a contract for product, or a time contract (as per IFAD Regulations). It also provides details of the Request for Quotation and National Competitive Bidding (NCB) methods.

The Project Management Unit (PMU) will be located at the Secretariat for Land Governance, Territorial and Socio-Environmental Development of the Ministry of Agrarian Development and Family Farming (SFDT/MDA) in Brasilia (DF), and will have a fiduciary team that will coordinate and monitor the decentralized resources and the respective tenders from the partner government entities, as well as coordinating and monitoring the tenders that will be carried out by the Inter-American Institute for Cooperation on Agriculture (IICA), with which an implementation agreement will be established.

The UGP, through the Ministry's bidding sector, will be able to adhere to the Electronic Auction minutes or carry out bidding procedures that are necessary, through its own team and competent areas and in accordance with national rules.

IICA will be responsible for hiring a team of consultants for the UGP, whose selection must be coordinated by the UGP managers, following the individual consultant selection guidelines established in this Manual. IICA will bid for services and goods to provide logistical support for the project, using IFAD rules.

13.1 Self-certification form and mandatory clauses in bids and contracts

The Terms of Decentralized Execution, Terms of Development, Agreements, Management Contracts or similar, between government entities, must contain IFAD's anti-corruption and anti-harassment clauses, in addition to informing the sources of funding and their financiers and the identification of the Project.

All notices and contracts fully or partially financed by IFAD, executed by the PMU itself, by IICA or other government bodies, must contain the Anti-Corruption and Anti-Harassment clauses described below and the notices and contracts must contain as an appendix the eligibility self-certification form (ANNEX III):

Anti-corruption clause:

As this is an IFAD-funded contract, if the CONTRACTING PARTY³⁶ concludes that the CONTRACTED PARTY has engaged in corrupt, fraudulent, collusive, coercive, or obstructive practices during the selection or execution of the contract, it may, after notifying the CONTRACTED PARTY within 14 (fourteen) days, terminate the contract, considering the definitions below:

- (i) "**corrupt practice**" means offering, giving, receiving, or requesting, directly or indirectly, anything of value with the aim of influencing the action of a public official in the bidding process or in the execution of a contract;
- (ii) "**fraudulent practice**" means the falsification or omission of facts to influence the bidding process or the execution of a contract;
- (iii) "**collusive practice**" means scheming or establishing an agreement between two or more parties, with or without the knowledge of the Borrower or its Agents, aimed at establishing prices at artificial and non-competitive levels;
- (iv) "**coercive practice**" means causing harm or threatening to cause harm, directly or indirectly, to persons or their property with a view to influencing their participation in a bidding process or affecting the execution of the contract.
- (v) "**obstructive practice**" means:
 - (a) destroying, falsifying, altering or concealing evidence in inspections or making false statements to auditors, with the aim of materially impeding an IFAD inspection of allegations of corrupt, fraudulent, coercive, or collusive practice and/or threatening, harassing, or intimidating any interested party to prevent them from showing their knowledge of matters relevant to the investigation or its prosecution, or
 - (b) acts intended to materially impede the exercise of IFAD's rights to conduct inspections or audits.

Measures to be adopted:

1. IFAD will cancel the portion of the loan or grant relating to the contract if, at any time, it concludes that representatives of the Borrower/Contractor or of a beneficiary of the loan have been involved in corrupt, fraudulent, collusive or coercive practices during the selection process or the execution of the contract, without the Borrower/Contractor having taken timely, adequate and satisfactory measures to IFAD to remedy the situation;
2. IFAD will impose sanctions on the CONTRACTOR, and may declare it ineligible, indefinitely or for a fixed term, to be awarded a contract financed by IFAD, if at any time it concludes that it has been directly or through an agent involved in corrupt, fraudulent, collusive or coercive practices when participating in the selection or executing the contract.

Inspection and Audit

The CONTRACTED PARTY shall permit IFAD and/or persons appointed by IFAD to inspect its accounts and records in connection with the submission of its proposal and/or curriculum

³⁶ For the purposes of this clause, the term "parties" refers to the participants.

vitae and the performance of the Contract, and the CONTRACTOR shall permit such accounts and records to be audited by auditors appointed by IFAD if required by IFAD.

Clause to Combat Sexual Harassment and Sexual Exploitation and Abuse (SEA):

IFAD requires the recipients of its funding to observe and enforce, including in all agreements and contracts within the framework of the Projects financed with its funds, whether with project staff, contractors, suppliers and other third parties, provisions for the prevention of "Sexual Harassment" and "Sexual Exploitation and Abuse", under the following provisions:

The borrower, beneficiaries or parties involved have the obligation to immediately report to IFAD, incidents in activities or operations financed or administered by IFAD, relating to Sexual Harassment and Exploitation and Sexual Abuse.

IFAD applies the definitions of the United Nations, which states that:

"Exploitation and sexual abuse in relation to beneficiaries in the context of IFAD operations are defined as any actual or attempted abuse of a position of vulnerability, differential power or trust, for sexual purposes, including but not limited to monetary, social or political gain from the sexual exploitation of others (sexual exploitation); actual or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions (sexual abuse). "

"Sexual Harassment is any unwelcome sexual advance, request for a sexual favor or other verbal, non-verbal or physical conduct of a sexual nature that unreasonably interferes with work, alters or is a condition of employment, or creates an intimidating, hostile or offensive work environment."

13.2. Execution with decentralized resources

Within the framework of decentralized execution, tenders will be issued by the partner government agencies with Project funds. The decentralized modality will follow the national bidding rules, according to the legal particularities of each government agency.

Partnerships will be established with various EMBRAPAs - Brazilian Agricultural Research Companies, with ANATER - National Agency for Technical Assistance and Rural Extension, and other federal bodies such as Universities, Institutes of Education, Science and Technology etc.

Even following the national rule, tenders under the responsibility of these bodies must contain IFAD's anti-corruption and anti-harassment clauses in the invitations to tender and contracts. In the contractual phase, the winning bidder must sign a self-certification form that has no record of ineligibility.

The PMU will control all tenders, and to do so, government entities must report monitoring information on the progress of tenders and contract execution by filling in the MAC - Monitoring and Follow-up of Procurement and Contracting spreadsheet.

The PMU will enter all biddings into IFAD's OPEN Procurement system and will inform the partner government entities and Project implementers of any IFAD support or supervision missions, to guarantee the presence of the teams at the meetings.

13.3 Centralized enforcement

Tenders that take place within the execution framework with centralized resources will be done by the PMU and IICA and must comply with the IFAD anti-corruption and anti-harassment policy, which includes the certificate of eligibility. Bids executed within the PMU team will follow the national rule, but bids under the Agreement with IICA will follow IFAD's procurement regulations.

13.3.1 Dissemination of activities under agreement with IICA

Any dissemination of Project activities must have the authorization of the PMU and make reference to the name of the Project and the funding agents (Government and IFAD), in accordance with the government's rules on the use of logos. All documentation generated under the Agreement with IICA must highlight the name of the Project and the funding agents (Terms of Reference, Invitations, Notices, Requests for Expressions of Interest, calls for proposals, etc.).

13.3.2 Detailing IFAD methods for use with centralized resources

13.3.2.1 Request for Quotation (RFQ)

Request for Quotation is a bidding method considered the simplest of those provided for in the IFAD Regulations. It is used for the acquisition of technical goods and services (common or off-the-shelf) that do not exceed the value of USD 100,000 and for small works or renovations that do not exceed UDS 200,000.

RFQ comprises the comparison of price quotations, in a minimum of three, obtained from various suppliers. Its aim is to guarantee competitive prices, and it is the appropriate method for purchasing limited quantities of goods that are readily available on the market or cheap products with standardized specifications.

Requests for quotations must contain the description and quantity of the goods, as well as the date and place of delivery.

Quotations can be sent by electronic means or system and their evaluation will follow the same principles as an open tender.

The terms of the accepted bids/quotations will be incorporated into the purchase order or simplified contract, which must contain the mandatory clauses of IFAD.

13.2.2 Selection of individual consultants (SIC)

This section outlines the method used to select consultants/teams for planned activities. The type of contract may be, depending on the resources available and the type of work: civil servant (Consolidation of Labor Laws), product contract or time contract. In addition to the purpose of the Term of Reference (TOR), the description in the PP should also state the contractual type of each professional to be hired.

IFAD has two contractual modalities: i) by product, for services with specific deliverables, and ii) by time, for advisory services, in the case of hiring consultants to advise on PMU activities. Attached are models of the TOR by time (Annex IV) and the Curriculum Evaluation Matrix (Annex V).

Individual Consultants are hired for services in which (i) the participation of a team of experts is not required, (ii) no additional external professional support is needed (such as a head office) and (iii) the person's experience and qualifications are the main requirements.

In the selection of IFAD Individual Consultants, curriculum evaluations cannot be a purely mathematical exercise. Individual consultants are selected based on their experience, qualifications, and ability to perform the service. They do not need to submit proposals and will be considered if they meet the minimum requirements determined by the contractor based on the nature and complexity of the service. In addition, they will be evaluated based on their academic background, specific experience and, as the case may be, knowledge of local conditions such as language, culture, administrative systems, and government organization.

The selection should be made by comparing the overall capacity of at least three qualified candidates among those who express an interest in performing the services. Ideally, more than three should be chosen to increase the chances of being hired and replaced if necessary.

The TOR, a document of an exclusively technical nature, which must define the minimum qualifications for a consultant to be on the short list and **cannot be confused with or transformed into a public notice**, as this does **not** exist in individual consultancy selection processes. These qualifications should be listed in terms of minimum academic background, minimum specific experience and, if applicable, minimum knowledge of local conditions. If a candidate falls below any of these minimum qualifications, the candidate will be disqualified, and their CV will be discarded. The minimum qualifications must be set at a balance between low enough to favor competitiveness and high enough to ensure that any consultant who meets them can carry out the consultancy.

Procedure:

1. With at least 3 valid candidates, a technical team of evaluators, assisted by the Project's bidding team, should meet to conduct the

individual evaluation of each of the shortlisted CVs. They must comply with the confidentiality clause that applies to the bidding and selection processes for IFAD-funded consultants, information about the evaluation must not be discussed by the evaluators with any of the candidates or other people who are not officially linked to the selection process. A declaration of impartiality must be signed by the Evaluation Committee.

2. As an annex to the TOR, but not as part of it, a curriculum evaluation matrix, establishing sub-criteria (desirable qualifications) and their respective maximum scores must be created. It is acceptable for the percentage weight of the evaluation criteria to be disclosed in the TOR, such as 30% for academic background, 60% for specific experience and 10% for knowledge of local conditions. This last percentage can also be applied during an interview.

3. It is not acceptable for the evaluation matrix listing the sub-criteria to be disclosed to the consultants or made public in any way, until the publication of the contract award.

4. It is recommended that the proposal evaluation matrix be structured in such a way as to guarantee:

a. That each evaluator has a personal evaluation form for each shortlisted CV. As a minimal requirement, the form should have fields with the title of the consultancy, date of the evaluation, name of the evaluator, signature of the evaluator and name of the evaluated consultant.

b. that under each of the criteria (i) academic background, (ii) specific experience and, if applicable, (iii) knowledge of local conditions, there are specific sub-criteria. Percentage weights are given to each sub-criterion according to their relevance, resulting in a maximum point for each sub-criterion, which added together equals the maximum possible score for the criterion. Each sub-criterion will receive the score that the evaluator considers coherent when analyzing the curriculum, the sub-criterion, the TOR and the shortlisted consultants.

c. Just below the sub-criteria, there must be a field for the evaluator to justify the awarded grade. Changes to the score that the evaluator decides to make during the evaluation process, depending on the shortlisted consultants (minimum of three), must also be explained in this field, without the need for a new form.

5. Each candidate must achieve the minimum final mark (cut-off mark) of no less than 60 out of 100 points must be considered valid.

6. With the CVs and the evaluation matrix provided, each evaluator will conduct individual assessment on the candidates. Points will be assigned based on their analysis, respecting the maximum score allocated for each criterion and the consultant's suitability for the specific consulting task, as described in the TOR. It is not expected that all professionals who meet the

minimum requirements will receive the same score, but rather that the evaluator will award the best score to the best candidate, considering the relevance of the consultant's CV to the proposed consultancy service and evaluating the aspects listed in the sub-criteria. Successively lower scores are awarded to the other candidates. Note that the best score does not mean the maximum score, but the highest score among the candidates, which may or may not reach the maximum score available for the criterion or sub-criterion.

7. The degree of training, number of studies and years of experience are considered in this evaluation process. However, the evaluator's judgment goes beyond pure mathematics. The technical judgment must also differentiate the relevance of the degree of training, number of studies and years of experience to the consulting task.

8. At the end of the individual evaluations, the result will be an arithmetic average of each evaluator's scores. The borrower's bidding area must consolidate the individual reports into a final report, which has the evaluation forms of each evaluator for each consultant evaluated as annexes.

9. The successful candidate (winner) will be called to a negotiation meeting and the consultant must be invited to sign the contract. IFAD has no standard contract template for individual consultants and there are only 2 requirements in individual consultant contracts:

a. Punishment clauses such as fines are not accepted. Punishment for poor performance by an individual consultant lies in non-payment for products or activities delivered without the expected quality.

b. Every contract must contain IFAD's mandatory clauses.

To publish the selection of individual consultants, a Request for Expression of Interest will be published, according to the model below: :

REQUEST FOR EXPRESSION OF INTEREST

Individual Consulting Services

BRAZIL - (ORGAN AND ACRONYM)

(INSERT PROJECT TITLE)

Loan Agreement No. XXXX - IFAD

The International Fund for Agricultural Development has made a loan to XXXXX, for the execution of Project XXXXXXXXX, which intends to apply part of the amount of the funds to the following consultancy service: (INSERT OBJECT OF TERM OF REFERENCE).

A/O XXXXXXXXX invites Individual Consultants to express their interest in performing this service. The selection will be made by comparing the overall capacity of qualified candidates who express an interest. The criteria for forming the Short List of Individual Consultants will consider experience and qualifications for the service. Expressions of Interest that minimally meet the following criteria will be considered:

Academic Background: (INSERT the minimum criteria from the TOR qualifications item)

Specific Experience: (INSERT the minimum criteria from the TOR qualifications item)

The Expression of Interest does not imply any commitment to a contract. The selection process will be conducted according to the Individual Consultant Selection (ICS) method set out in IFAD's Procurement Regulations.

Number of vacancies: (INSERT)

Contractual Modality: (INFORM IF CLT, or Global Price/Products, or By Time)

Contract term: (INSERT)

To take part in the selection process, candidates must send a detailed CV with their training and experience by e-mail, indicating their contractual periods (start and end), no later than 11:59 p.m. on XX/XX/202X, to the following e-mail address: (INSERT PROJECT e-mail address preferably)

The subject line of the e-mail sending the CV must contain the following identification: **"Selection of Individual Consultant - Code: TDR/CI/No. (INSERT) - Project (INSERT PROJECT NAME)".**

Request for Expression of Interest and the Terms of Reference can be viewed at: (INSERT ELECTRONIC ADDRESS)

AND/OR

This SMI and the Terms of Reference can be requested by: (INSERT PROJECT EMAIL), (INSERT PROJECT TELEPHONE)

(Name of person responsible - Authorizing Officer)

(Position and Body)

The following flowchart is a guide to the steps involved in tendering for a individual consultant selection, even if the process is a prior review. It has been broken down into two bidding phases (internal and external) and one contractual phase, which covers the time from the tender announcement to the contract signing. This flowchart can be readapted by the team, considering national legislation and the execution arrangement, but with IFAD's review.

13.3.2.3 National Competitive Bidding (NCB)

The National Competitive Bidding (NCB) method is the competitive bidding procedure normally used for national public tenders and may be the most appropriate method for purchases of goods, works and technical services which, by their nature or scope, are unlikely to attract the interest of foreign bidders.

The NCB procedure aims to ensure economy, efficiency and transparency and will be used within the scope of the Project for the procurement of common technical goods and/or services. No works are planned under the Project.

The NCB procedure is also adopted when the advantages of ICB (*International Competitive Bidding*) are clearly outweighed by the estimated administrative or financial burden.

The terms of the contract include clauses referring to fines or similar provisions, with an appropriate value, for delays in the delivery of services or goods.

The NCB method also includes tender guarantees and performance guarantees.

TENDER GUARANTEE (2.14)	PERFORMANCE GUARANTEE (2.41)
Reasonable amount (from 2 to 5% of the estimated cost of the contract)	For goods contracts, consider the amount to be between 5 and 10% of the value of the signed contract.
Validity of 30 (thirty) days beyond the period of validity of the tenders	
It is recommended to indicate a fixed amount, equal for all bidders, and not a percentage of the estimated cost.	

The forms of guarantee accepted are those issued by a banking institution, such as a bank guarantee and cashier's check.

The full text of the call for tenders will be published in a newspaper with a wide circulation in the country and in the national language, or in the Federal Official Gazette, or on a widely visited website or electronic portal with free national and international access.

The Project may publish a shorter version of the material for dissemination with the minimum relevant information in the national press, provided that the full text is published simultaneously in the Official Gazette or on a widely visited website or electronic portal with free national and international access, as indicated in the short version. This disclosure must take place sufficiently in advance for potential bidders to obtain the relevant documents.

The tender notice may be published in the national language. The currency to be adopted will be the Brazilian currency for bidding and payment purposes.

The NCB notice must include the IFAD Self-Certification Form.

The call for tenders will also contain clear information on how, where and when tenders are to be submitted and how prices are to be offered. It should state that the technical specifications must be "substantially" met to give companies a margin for compliance.

An appropriate deadline should be specified for the preparation and submission of tenders. The procedures must provide for appropriate competition, with the aim of ensuring that reasonable prices are offered. In an NCB process, the minimum deadline for opening tenders is 30 (thirty) calendar days after the date of publication of the Notice of Tender.

The invitation to tender must specify whether the price is fixed or whether it will be subject to adjustment based on specific price variation indices. If the tender does not contain adjustment clauses, there will be no way of adjusting the price later if necessary. It is usually provided for in contracts over 12 months.

The methods used to evaluate bids must be objective and communicated to all bidders in the call for tenders and the commission is not permitted to adopt criteria other than those set out in the call for tenders.

The Project should have an effective and independent mechanism for receiving complaints, allowing bidders to protest and have them dealt with in a timely manner.

Foreign companies wishing to take part in the tender may do so, provided they are willing to accept the NCB terms and conditions valid for domestic bidders.

Next, the stages of direct execution for bidding on an NCB will be demonstrated, with the procedures being separated into three phases: (i) internal, (ii) external and (iii) contractual.

Phase 1 NCB - Internal

1	Draw up the Specification and send it to the Project.
2	Receiving the Technical Specification and opening the administrative process, duly registered, filed and numbered.
3	Elaborate budgets/cost estimates.
4	Elaborate a Technical Note containing the justification for the contract (Project framework).
5	Confirm that budgetary resources are available for contracting.
6	Elaborate the Tender Notice, the Public Notice, and the Draft Contract.
7	Send the documentation (Notice, Invitation to Tender, Technical Specification and Draft Contract) for no objection.
8	Issue a no objection.
9	Appoint the Evaluation Committee.
10	Forward the file to the legal department for an opinion.
11	Issue a legal opinion on the contracting process. Remember that if the legal department makes any changes to the call for tenders or annexes, the package of documents must be returned to IFAD for no objection, if it is a prior review.

Below is an example of a Tender Notice that could be proposed for analysis by IFAD:

TENDER NOTICE

(INSERT NATURE OF SERVICES)

BRAZIL - (INSERT BODY)

(INSERT PROJECT TITLE)

Loan Agreement No. XXXX-BR - IFAD

XXXXXXX has negotiated a loan with the International Fund for Agricultural Development for the execution of Project XXXXXX, and intends to invest part of the funds in (a) the following (INSERT SERVICE OR ACQUISITION): (INSERT OBJECT)

XXXXXXX invites eligible companies to take part in the tendering procedure for (INSERT FOR THE PROVISION OF SERVICES OR THE SUPPLY OF GOODS/MATERIALS/ETC).

The tender will be conducted in accordance with the procurement method known as NCB - National Competitive Bidding, established in IFAD's Procurement Regulations. The evaluation criterion will be the Lowest Overall Price, coupled with substantial compliance with the specifications contained in the Terms of Reference.

To take part in this tender, you must comply with the provisions of NOTICE No. 0X/202X/(SIGN OF BODY) available at the following e-mail address: (INSERT PROJECT WEBSITE) or by request at the following e-mail address: (INSERT PROJECT E-MAIL).

Further information can be obtained from the following e-mail address: (INSERT PROJECT EMAIL).

The deadline for submitting proposals, as stipulated in the notice, is no later than **XX hours on XX/XX/202X**.

Once the tender documents have been approved by the Legal Body, the stages of Phase 2, which begins with publicity, are carried out.

Phase 2 NCB - External

12	Promote the publication of the tender notice in the DOU and/or a national newspaper with wide circulation and/or a national website with free national and international access.
13	Publish the Evaluation Committee internally.

14	Prepare and submit a bid in accordance with the call for tenders.
15	Open the tenders to the public.
16	Receiving and evaluating the bids and drawing up a detailed evaluation report with the award of the winning company.
17	Forward the evaluation and judgment report with the award to IFAD for analysis.
18	Issue no objection to the Evaluation Report. Remember that if the need arises to modify the Call for Proposals or the annexes, the set of documents must be submitted to IFAD for no objection.
19	Forward the process for approval by the competent authority.
20	Approve the competition.
21	Make a commitment to the approved company.
22	Elaborate the Grant document. Submit to IFAD for no objection, if previously reviewed.
23	Issue no objection to the Grant document (prior review).
24	Promote the publication of the Award in the DOU within 2 weeks of the date of no objection, in the case of a prior review, or within 2 weeks of the date of approval of the tender, in the case of a subsequent review (DOU and/or national newspaper with wide circulation and/or national website with free national and international access).

The Project Area should arrange for the Tender Notice to be published in a newspaper with a wide circulation in the country and in the national language, or in the Federal Official Gazette, or on a widely visited website or electronic portal with free national and international access. It is important to note that the greater the publicity, the greater the chances of obtaining bids for the tender, so it is advisable to do as much as possible by publishing the notice in all three options.

Following the publication of the Call for Tenders, IFAD must be informed of the Evaluation Committee for the tender, which must have already been appointed in Phase 1.

The bids will be opened in a public session at the place, time and date stipulated in the public notice, under the coordination of the Project team, which must be early enough to receive the bidders.

Regarding the opening of tenders:

The bids will be opened in a public ceremony only in the presence of the bidders and the Project team that handles the bidding procedures. Public act does not mean open to the general public, but to the participants in the tender.

- Each bidder's "single" envelope must be opened for examination (not evaluation) of its contents. Opening the bids is not part of the evaluation and judging process.
- At the time of the opening, under no circumstances should proposals submitted by the deadline specified in the call for proposals be rejected or returned, even if they are blank, have an empty envelope, etc. Everything will be recorded in the minutes, and no one will be disqualified at this point (this is up to the Evaluation Committee).
- Proposals submitted "after" the deadline must not be received.
- All bids received by the deadline must be opened and read in public in the presence of the bidders and/or their authorized representatives.
 - § Paragraph 1: Requests to withdraw tenders received within the deadline specified in the call for tenders will be read out first.
 - § Secondly, requests to modify proposals received with the deadline will be read out.
 - § The bids received will then be read and recorded, together with the prices and discounts offered.
- All relevant circumstances or events occurring during the opening session must be recorded in the minutes.
- Companies are not allowed to check the bids of others.
- Carrying out the correct procedure for opening tenders is fundamental to guaranteeing the transparency of the bidding process.

At the end of the meeting, the Project team should finalize the minutes, ask those present to sign them, scan them, and send them to IFAD immediately, distributing copies to those present.

For this to be possible, the Project team must have drafted the minutes beforehand, with the details of the Project, the tender, and the bidders, and appoint someone exclusively to record all the information during the meeting. The minutes should be structured in the order of the information to be read out.

After the deadline for receipt of proposals has passed, the Evaluation Committee will be convened by the Project to begin its analysis. The purpose of evaluating the proposals is:

- Determine each bid's compliance with the requirements of the tender documents.
- Determine the evaluated price of each proposal for comparison:

§ ASSESSED PRICE = PROPOSED PRICE +/-Arithmetic correction + correction for items not included - TAXES (Tax on Industrialized Products and Tax on Circulation of Goods).

- Select, for contract award, the proposal with the lowest evaluated price in line with the Technical Specifications.

The analyses must comply with the following principles:

- Confidentiality - this is essential to guarantee the eligibility of the bid for funding.
- Transparency - clarifications are allowed if they do not change the proposal or price.

The Commission must pay attention to the fundamental concepts for accepting or rejecting proposals, which state that a proposal must meet the following requirements:

- Identify the bidder by means of a signed bid letter.
- Submit authorization to bid.
- Present the price clearly.
- It must be accompanied by a tender guarantee on the form and amount established in the public notice.
- Substantially meet the technical specifications.
- Present a satisfactory delivery schedule.
- Meet the qualification requirements (experience, financial capacity, among others).

The Evaluation Committee should also check:

- The proposal is complete and signed.
- If the arithmetic calculations are correct.
- If there are variations.

Research must be carried out to check the situation of each company, whether it is on a negative international or national ineligibility list. Nothing should be mentioned about financial documentation, Service Time Guarantee Fund and Instituto Nacional do Seguro Social payments and other certificates from the Federal, State and Municipal Revenue Service.

The evaluation must be detailed, and the Commission must only evaluate the proposals that substantially meet the technical specifications, disqualifying the others. However, everything is recorded in a report, including disqualifications.

At the end of all the checks, the Commission must elaborate the evaluation and judgment report with the award of the winning company. The Project team must support the Commission by reviewing the report to verify compliance with the proposals. After reviewing the report, the Evaluation Committee must sign it and send it to the Project team together with the bids and other tender documents in its possession.

The Project team will send a scanned copy of the evaluation and judgment report to IFAD for no objection. All documents relating to the analysis must be recorded in the administrative file, including the no objection. The Competent Authority must be asked to approve the tender, using the model below:

<p>(BODY)</p> <p>TERM OF APPROVAL</p> <p>NATIONAL PUBLIC TENDER - NCB NO. XX/201X/ (NAME OF BODY)</p> <p>(NAME OF PROJECT) - LOAN AGREEMENT XXXX-BR</p> <p>OBJECT: (INSERT)</p> <p>The (INSERT PROJECT NAME) of the (INSERT BODY), in the use of his legal attributions, and in view of the records of the aforementioned process and the ADJUDICATION carried out by the EVALUATION COMMITTEE of the tender (Pages XXX, XXX), RESOLVES, in compliance with item X of the NCB Tender No. XX/201X/(BODY SIGN), TO APPROVE the tender in favor of the bidder. XXX, XXX) RESOLVES, in compliance with item X of NCB Notice No. XX/201X/(SIGN OF BODY), TO APPROVE the tender in favor of the bidder with the lowest overall price, the company (INSERT COMPANY NAME).</p> <p>Brasília-DF, XX of (MONTH) of 201X.</p> <p>(NAME AND SIGNATURE OF THE AUTHORIZING OFFICER)</p> <p>(Position)</p>
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The Project team must draw up a grant document and submit it to IFAD for no objection, if previously reviewed.

After the no objection, in the case of a prior review, publication of the Award document will be made within 2 weeks of the date of the no objection and in the case of a subsequent review, within 2 weeks of the date of approval of the tender. Publication may be made in the Official Federal Gazette and/or a national newspaper with wide circulation and/or a national website

with free access authorized by IFAD. The Project's website may be indicated.

The Grant document must contain the proposal, the lot numbers, and the following relevant information:

The name of each bidder who submitted a bid.

The prices read out at the bid opening meeting.

The prices evaluated for each tender examined.

The names of the bidders whose bids were rejected as unsuitable or did not meet the qualification criteria, or were not evaluated, together with the reasons for this.

The name of the winning bidder, the final total value of the contract, the duration, and a summary of the scope of the contract

Once this stage has been completed, the process continues with the Contractual Phase.

Phase 3 NCB - Contract

25	Fill in the contractual details of the company awarded the contract and the Competent Authority for the Project.
26	Forward the contract to the Legal Department for analysis
27	Issue a legal opinion on the contracting process.
28	Forward the contract and a copy of the award publications to IFAD.
29	Issue no objection to the contract.
30	Forward copies of the contract to the winning company for signature.
31	Sign and return the signed contract to the Project.
32	Have the competent authority sign the contract.
33	Send a copy of the signed contract to the company.
34	Send a copy of the signed contract to IFAD.

The Project Team should request the details of the winning company and the Competent Project Authority to be included in the contract, as well as the details of the winning bid.

After this stage, the Project team must arrange with the competent authority for the formalization of the contract manager and, if necessary, the respective inspectors.

Once no objection to the contract has been received, the signatures are obtained. First the company and then the Competent Authority. One signed copy is sent to the company and the other is recorded in the file.

14 DISSEMINATION OF PROJECT ACTIVITIES

IFAD's Policy on Document Disclosure, approved in 2010, adopted the principle of "presumption of full disclosure". It is mandatory to disclose key Project documents, when available, in a timely manner on the Government's website, IFAD's website and in places accessible to Project-impacted communities. Sharing these documents not only keeps all parties informed but ensures their meaningful contribution to Project design and risk mitigation.

Disclosed documents must be presented in an accessible and culturally appropriate way, giving due attention to the specific needs of community groups that may be affected by the implementation of the Project (such as literacy, gender, language differences or accessibility of technical information or connectivity).

This dissemination should consider any specific information needs of the community (e.g., related to culture, disability, literacy, mobility, or gender). Special needs and limited access to web content should also be considered; in this regard, special attention will be paid to potential Project participants: farmers, illiterate or technologically illiterate people, people with hearing or visual impairments, people with limited or no internet access and other groups with special needs.

The dissemination of information among these groups will be done by the Brazilian government. All accessible and locally available tools for dissemination will be used, including social media, local newspapers, leaflets, brochures, radio, and television. Special attention will be paid to publicizing the Project's environmental and social safeguards, including the grievance redress mechanism.

The details and deadline for delivery and dissemination of the documentation to be prepared and disseminated after approval by the Executive Board, will be stipulated in the financing agreement.

15 GRIEVANCE REDRESS MECHANISMS

In accordance with IFAD's environmental and social policies, as well as the Access to Information Law (LAI) and the Law for the Protection and Defense of Public Service Users, a public and accessible Grievance Redress Mechanism (GRM) will be made available to the Project's target groups for individuals, authorities or community representatives affected by the implementation of PDHC III. This mechanism must be easily accessible to the public and have a rapid resolution, ensuring that submitted complaints are quickly analyzed and that solutions are mutually agreed upon to satisfy the parties involved.

The Project will take advantage of the MDA's consolidated system for receiving and handling complaints and denunciations, adopting the existing Ombudsman channel. PDHC III will promote an ongoing program to disseminate integrity policies, training and guidance to communities and beneficiaries on whistleblowing tools. All people potentially affected by the Project's activities will be informed and given clear instructions on what procedures should be followed for registering reports and complaints. This information will be made available in accessible language. Grievance redress will be part of the review questions of IFAD's annual supervision missions.

Complaints can also be submitted through IFAD's Complaints Procedure, which allows individuals and communities to contact IFAD directly and make a complaint if they believe they are or may be adversely affected by an IFAD-funded project/program that does not comply with IFAD's Social and Environmental Policies and their mandatory aspects.

In line with IFAD's Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse (2020), as well as federal legislation and regulations related to the topic, including the typification in the Penal Code for sexual harassment and the Code of Professional Ethics for Civil Servants of the Federal Executive Branch, IFAD, and the MDA will have zero tolerance. PDHC III will ensure that adequate safeguard measures are in place for a safe and harassment-free work environment, including sexual harassment and free from sexual exploitation and abuse in its activities and operations. The Project must record reported cases and communicate to the competent authorities in the country, as provided for in national legislation, so that they can take appropriate action based on the evidence.

Complaints and reports made to IFAD are confidential and can even be made anonymously through the following channels:

- Ethics Office confidential helpline: +39 06 5459 2525
- Confidential helpline of the Office of Audit and Supervision: +39 06 5459 2888
- Sending messages by WhatsApp: + 39 338 738 0924
- Sending e-mail: anticorruption@ifa.org
- Ethics Office website: ifad.org/es/ethics

ANNEX I - TERMS OF REFERENCE FOR KEY PROJECT FUNCTIONS

The key (minimum) team of the PMU set up at the SFDT/MDA in Brasilia will include the following members: i) General Project Coordinator, ii) Technical Coordinator, iii) Procurement and Contracts Specialist, iv) Financial Management Specialist, v) M&E Specialist, vi) Gender, Youth and Traditional Peoples and Communities Specialist, vii) Nutrition Specialist, viii) Knowledge Management and Communication Specialist, and ix) Social, Environmental and Climate Safeguards Specialist. Other specialists and consultants may be added to the team, including specialists who can accompany the work in the field directly in the territories. Below are the basic Terms of Reference for these key project functions.

PMU				
Function	Key Responsibilities	Profile	Educational requirements	Professional Experience
Project Coordinator	<ul style="list-style-type: none"> - Managing the Project Management Unit technically, financially, and administratively; - Coordinate and supervise the technical, bidding and contracting, monitoring and evaluation, administrative and financial areas to ensure that the plan is carried out on time and with quality; - Coordinating the preparation and execution of the Annual Workplan and Budgeting, the Procurement Plan, the budget, and the annual reports; 	<ul style="list-style-type: none"> - Ability to coordinate teams, leading them to work to achieve Project results; - Capacity for communication and institutional coordination; - Ability to negotiate and establish agreements of interest to the Project; - Knowledge of public policies on the themes of the Project. 	<p>Minimum requirements:</p> <ul style="list-style-type: none"> - Higher education professional <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Graduates preferably in the fields of economics, agroecology, agronomy, public administration, and sociology; 	<p>Minimum requirements:</p> <ul style="list-style-type: none"> - At least 7 years of experience in project management; <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Relevant experience in managing development projects, preferably with external funding.

PMU				
Function	Key Responsibilities	Profile	Educational requirements	Professional Experience
	<ul style="list-style-type: none"> - Accompanying, supporting, and integrating the work of local managers and teams; - Articulate the Project with other existing programs and projects; - Establish partnerships with public and private organizations of interest to the Project. 		<ul style="list-style-type: none"> - Postgraduate degree in the area of interest. 	
Technical Coordinator	<ul style="list-style-type: none"> - Follow up on activities carried out in the field related to the implementation of the respective components of the Project. - Provide guidance and technical support to local outsourced teams and rural beneficiary associations; - Draw up reports on the implementation of Component activities and report to the Supervisor. 	<ul style="list-style-type: none"> - Ability to work in a team; - Ability to communicate and negotiate with family farmers and their organizations; - Knowledge of public policies for rural development, markets and technologies adapted to the semiarid region; - Knowledge of preparing rural productive investment proposals. 	<p>Minimum requirements</p> <ul style="list-style-type: none"> - Higher education professional. <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Professional with a degree in one of the following areas: agroecology, agronomy, and related areas. - Knowledge of agricultural and non-agricultural production activities in the Brazilian semiarid region. 	<p>Minimum requirements:</p> <ul style="list-style-type: none"> - At least 4 years of experience in activities related to TOR. <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Experience in developing productive arrangements for family farming and in formulating and implementing Rural Investment Projects.

PMU				
Function	Key Responsibilities	Profile	Educational requirements	Professional Experience
Procurement and Contracts Specialist	<ul style="list-style-type: none"> - Guide the teams in elaborating the Terms of Reference and Cost Estimates and Technical Specifications and Budgets; - Support the assembly of the Evaluation Committee and provide standard documents for carrying out the evaluations; - Guide the Evaluation Committee in the technical and financial analysis of proposals/budgets, on the rules of the tender they will be analyzing, on the preparation of tender reports or calculation maps, on the procurement of goods, technical services and consultancy services planned for the Project; - Guide and coordinate the bids and contracts of the co-executors. - Preparing the standard documentation for the PMU's tenders as planned for the Project. - Monitoring the bids and contracts of the government entities that are co-executing the Project; 	<ul style="list-style-type: none"> - Ability to manage people and processes. - Proactivity - Ability to use information technology. 	<p>Minimum requirements:</p> <ul style="list-style-type: none"> - Professional with a university degree. <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Professional with a degree in one of the following areas: Administration, Accounting, Law, or International Relations. - Tenders and contracts courses in national law. - Courses on tenders and contracts in accordance with the rules of international financial organizations (IFAD, IBRD, IDB, etc.). - Project procurement management course. - Course in procurement management for rural 	<p>Minimum requirements:</p> <ul style="list-style-type: none"> - At least 4 years of experience in tendering and contract management. <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Professional experience in tenders and contracts in the context of national funding projects. - Professional experience in tenders and contracts for external financing projects (IFAD, World Bank, IDB). - Professional experience in project planning and/or bidding and contract management. - Professional experience in planning activities, and/or managing tenders and contracts

PMU				
Function	Key Responsibilities	Profile	Educational requirements	Professional Experience
	<ul style="list-style-type: none"> - Preparing Procurement Plans and supporting the preparation of Annual Project Operational Plans; - Register the tenders in IFAD's OPEN system. - Managing contracts within the framework of the Project and IFAD's CMT system; - Meeting audit demands. - Make trips to attend to Project activities when requested by the coordinator; - Participate in training related to contractual activities, when requested by the Coordination, - Support the IFAD team in training for teams involved in tenders and/or contract management. - Carry out other activities related to the Project's tenders and contracts. 		development projects.	in external financing projects.
Financial Management Specialist	<ul style="list-style-type: none"> - Monitor the AWPB's information on Project costs and expenses; - Carrying out financial and accounting operations; - Monitoring and executing 	<ul style="list-style-type: none"> - Knowledge of public finance management and execution, accounting, and mathematics; 	Minimum requirements: <ul style="list-style-type: none"> - Higher education professional, preferably in economics, 	Minimum requirements: <ul style="list-style-type: none"> - At least 5 years of experience in activities related to TOR.

PMU				
Function	Key Responsibilities	Profile	Educational requirements	Professional Experience
	<ul style="list-style-type: none"> - payments and receipts. - Guiding the teams on the procedures for executing expenses; - Draw up follow-up reports for analysis and decisions by the PMU coordinators. 	<ul style="list-style-type: none"> - Knowledge of international loan financial management procedures. 	<p>administration, or accounting;</p> <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Ability to use information technology. 	<p>Desirable requirements:</p> <ul style="list-style-type: none"> - Experience with public finance and accounting operations; - Experience in financial management and execution of externally funded projects
M&E Specialist	<ul style="list-style-type: none"> - Supporting the preparation of the Terms of Reference for hiring a company to develop the SMA system; - Monitoring the implementation of the system; - Providing technical support to the team in using the system; - Provide technical guidance to the Project teams to systematically obtain information on the monitoring of planned and implemented activities; - Interacting with Coordination and other areas to carry out Monitoring and Evaluation; 	<ul style="list-style-type: none"> - Ability to interact with the team and provide the necessary technical guidance; - Knowledge of the design, adaptation, and implementation of M&E IT systems; - Knowledge of rural development projects; - Knowledge of environmental restoration projects 	<p>Minimum requirements:</p> <ul style="list-style-type: none"> - Higher education professional <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Professional with a degree in one of the following areas: social sciences, geography, administration, information technology or engineering. - Courses on project monitoring and evaluation 	<p>Minimum requirements:</p> <ul style="list-style-type: none"> - Minimum of 5 years of experience in activities related to TOR. <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Experience in monitoring and evaluating projects, preferably in the environmental and agrarian fields; - Experience in designing and implementing management information systems. - Experience in monitoring rural and

PMU				
Function	Key Responsibilities	Profile	Educational requirements	Professional Experience
	<ul style="list-style-type: none"> - Monitoring the Project's logical framework, AWPB, goals, activities, and results; - Carry out studies, opinions and other technical documents related to the area of Monitoring and Evaluation; - Keeping the monitoring and evaluation system up to date with progress on the Logical Framework and AWPB indicators. - Elaborate the Annual Work Plan and Budgeting (AWPB), with physical targets for all indicators. - Support in carrying out the Impact Assessment study (baseline, mid-term and final); 			social development projects
Specialist in gender, youth and traditional peoples and communities	<ul style="list-style-type: none"> - Elaborate a strategy and activity plan for the inclusion of young people and gender equity, and for serving traditional peoples and communities and the LGBTQIAPN+ community, in the Project's activities; - Ensure a gender focus in all activities; 	<ul style="list-style-type: none"> - Highly motivated and committed to poverty reduction, gender equality and the inclusion of young people, PCTs and the LGBTQIAPN+ community; - Preferably of African descent and/or a member 	<p>Minimum requirements:</p> <ul style="list-style-type: none"> - Professional with a university degree; <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Professional preferably with a background in one of the following areas: 	<p>Minimum requirements:</p> <ul style="list-style-type: none"> - At least 5 years of experience working on gender and social inclusion issues; <p>Desirable requirements:</p>

PMU				
Function	Key Responsibilities	Profile	Educational requirements	Professional Experience
	<ul style="list-style-type: none"> - Encourage and guide the involvement of women, young people and PCTs in Project activities; - Provide trainings for Project teams and technical assistance teams on gender, youth and traditional peoples and communities; - Strengthen an environment of exchange in the communities about the role of men and women in family farming and youth; - Elaborate didactic-pedagogical tools based on the principles and methodology of the Project, to contribute to the processes of discussion and training of the teams; - Establish relationships with other projects and programs that enable mobilization activities, access to markets and public policies aimed at the Project's target groups; - Elaborate reports on the implementation of activities. 	<p>of traditional peoples and communities</p>	<p>social sciences, rural development, or related discipline;</p> <ul style="list-style-type: none"> - Ability to work in other languages such as English and Spanish is an advantage. 	<ul style="list-style-type: none"> - Experience in agricultural and rural development projects; - Experience in projects that integrate gender targeting and considerations in all components/activities and in M&E; - Experience in designing and delivering training modules

PMU				
Function	Key Responsibilities	Profile	Educational requirements	Professional Experience
Nutrition Specialist	<ul style="list-style-type: none"> - Elaborate a nutrition strategy and activity plan; - Training of Project teams and technical assistance teams in nutrition-related topics; - Elaborate reports on the implementation of activities; - Support M&E on nutrition indicators, baseline, midterm and endline. 	<ul style="list-style-type: none"> - Highly motivated and committed to reducing poverty and promoting food and nutrition security 	<p>Minimum requirements:</p> <ul style="list-style-type: none"> - Professional with a university degree; <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Professional preferably with a background in nutrition sensitive agriculture. 	<p>Minimum requirements-</p> <ul style="list-style-type: none"> - At least 5 years of experience working on food and nutrition security issues with an approach to nutrition sensitive agriculture rather than health; <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Experience in agricultural and rural development projects; - Experience in designing and delivering training modules in nutrition sensitive agriculture.
Specialist in Knowledge Management and Communication	<ul style="list-style-type: none"> - Develop the Project's communication plan; - Develop the Project's knowledge management plan; - Support local teams in mobilizing communities and their organizations to participate in activities related to their own activities in the Project; 	<ul style="list-style-type: none"> - Ability to work in a team; - Ability to communicate and liaise with the Project teams and with family farmers and their organizations; - Knowledge of public policies for rural and social development; 	<p>Minimum requirements</p> <ul style="list-style-type: none"> - Professional with a university degree; <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Professional preferably with a degree in one of the following areas: 	<p>Minimum requirements:</p> <ul style="list-style-type: none"> - At least 5 years of experience in communications. <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Experience in project communication;

PMU				
Function	Key Responsibilities	Profile	Educational requirements	Professional Experience
	<ul style="list-style-type: none"> - Provide technical guidance to local teams to support the preparation of Communication and Knowledge Management Plans; - Elaborate reports on the implementation of activities for the PMU. 	<ul style="list-style-type: none"> - Knowledge of formulating and implementing Communication and Knowledge Management Plans. 	<ul style="list-style-type: none"> - media, humanities, or social sciences; - Ability to use information technology. 	<ul style="list-style-type: none"> - Experience with knowledge management; - Experience in formulating plans and implementing communication and knowledge management activities.
Specialist in Social, Environmental and Climate Safeguards	<ul style="list-style-type: none"> - Verify compliance with all Project guidelines related to the Social, Environmental and Climate Management Framework and other socio-environmental instruments of the Project; - Supporting the Project coordinator in matters relating to safeguard policies within the scope of the Project and in compliance with the relevant social and environmental legislation; - Elaborate follow-up reports on social, environmental and climate safeguard activities (including the consolidated report on the complaints mechanism); 	<ul style="list-style-type: none"> - Ability to work in a team; - Knowledge of rural development projects; - Ability to use information technology. - Proactivity 	<p>Minimum requirements:</p> <ul style="list-style-type: none"> - Professional with a university degree. <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Professional preferably with a degree in one of the following areas: agronomy, forestry engineering, environmental engineering, social sciences, environmental 	<p>Minimum requirements:</p> <ul style="list-style-type: none"> - Professional experience of at least 5 years in activities related to compliance with socio-environmental and climate aspects and guidelines of rural development projects. <p>Desirable requirements:</p> <ul style="list-style-type: none"> - Experience with projects funded by international organizations.

PMU				
Function	Key Responsibilities	Profile	Educational requirements	Professional Experience
	<ul style="list-style-type: none"> - Verify compliance with the requirements of the environmental agencies regarding the Project's interventions and/or activities; - Prepare a detailed report on the progress and development of the Environmental Plans, including any requirements for adjustments and additional measures, and whether any contractual violations have occurred, and corrective measures have been implemented; 		<ul style="list-style-type: none"> - sciences, or related areas; - Hold a master's degree or doctorate in the socio-environmental field. 	

ANNEX II - ELIGIBILITY SELF-CERTIFICATION FORM



Standard documents

Bidding and

Contracts



Self-certification form - Contract stage

1st Edition

December 2020

This form must be included as an annex to the contract even when national bidding documents have been used. The use of this self-certification form is mandatory for all procurements carried out in IFAD-funded or administered projects and is included in IFAD's standard bidding documents.

Terms that are used but not defined in this Annex shall have the meaning ascribed to them in the General Conditions of Contract (GCC), the Special Conditions of Contract (SCC), the IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations, the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, or the Financing Agreement or related agreements.

A. IFAD's rights

1. IFAD has jurisdiction to investigate allegations and other indications of prohibited practices and to impose sanctions on third parties (including contractors) for such practices in connection with an operation or activity financed and/or administered by IFAD.
2. IFAD may unilaterally recognize exclusions imposed by other multilateral development banks if such exclusions meet the mutual recognition requirements under the Agreement for Mutual Execution of Exclusion Decisions³⁷.

B. Compliance with IFAD's Policy on Preventing Fraud and Corruption in its Activities and Operations and the Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse

3. The contractor must fully comply with **IFAD's Policy on Preventing Fraud and Corruption in its Activities and Operations** (the "Anti-Corruption Policy", accessible at www.ifad.org/anticorruption_policy) and its **Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Sexual Abuse (the "SH/SEA Policy")** (accessible at <https://www.ifad.org/en/document->

³⁷ The Agreement on Mutual Enforcement of Exclusion Decisions was concluded by the World Bank Group, the Inter-American Development Bank, the African Development Bank, the Asian Development Bank and the European Bank for Reconstruction and Development. Additional information can be found at: <http://crossdebarment.org/>.

detail/asset/40738506). Failure to comply with these policies may result in administrative measures, including suspension or termination of the contract between the contractor and the procuring entity.

4. The contractor, when submitting the signed contract agreement to the contracting authority, must attach the completed self-certification form set out in Annex X (i) [*adapt reference*].
5. The contractor shall cooperate fully with any investigation conducted by IFAD, as required in accordance with IFAD's policies and procedures, including by: (i) making personnel available for interviews and providing full access to any and all accounts, facilities, documents and records (including electronic records) relating to the relevant IFAD-financed and/or managed operation or activity, and (ii) having such accounts, facilities, records and documents audited and/or inspected by IFAD-appointed auditors and/or investigators.
6. The contractor must keep all accounts, documents and records relating to an operation or activity financed and/or administered by IFAD for at least three years after the contract ends.
7. The contractor shall promptly report to IFAD any allegations or other indications of prohibited practices, as defined in the Anti-Corruption Policy, that come to its attention during the contract's performance. Instructions for reporting such allegations can be found here: <https://www.ifad.org/en/anti-corruption>.
8. The contractor shall promptly report to IFAD or the procuring entity any allegations or other indications of sexual harassment and sexual exploitation and abuse, as defined in the HS/SEA Policy, that come to its attention during the performance of the contract. Instructions for reporting such allegations can be found here: <https://www.ifad.org/en/ethics>

C. Continuous flow provisions

9. In any subcontract entered by the contractor, as permitted by this contract, the contractor shall ensure the inclusion of all the provisions contained in sections (A) to (C).

Self-certification form

This self-certification form must be completed by the contractor. The contractor must send the completed form together with the signed contract agreement to *[insert name of contracting entity]*. Instructions for completing this form are provided below.

Full legal name of the contractor:	
Full legal name of the contractor's legal representative and position:	
Full name and contract number:	
Project with which the contract was signed:	
Country:	
Date:	

I certify that I am the authorized representative of *[name of contractor]*, and that the information provided herein is true and accurate in all material respects and I understand that any misrepresentation, misstatement or failure to provide the information requested in this self-certification may result in sanctions and remedies, including suspension or termination of the contract between the contractor and the procuring entity, as well as permanent ineligibility to participate in activities and operations funded by IFAD and/or managed by IFAD, in accordance with the IFAD Procurement Guidelines, the IFAD Procurement Manual and other applicable IFAD policies and procedures, including the IFAD **Policy on the Prevention of Fraud and Corruption in its Activities and Operations** (accessible at www.ifad.org/anticorruption_policy) and **IFAD's Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse** (accessible at <https://www.ifad.org/en/document-detail/asset/40738506>).

I hereby certify that I am the authorized representative of *[name of the contractor]*, as well as that the information provided herein is true and accurate in all material respects and understand that any material misstatement, misrepresentation or failure to provide the information requested in this self-certification may result in sanctions and remedies, including the suspension or termination of the contract between the contractor and the procuring entity, as well as the permanent ineligibility to participate in IFAD-financed and/or IFAD-managed activities and operations, in accordance with the IFAD Procurement Guidelines, the IFAD

Procurement Handbook and other applicable IFAD policies and procedures, including IFAD's **Policy on Preventing Fraud and Corruption in its Activities and Operations** (accessible at www.ifad.org/anticorruption_policy) and its **Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse** (accessible at <https://www.ifad.org/en/document-detail/asset/40738506>).

Authorized signature: _____ **Date:** _____

Printed Name of Signatory: _____

- The contractor certifies that it, including its director(s), partner(s), owner(s), key personnel, agents, subconsultants, subcontractors, consortia and joint venture partners have NOT engaged in fraudulent, corrupt, collusive, coercive, or obstructive practices in connection with this procurement process and this contract.
- The contractor declares that the following criminal convictions, administrative sanctions (including exclusions under the Agreement for Mutual Enforcement of Exclusion Decisions or the "Cross Exclusion Agreement")³⁸ and/or temporary suspensions have been imposed on the contractor and/or any of its directors, partners, owners, key personnel, agents, sub-consultants, subcontractors, consortia, and joint venture partners:

Nature of the measure (i.e. criminal conviction, administrative sanction or temporary suspension)	Imposed by	Name of the convicted, sanctioned, or suspended party (and relationship to the bidder)	Reasons for the measure (i.e., procurement fraud or corruption in the execution of the contract)	Date and time (duration) of the measure

If there are no criminal convictions, administrative sanctions, or temporary suspensions, indicate "none".

- The contractor certifies that its principal(s), owner(s) and personnel, and the personnel of its agents, subconsultants, subcontractors, consortiums and joint venture partners are NOT subject to a criminal conviction, administrative sanctions, or investigations of incidents of sexual harassment and sexual exploitation and abuse.
- The contractor certifies that it, its owner(s), agents, subconsultants, subcontractors, consortia and joint venture partners have NO actual, potential, or reasonably perceived conflicts of interest and, specifically, that they:
 - They do not have any actual or potential, and do not reasonably appear to have, at least one controlling shareholder in common with one or more parties in the bidding process or in the execution of the contract;

Instructions for filling in the self-certification form

The World Bank's list of ineligible companies and individuals is a searchable database that returns a page of positive or negative search results after submitting a name to be searched to document eligibility.

The contractor must print, date, and attach the results page(s) to the self-certification form, which must contain "no matching records found".

If records are found - i.e. the results page(s) show that one or more individuals or entities, including the contractor itself, are ineligible for World Bank contracts on the basis of "cross-exclusion", the contractor must provide a detailed account of these sanctions and their duration, as applicable, or notify the contracting entity if the contractor believes the finding to be a "false positive".

The procuring entity will determine whether to continue with the contract or allow the future contractor to make a substitution. This determination will be made on a case-by-case basis and will require IFAD's approval, regardless of the estimated value of the proposed contract.

All these documents must be kept by the contractor as part of the general record of the contract with the contracting authority for the duration of the contract and for a minimum period of three years

³⁸ The Agreement on Mutual Enforcement of Exclusion Decisions was concluded by the World Bank Group, the Inter-American Development Bank, the African Development Bank, the Asian Development Bank and the European Bank for Reconstruction and Development. Further information can be found at: <http://crossdebarment.org/>.

³⁹ The Agreement on Mutual Enforcement of Exclusion Decisions was concluded by the World Bank Group, the Inter-American Development Bank, the African Development Bank, the Asian Development Bank and the European Bank for Reconstruction and Development. Further information can be found at: <http://crossdebarment.org/>.

ANNEX III - MODEL TERM OF REFERENCE BY TIME (PMU KEY TEAM)

(Model TOR for Individual Consultancy - By Time)

(There may be a general cover with the name of the Contracting entity, but at least a back cover with this information on the IFAD loan or grant and the object to be contracted)

(DRAFT)

LOAN OR DONATION AGREEMENT NO.

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT - IFAD



TDR CODE /202X

TERMS OF REFERENCE FOR HIRING (...)

SPECIALIZED TECHNICAL CONSULTANT

IFAD MODE FIXED-TERM CONTRACT

(Month)/202X

OBJECT

It must contain what is hoped to be achieved by contracting the services. It should be written in a simple, direct, and objective way. It should be set out in one paragraph.

CONTRACTING FRAMEWORK

Here you should provide brief, basic information about the Project, such as its general objective (which is set out in the Loan Agreement) and inform the component and/or sub-component to which the contracting is linked.

BACKGROUND AND CONTEXT

In this section it is necessary to give the history of the problem, or the history leading up to the problem. Laws, historical facts, various data, etc. should be mentioned. It must contain the beginning, development and conclusion that culminates in the problem and the need for a solution, through the Project, with the contracting of TOR services. Official texts must be referenced.

When giving the history of the problem, describe it up to the present day, tying up the text at the end with the need to hire someone to solve or help solve the problem.

BACKGROUND

It must contain the reasons why the services are needed - the need to solve the problem, highlighting the importance of the solution. This can be of a legal nature (by force of law), or operational, etc.

SCOPE

Inform the beneficiary of the contract, which priority bodies and/or states, the limits within which the objective must be pursued, to define and delimit the area in which the consultancy will operate.

This section usually includes the geographical scope, the area of knowledge to be considered, the level of detail and the timeframe.

ACTIVITIES

All the possible activities that the consultant will carry out to advise on the Project must be clearly described.

- a) Activities are specific actions to be carried out and cannot be generic. They must make it possible to estimate the hours it will take to carry them out, and this will also make it easier to construct the cost estimate for the services. They always begin with a verb in the infinitive (elaborate, develop, carry out, draft, research, etc.).
- b) An attempt should be made to detail everything that is needed to carry out the service (e.g., planned meetings, consultations, visits, data collection, preparation of reports, etc.), so that bidders are clear about the work to be carried out and can calculate their costs and propose their methodology.

METHOD OF PAYMENT FOR SERVICES

It can be used as a standard text:

Payments will be made according to the number of hours worked in the month, after receipt, analysis, and approval of the monthly activity reports, which will include daily activities versus hours worked.

The reports must be delivered no later than XX (xxxx) working days after the end of the working month. The reports must be analyzed within XX (xxxx) working days of receipt. After approval, payments will be made to the Contractor within XX (xxxxx) working days.

CONTRACT TERM

It can be used as a standard text:

The services can be carried out until the end of the Project. However, the contract provides for an annual performance evaluation which, if positive, will enable the services to continue or to be terminated, if negative.

TRAVEL FORECAST

Inform if travel is planned and, if so, how it will be processed, whether in advance or reimbursement, etc.

LOCATION OF SERVICES

Provide the name of the location where the work will be carried out. Please also state whether the consultant will have to live near the location of the services because they will have to carry out the contract in person. If there is a need for travel and accommodation, this should be mentioned in the travel forecast item. If the consultant can perform the services remotely or partially remotely, this should be made clear in this item.

CONSULTANT QUALIFICATIONS

The methodology for evaluating CVs for individual consultancies must ensure that the most experienced consultant is selected, who has the best qualifications and is fully capable of carrying out the job.

This should be used as the default text:

This selection will be open to professionals with at least the qualifications described below, which will be verified by applying the evaluation criteria, distributed between academic training and experience, with 30% and 70% of the total points respectively:

a) **Minimum requirements (mandatory):**

- Education: Professional with a degree in one of the following areas: xxxxxxxxxxxx, xxxxxxxxxxxxxxxxxxxxxxxxxxxx, xxxxxxxxxxxxxx.
- Experience: Minimum of XX (xxxx) years professional experience in xxxxxxxxxxxxxx activities.

(Insert the minimum (e.g., 2 years, 3 years), whoever has the most experience will win. You can even not limit the minimum to the number of years and just state that you have experience related to the activities and products of the TOR)

b) **Desirable requirements (Scorable):**

- Education: postgraduate degree in xxxxxx areas, courses, and experience in xxxxxxxxxxxx and experience in xxxxxxxxxxxxxxxxxxxxxx.
- Experience: Professional experience in the activities of xxxxxxxxxxxxxx, xxxxxxxxxxxxxx and xxxxxxxxxxxxxxxxxxxxxx.

Candidates who achieve the minimum 70 points in the cut-off score will qualify.

CVs must be detailed, giving details of the work carried out and the activities and products produced.

They must allow the experience to be counted so that the Evaluation Committee can analyze it properly. To do this, the start and end date of each contract or activity or product related to the TOR must be clear.

(These are the items that will be scored, and all the desired training and experience must be entered here. In the Evaluation Matrix, each piece of information is separated and assigned the respective threshold score)

INPUTS SUPPLIED BY THE CONTRACTOR

The documents, reference studies and other elements that will be available to the consultant to facilitate the execution of the work, and where they will be available, must be informed.

Other items made available to the consultant should also be informed, if applicable: physical structure, logistical support, vehicles for business travel, fuel vouchers, computer programs or any other input.

SUPERVISION AND MONITORING

This section informs who will supervise the contract and monitor the execution of the services, and can indicate names, positions, areas, bodies, emails. How monitoring and meeting logistics will take place.

GENERAL CONSIDERATIONS

This item may include the Anti-Fraud and Corruption and Anti-Harassment and Sexual Exploitation clauses if the contract to be used does not contain them, as the TOR will be an integral part of the contract.

It can be used as standard text:

The Contractor shall be responsible for the payment of all tax, social and labor charges relating to this contract, in accordance with the Brazilian laws governing the hiring of freelancers.

The Contractor will not be provided with social security (INSS), occupational accident, health, accident or life insurance, nor will he be granted vacation, sick leave or any other emoluments during the term of the Contract.

The Contractor shall carry out the activities set out in these Terms of Reference in accordance with the highest standards of competence and professional and ethical integrity.

ANNEX IV - CURRICULUM EVALUATION MATRIX MODEL

EVALUATION MATRIX

INTERNAL USE - CANNOT BE DISCLOSED BEFORE THE END OF THE SELECTION PROCESS

MINIMUM FINAL MARK FOR CANDIDATE ACCEPTANCE: 60 POINTS

NAME OF EVALUATOR:

NAME OF THE CONSULTANT EVALUATED:

A- DESIRABLE ACADEMIC CRITERIA - MAXIMUM 30 POINTS⁴⁰
A-

CRITERIA	POINTS
1 Academic background in agricultural sciences.	0 to X
2 Academic background in the environmental field.	0 to X
3 Technical courses in agricultural sciences.	0 to X
4 Technical courses in the environmental field.	0 to X
Total (maximum 30 points)	30

JUSTIFICATION FOR SCORING - ACADEMIC CRITERIA

CRITERIA
1
2

⁴⁰ Guidance for the evaluator: It is up to each evaluator, in their individual evaluation, to distribute the points, respecting the maximum score, according to the consultant's academic suitability for the specific consulting task, as described in the Terms of Reference. It is not expected that all professionals who meet the minimum requirements will receive the same score, but rather that the evaluator will award the best score to the best candidate, considering the relevance of the consultant's curriculum to the proposed consultancy service and evaluating aspects such as the area of training, the training institution, etc. Successively lower scores are awarded to the other candidates. It is important to note that the best score does not mean the maximum score, but rather the highest score among the candidates, which may or may not reach the maximum score available.

B- DESIRABLE EXPERIENCE CRITERIA - MAXIMUM 70 POINTS⁴¹

CRITERIA		POINTS
1	Professional experience in agricultural projects (project design, execution, supervision, etc.);	0 to X
2	Professional experience in the agricultural production sector;	0 to X
3	Professional experience in marketing;	0 to X
4	Professional experience focused on resilience for small farmers;	0 to X
Total (maximum 70 points)		70

JUSTIFICATION FOR SCORING - EXPERIENCE CRITERIA

CRITERIA	
1	
2	
3	
4	

⁴¹ Guidance for the evaluator: It is up to each evaluator, in their individual evaluation, to distribute the points, respecting the maximum score, according to the suitability of the consultant's experience for the specific consulting task, as described in the Terms of Reference. It is not expected that all professionals who meet the minimum requirements will receive the same score, but rather that the evaluator will award the best score to the best candidate, considering the relevance of the consultant's CV to the proposed consultancy service and evaluating aspects such as area of experience, length of experience, etc. Successively lower scores are awarded to the other candidates. It is important to note that the best score does not mean the maximum score, but rather the highest score among the candidates, which may or may not reach the maximum score available.

COST ESTIMATE

INTERNAL USE - CANNOT BE DISCLOSED BEFORE THE END OF THE SELECTION PROCESS

CALCULATION OF THE ESTIMATED VALUE OF THE CONSULTANCY⁴²

NOTE: This is a separate document that includes spreadsheets.

⁴² In accordance with IFAD guidelines, the cost estimate is a benchmark and not a maximum limit for the contract. The estimate is based on minimum training and experience requirements, but consultants who exceed the minimum are recognized with a higher score (as long as their additional experience and/or training is relevant to the consultancy service), which may result in higher fees than estimated. In addition, it is impossible to determine in advance where the consultant who will be selected lives, and the best consultant may even live outside Brazil, which has an impact on the actual travel costs. It is important to note that the consultants are evaluated on the basis of their CVs and not on the basis of their proposals, and that the final value of the contract can only be known at the mandatory negotiation meeting with the top-ranked consultant.

ANNEX V – SECAP PROCUREMENT PLAN

(SECAP - Social, Environmental and Climate Assessment Procedures)

Introduction

This document provides indication to the SPO on the SECAP risks to be incorporated into procurement plans. While the general integration of SECAP requirements into procurement documents is described into ANNEX 4, Volume 1 of the SECAP, the project specific risks are as identified by the SECAP online tool. The ES specialist has identified, through the SECAP environmental and social screening checklist, the issues in the table below that need to be mitigated through procurement. In case the SPO has ambiguity as to the guidance provided by the ES specialist in the rightmost column of the below Results Table, then the SPO will need to collaborate with the ES specialist and relevant members of the PDT in order to reach an agreement as to how these ES issues can be dealt with best through procurement mitigation measures that the Borrower must be required to put in place with respect to procurement parameters like:

1. Technical Specifications
2. Bidder Qualification
3. Bid Evaluation Criteria
4. Contract Clauses

For Example, if use of harmful types of pesticide is an issue in the project area, then it can be dealt with through the specifications of the pesticide and both the ES specialist and the SPO will agree that the project will use a "WHO-FAO approved pesticide and that WHO-FAO codes for safe labelling, packaging, handling, storage, application and disposals of pesticide are respected". If the project involves work in a sensitive cultural heritage area or an area where biodiversity is to be protected, then the successful past experience of the contractor in working in such zones is critical and the ES specialist will select "Bidder qualification" and "Bid Evaluation Criteria". If labour conditions or indigenous peoples' rights are often compromised in the project's area, then the ES specialist may select "Contract Clauses" and give whatever further guidance is possible for SPO. If deforestation or extensive use of natural resources in the project area is an issue identified by the ES specialist, then the ES specialist will chose "specifications" and "Bid Evaluation Criteria" and agree with the SPO to specify legally-harvested timber (or timber certified with the relevant label) and agree as to the evaluation criteria to be used to promote resource efficiency (e.g. evaluation criteria to favour energy efficient pumps, efficient transformer sub-stations, fuel saving equipment etc.).

The ES specialist, relevant members of the PDT and the SPO will need to consult together and pool their collective expertise in the various disciplines to arrive at the right mitigation measures to be reflected in the PRM. In this manner downstream work by the SPO in prescribing the project requirements for the Procurement Plan (PP) and PDR are facilitated and can

be readily reflected in the PIM and the choice of bidding documents and contract provisions.

Environmental and Social Safeguards

Labour and Working Conditions	Risk Rating	Consequence	Guidances for SPOs
<p>5.1 Could the project operate in sectors or value chains that are characterized by working conditions that do not meet national labour laws or international commitments? (Note: this may include discriminatory practices, high gender inequality and the lack of equal opportunities, denial of freedom of association and collective bargaining, labour migrants)</p>	Moderate	<p>Minor</p> <p>The project operates in sectors or value chains that have, in the past, not met national labour laws, or international commitments, but is now adequately nationally regulated, and is part of international value chains that are subject to regular environmental and social auditing.</p>	<p>Bidder should not have previous convictions for infringement of labour laws. Bidder should respect ILO core labour standards (No child or Forced labour, Equal opportunity & Non-discrimination & Freedom of Association-FOA) Bid evaluation criteria should include employment and on-the-job skills training for unemployed youth and women of the contractor workforce. The percentage to be determined at design if relevant. Reward will be through technical Merit Points in bid evaluation.</p>

Environmental and Social Safeguards

5.3 Could the project involve children (a) below the nationally-defined minimum employment age (usually 15 years old) or (b) above the nationally-defined minimum employment age but below the age of 18 in supported activities or in value chains?

Moderate

Minor

The project does not operate in sectors or value chains where the employment of children has ever been reported.

Bidder requirement should include respect of ILO core labour standards about No child or Forced labour. Contract should enforce that no child under the nationally-defined minimum employment age are working on the project

ANNEX VI - GENERAL PROCUREMENT NOTICE – GPN

BRAZIL

(INFORM THE MINISTRY)

FEDERATIVE REPUBLIC OF BRAZIL

PROJECT (INFORM)

GENERAL PROCUREMENT NOTICE

Loan No. (INSERT)

THE **FEDERATIVE REPUBLIC OF BRAZIL** received financing in the amount of US\$ (INFORMAR) from the International Fund for Agricultural Development to finance the **PROJECT (INFORM)**, and intends to apply part of the resources in payments for goods, services and consultancies to be acquired within the scope of this project .

The project includes the following components with activities to be implemented under the responsibility of (INFORM MINISTRY AND SECRETARIAT):

(INFORM COMPONENTS)

Procurement services and consultancy will be conducted through the procedures specified in the Letter of Consultation, relating to national procedures that comply with IFAD policy on procurement.

The project includes the following components with activities to be implemented under the responsibility of (INFORM MINISTRY AND SECRETARIAT):

- (INFORM COMPONENTS)

Specific acquisition notices are announced on the websites of the Project's partner entities, and in newspapers with large national circulation, and (INFORM GOVERNMENT WEBSITES WHERE THE BIDS WILL ALSO BE ADVERTISED).

Main procurement planned for the project:

- (INFORM THE MAIN BIDS AND, IF POSSIBLE, EXPECTED START DATES)

Eligible bidders interested in participating in the competitions who require additional information should contact the address below.

(INSERT ORGAN)

(CONTACT NAME)

(OFFICE)

Telephone: (55-61) (INFORM)

Email: (INFORM)

Website: (INFORM)

(INSERT COMPETENT AUTHORITY)

(position and body)

ANNEX VII – IMPLEMENTATION MATRIX COMP. 1 AND 2

SUBCOMPONENT / ACTIVITIES	ACTIVITY TO BE CARRIED OUT	METHOD OF IMPLEMENTATION
A. Subcomponent 1.1: Resilient and diversified agroecological production		
Service contracts for beneficiaries with promotion	ATER services with families	Project Resources: ANATER, in planning with the PMU, hires public or private ATER organizations through a public call for proposals.
PRODUCTIVE FOMENTATION resources for beneficiaries	Financial resources transfer (R\$ 4,600) for families to invest in productive improvements	MDS resources (counterpart): With the support of ATER for the preparation of production projects, there will be a direct transfer of financial resources from the MDS to the families assisted by ATER.
WATER ACCESS resources for ATER beneficiaries in general	Building cisterns to store water	MDS resources and execution (counterpart): Construction of cisterns for part of the families benefiting from ATER.
Implementation of water reuse systems	Construction of gray water reuse systems	Project Resources: PMU hires organizations to build water reuse systems for families benefiting from ATER.
Implementing agroecological systems to produce healthy food	Implementation of agroecological systems in the family	Project Resources: PMU contracts civil society organizations through a call for tenders to implement and technically monitor agroecological systems.
PAA resources	Institutional purchase: Accompanying families to access the program	MDS resources and execution (counterpart): Families with strengthened production systems and capacities, through ATER and Fomento, will be able to supply their products to the Federal Government's institutional purchase program.
PRONAF resources	Access to credit: ATER informs families about the credit lines available from the Federal Government	MDS resources and execution (counterpart): Families with strengthened production systems and capacities, through ATER and Fomento, seek easy credit to expand their production systems.
SAFRA Guarantee	Access to insurance: ATER informs farmers of the conditions for accessing agricultural insurance to compensate for losses due to climatic events	MDA resources and execution (counterpart): Families seek insurance benefits after agricultural losses.

SUBCOMPONENT / ACTIVITIES	ACTIVITY TO BE CARRIED OUT	METHOD OF IMPLEMENTATION
B. Subcomponent 1.2 Capacity building and market access		
Qualified technical advice to promote the collective organization of FF and market access	Assisting processing organizations (cooperatives and others) to improve their management, operational and market access capacities, as well as guaranteeing the implementation of financial resources to improve their capacity to add value.	Project Resources: Hiring entities to provide specialized technical services, in addition to guaranteeing the implementation of financial resources in the cooperatives
Direct investment in FF organizations to add value and access public and private markets	Acquisition of goods and equipment to improve the cooperative's infrastructure	Project Resources: Direct transfer of financial resources to the organizations for the purchase of goods and equipment
C. Subcomponent 1.3 ATV riders		
Study to develop VCT (Virtual Technical Assistance) pilots	ATV Pilot Training	Project Resources: Hiring consultancy services to research and design proposals for ATV implementing
ATV pilots	ATV pilots implementation	Project Resources: Implementation of the VCT Pilot designed earlier
Evaluation of pilot results	Evaluate the results of the ATV pilot	Project Resources: Evaluate the results of the Pilot, with the aim of improving the concepts and expanding them to benefit the country's family farmers.
Subcomponent / Activities	Activity to be carried out	Form of Implementation
A. Subcomponent 2.1: Innovation and capacity building		
Training ATER technicians in food security, gender, agroecology and climate-resilient agriculture	Train technical teams in the priority themes	Project Resources: PMU, through its technical team, prepares technical documents and provides training for ATER technicians
Training for women on issues related to gender, food security and agroecology	Training women beneficiaries in the priority themes	Project resources: The ATER team, trained by the project, prepares technical documents and trains the beneficiaries.
Food safety training for public school cooks	Training school cooks in good practices, nutrition and food security	Project Resources: PMU hires organizations with expertise in carrying out food security training in schools
Basic documentation workshops for rural women	Issuing basic documentation to women farmers	Project Resources and Counterpart: PMU, with the support of the MDA's Women's Secretariat, will hold events to support women to issue personal documents.
Support for the production of teaching materials for EFAS	Producing teaching materials for the EFAS	Project resources: PMU will hire consultants to prepare teaching materials for the EFAS and deliver them to the schools.

SUBCOMPONENT / ACTIVITIES	ACTIVITY TO BE CARRIED OUT	METHOD OF IMPLEMENTATION
Support for regional events	Events held annually to share the research and innovations generated by the project	Project resources: PMU will organize the events and ensure the participation of other projects, secretaries, teachers from the EFAs and other educational institutions.
B. Subcomponent 2.2: Strengthening young people's capacities		
Higher education scholarship	Grant for college students	Project resources: PMU transfers the resources to IICA, which publishes the call for projects and pays the grants.
Mid-level scholarship	Scholarship for high school students of EFAS	Project resources: PMU transfers the resources to IICA, which publishes the call for projects and pays the grants.
Teacher grant	Grant for EFAS teachers	Project resources: PMU transfers the resources to IICA, which publishes the call for projects and pays the grants.
Prizes	Awarding prizes to students	Project resources: PMU transfers the resources to IICA, which publishes a call for proposals to select the students who will win the prize.
Youth exchanges by state	Exchanges with the participation of young people to visit successful experiences	Project resources: PMU organizes and contracts the services for the exchanges
Learning routes	Learning routes with specific themes, with the participation of farmers, technicians and public managers, to visit successful experiences and innovations.	Project Resources: PMU organizes and hires the services to carry out the routes
C. Subcomponent 2.3: Knowledge management, South-South and triangular cooperation and policy dialog		
Knowledge management products	Documentation and systematization of processes, experiences and good practices identified during the life of the project	Project resources: internal PMU team, with occasional participation of external consultants, and contracting of services for the layout and printing of products
Exchanges	Holding exchanges, with the participation of farmers, technicians and public managers, to visit successful experiences	Project resources: PMU organizes and contracts the services for the exchanges
Territorial Collegiate	Providing financial and technical support for the organization of territorial collegiate meetings	Project Resources: PMU organizes and hires the services to hold the meetings of the territorial collegiate bodies.
Advisory board	Financial and technical support for the maintenance of advisory councils	Project Resources: PMU organizes and hires the services to hold the meetings of the advisory councils.

SUBCOMPONENT / ACTIVITIES	ACTIVITY TO BE CARRIED OUT	METHOD OF IMPLEMENTATION
Executive committees	Financial and technical support for the maintenance of the executive committees	Project Resources: PMU organizes and contracts the services for the executive committee meetings.

ANNEX VIII – TERRITORIAL APPROACH

The Territories of Citizenship

The MDA uses the concept of rural territory as "a physical space, geographically defined, generally continuous, comprising towns and countryside, characterized by multidimensional criteria such as the environment, economy, society, culture, politics and institutions, and a population, with relatively distinct social groups, which relate internally and externally through specific processes, in which one or more elements can be distinguished that indicate social, cultural and territorial identity and cohesion".

Rural territories have been formed over the last 20 years throughout the country, based on the organization of the social actors who constitute them, and were approved by the MDA through a process involving the State Councils for Sustainable Rural Development. In addition to the federal government's role in rural territorial policy, some states have adopted the territorial approach to rural development and have continued to plan and implement public policies using this methodology, such as Bahia, Piauí and Paraíba.

Rural territories have collegiate bodies for social participation, usually called Territorial Collegiate, composed by: i) civil society organizations representing the different segments of family farming in the territories (trade unions, cooperatives and associations, ATER organizations, youth organizations, women, traditional peoples and communities, land struggle organizations, agroecology networks, among others), ii) municipal public institutions in the territories (city halls and/or municipal secretariats), iii) as well as inter-municipal consortia.

The functioning of the territories and the participation of PDHC III in these spaces.

There are different situations regarding the organization of rural territories: from those that have been demobilized for a long time without meetings of the territorial collegiate; to those that are highly organized, with frequent meetings of the territorial collegiate. The territories' dynamics is also related to the existence of a strong state territorial policy, as is the case in Bahia, since the federal territorial policy was discontinued after 2016 and is currently in the process of being resumed.

With the objective of promoting the social management of public policies for sustainable rural development and, more specifically, social engagement, policy dialog and advocacy in the implementation cycle of the actions set out in PDHC III, the Project plans to help finance part of the costs of ensuring social participation in the territorial committees in its area of operation. To this end, a public call for proposals will be made through the Regulatory Framework for Civil Society Organizations (MROSC) to hire civil society organizations to support the creation of PDHC III Territorial Committees, within the scope of each Territorial Collegiate in the Project's area of

operation, and to hold territorial meetings for advocacy in the Project's implementation cycle. In addition to this support, PDHC will be able to contribute by presenting the methodology, approach and results related to its intervention, thus seeking to share lessons learned. The Collective meetings will also be privileged spaces for seeking complementarity between the PDHC's intervention and other interventions supported by the federal government, state governments, international institutions and local institutions.

ANNEX IX – PROCUREMENT STRATEGY

1 Project Overview

Country:	Brazil
Full project name:	“Articulation and Dialogue Project on Policies to Reduce Poverty and Inequality in the Semi-Arid Northeast” – Dom Hélder Câmara Project - PDHC
Total Financing (\$):	F IDA: USD 35 million Direct counterpart: USD 10 million. Indirect Counterpart: USD 155 million
Project number:	
Summary of Project Development Objectives	The goal of PDHC III is to contribute to the reduction of rural poverty and food and nutritional insecurity in family farming. The Development Goal aims to generate more sustainable, biodiverse food systems that strengthen the resilience of family farmers to climate change.

Dom Hélder The Câmara Project - Phase 3 (PDHC III), officially known as the Food and Nutritional Security and Climate Resilience Project for the Semi-Arid Northeast, is a Project co-financed by IFAD and the Federal Government and implemented by the Ministry of Agrarian Development and Agriculture Family.

Started in 2001, the Project is in its third phase of implementation, supported by the strong partnership between the Brazilian government and IFAD and based on a history of success, mainly in the semi-arid region of the Northeast, which has the largest number of people living in poverty and greater susceptibility to climate change and desertification in Latin America.

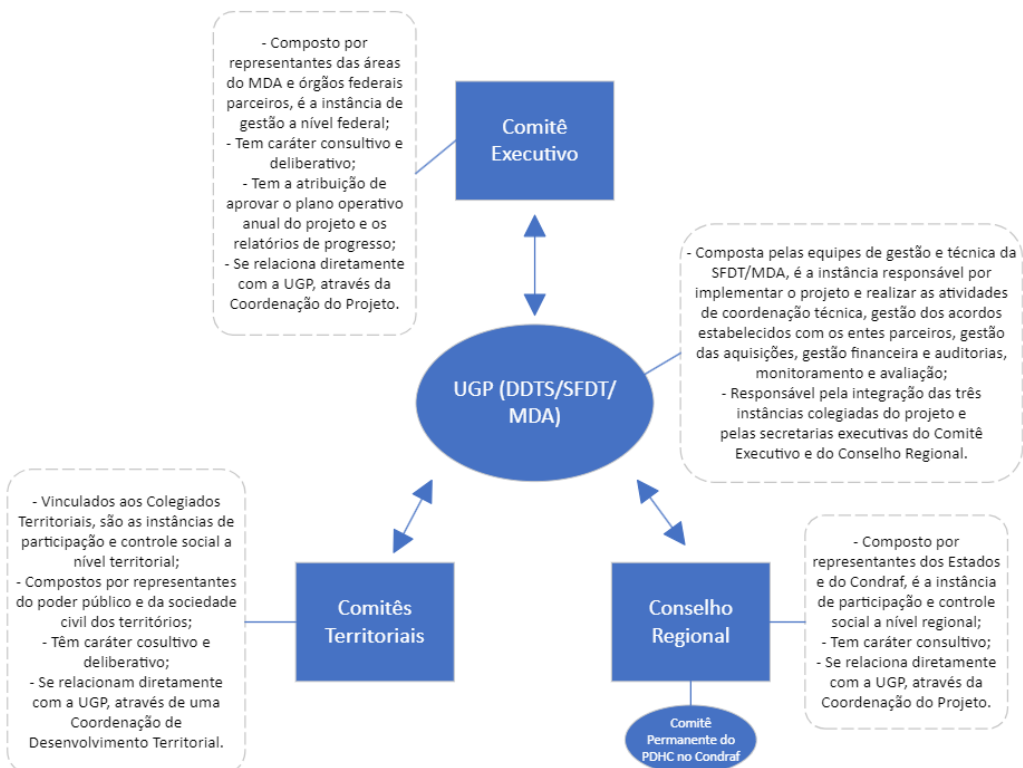
The Project covers around 90 thousand family farmers and aims to improve income and food and nutritional security, strengthening healthy food production capabilities. PDHC III will also seek to reduce gender, generational and ethnic-racial inequalities through access to public policies, technological innovations and resources that promote sustainable, biodiverse and climate-resilient food systems. This objective will be achieved through the implementation of three components.

2 Overview of Country, Borrower and Marketplace

a. Operational Context

- **Governance aspects:**

The Project will be administered by the Secretariat of Land Governance, Territorial and Socio-Environmental Development (SFDT) of the Ministry of Agrarian Development and Family Agriculture (MDA), which will serve as the decision-making body. At the same time, three governance bodies will be created: the Territorial Committee, the Regional Committee and the Executive Committee.



A Project Management Unit (UGP) will be established at SFDT/MDA, with a team dedicated exclusively to PDHC III and will be responsible for the entire implementation of the Project. Monitoring and reporting of actions in the field will be the responsibility of the contracted partner organizations. The UGP team will visit the intervention sites periodically to ensure compliance with the actions and certify their quality. Phase III will leverage the

experience and capabilities of the team responsible for implementing Phase II.

To inform on the UGP's deliberations and increase capillarity and articulation with territorial, state, regional and national public policies, three other governance spaces will be established for information and preparation and alignment of actions to enhance the participatory nature of the Project. The following consultative institutional governance spaces will be established:

The. Territorial Committee: in each Territory in which the Project operates, a Territorial Committee will be formed within the scope of the Territorial Collegiate as a space for discussing the Project's actions at the Territorial scope and articulation with other public policies, programs and projects, in particular those of IFAD. The Project may provide support for the operation and meetings of the Territorial Committee for discussions and implementation of its actions;

B. Advisory Council: at the regional level of the Northeast and Minas Gerais, a space will be established for the dissemination of information and discussion of the Project's actions between the states in which PDHC III operates and organizations representing family farming at the regional level. This Council will be formed by representatives of civil society organizations that make up the National Council for Sustainable Rural Development (CONDRAF) and representatives of state governments. In this sense, the Project will present its actions and thereby guarantee alignment and the search for synergies and complementarities with state governments and family farming civil society organizations that operate in the states;

w. Executive Committee: will be made up of representatives from units of the Ministry of Agrarian Development and Family Farming (MDA) and other federal bodies with a prominent role in the Project and will act in a deliberative manner. The Project Executive Committee will be able to contribute as a coordination mechanism between the different areas of the Ministry and the Federal Government that form part of the Committee.

- **Coverage area:**

The intervention area of PDHC III will cover the semi-arid region of the 9 states of the Northeast and the state of Minas Gerais, totaling 10 states. Around *90,000 families* (around 315,000 people) will benefit, 50% represented by women, around 15% by young people and 7% by traditional peoples and communities (PCTs).

- **Components:**

The Project has three integrated components that comprehensively promote agroecological production, the strengthening of farming families and their organizations, access to public policies, innovations and social technologies and encouraging the participation of young people in rural schools, to increase income, resilience and food security:

- Component 1 - Promoting resilience through food and nutritional security

- Component 2 - Capacity Building, Innovation and Dissemination
- Component 3 - Project Management and Monitoring and Evaluation (M&E)

The objective of component 1 is to improve household income and food security by strengthening farmers' productive capacity and strengthening family farming organizations so that they are capable of absorbing surplus production, transforming it, and marketing it with added value. It has three subcomponents: 1.1 Resilient and diversified agroecological production, 1.2 Strengthening market access capabilities and 1.3 Virtual technical advice (VTA).

The objective of component 2 is to generate an environment conducive to improving and updating the knowledge and capabilities of the Project's professional teams, especially those from ATER, as well as some of the beneficiaries, to promote the agroecological transition and sustainable and nutritious agri-food systems. It has three subcomponents: 2.1 Innovation and capacity building, 2.2 Youth capacity strengthening and 2.3 Knowledge management, South-South and Triangular Cooperation (CSST) and policy dialogue.

Component 3 will carry out the necessary project management activities to ensure efficient implementation through a Project Management Unit (PMU). The M&E system will support the planning, monitoring and evaluation of results. It has two subcomponents: 3.1 Project Management and 3.2 Monitoring and Evaluation (M&E).

- **Economic Aspects:**

The acquisitions planned for the project are of a comprehensive market offering and of low complexity items, which leads to a positive expectation of being served by local businesses.

Furthermore, the country's economic situation in this post-pandemic phase and new government has improved considerably.

The Ministry of Finance increased the projection for the Gross Domestic Product (GDP) in 2023. According to the parameter grid of the Secretariat of Economic Policy (SPE), the estimate for the expansion of activity in 2023 went from 1.9% to 2.5% and then to 3.2%, upon seeing better activity data – such as the agricultural sector and for some Services and Industry subsectors – and the resilience of the job market.

According to the SPE, growth projections have improved for all sectors. For the agricultural sector, the projection was revised from 13.2% to 14%. For industry, from 0.8% to 1.5%, while the projection for services went from 1.7% to 2.5%.

The predominant assessment is that growth should continue to be supported by income, supported by a resilient job market.

For 2024, expectations for the Broad National Consumer Price Index (IPCA) fell from 3.89% to 3.86%. For 2025, it remained at 3.50%. For the basic

interest rate (Selic), the expectation remained at 11.75% at the end of 2023, 9.00% in 2024 and 8.50% in 2025.

The signaling is supported by other recent indicators. FGV-Ibre's GDP Monitor recorded an increase of 1.3% in June compared to May, and 0.2% in the second quarter compared to the first, mainly supported by services. The Central Bank's Economic Activity Index (IBC-Br), with an increase of 0.63% in June, and 0.43% in the second quarter, compared to the first.

The International Monetary Fund also raised its forecast for the Brazilian economy this year to 2.1%, from 0.9% estimated in April, according to the World Economic Panorama (WEO) report released in July. The improvement in the Brazilian Gross Domestic Product (GDP) growth forecast was attributed to strong agricultural production in the first quarter and its consequent positive impact on service sector activity.

In agriculture, the estimate for the production of cereals, legumes and oilseeds in 2023 is 308.9 million tons, 17.4% higher (or 45.7 million tons more) than that obtained in 2022 (263.2 million tons).

Finally, economists consulted by the Central Bank (BC) once again raised the growth projection for the Brazilian economy in 2024. Now, the market expects an increase of 1.75%, compared to 1.68% in last week's Focus report . This is the second consecutive upward review of the activity.

- **Sustainability Aspects:**

With regard to production systems, the sustainability of interventions will depend on increasing the production of healthy foods, diversifying production, food and income (through cost reduction and improving prices and sales conditions).), greater resilience to climate change and shocks. Another factor that could contribute to sustainability is the process of participatory territorial planning, in response to the demands of different actors and target groups.

PDHC III will promote and operationalize forms of agroecological production based on the principle of coexistence with the semi-arid region, the sustainable use of natural resources and the management and conservation of soil and water, including agroforestry systems and other polycultures with an arboreal component. The development of sustainable agricultural practices will be in synergy with environmental recovery actions to ensure the conservation of ecosystem services and biodiversity.

The Project is aligned with the cross-cutting commitments of IFAD 13 and will adopt a youth, nutrition and climate-sensitive approach. It will contribute to strengthening social inclusion for the target audience and promoting their participation in order to increase their capabilities and empowerment at different levels. The Project's activities take into account

the major climatic challenges faced by the semi-arid region and propose solutions for adaptation.

- **Technological Aspects:**

In PDHC 3 the following systems will be available:

- SIAFI- Integrated Financial Administration System.
- SGA: Land Management System
- ICP/CMT: FIDA Customer Portal.
- OPEN: IFAD Procurement System

The project will use the system for monitoring bids and contracts through MAC – Monitoring of Acquisitions and Contracts, which is an online spreadsheet made available to all government entities that will execute the project.

- **Key Conclusions:**

The new phase of the project comes from a history of success in implementing the activities of phases 1 and 2. The Project Implementation Unit has professionals with technical capacity and experience in carrying out the planned actions.

The Project's activities value the sustainability of the actions and their results and there is a positive perspective in relation to the market that can guarantee the implementation of these actions.

b. Client Capability and PIU Assessment

- **Experience of the Implementing Agency:**

The Ministry of Agrarian Development and Family Agriculture (MDA) is already in the third version of the Dom Helder Project, which meets public policies. The first two phases of the Project were completed with the established goals met. The first phase began in 2001.

The Project Implementation Unit will be located in the Secretariat of Land Governance, Territorial and Socio-Environmental Development (SFDT) and will be composed of a General Coordination, Technical Coordination of Components, Financial, Acquisitions and Monitoring and Evaluation.

The key team is made up of permanent, commissioned and outsourced Federal Government employees. The team from the second phase is maintained for the third phase, which brings continuity of the intellectual capital and experience already acquired.

The procurement team has already been trained to operationalize OPEN – IFAD's purchasing system, and has already participated in the training of the CMT and BUILDPROC (Capstone for Project Procurement Management for Agricultural and Rural Development Diploma), in addition to other training.

New members joining the bidding team will also undergo these trainings.

- **Experience of Co-executors:**

The majority of government entities that will act in the new phase of PDHC 3 have already participated in previous phases, such as ANATER, INSA, EMBRAPAS, etc.

These government entities already have expertise in the proposed activities, as well as in the way MDA manages operations, across all topics, including acquisitions.

EMBRAPAS that do not have a bidding team will enter into a management agreement with third sector entities, which have already worked in the previous phase. These entities also carried out the activities proposed satisfactorily in phase 2 of the PDHC and are involved in the execution of several projects.

- **Implementation Arrangement:**

The execution of procurement, for the most part, will be through decentralization of resources, which, legally in Brazil, exempts the use of international rules for acquisitions, with the co-executing entity having to follow the rite of national legislation.

The agreements/partnerships established in the Project between the MDA and other government and civil society entities that contain IFAD resources, will be submitted to IFAD for non-objection review, to ensure compliance with the anti-corruption and anti-harassment policy. Among other factors, IFAD will also analyze whether documents make clear references to the Project's identity and monitoring and evaluation information.

The co-executing government entities that will hire a third sector entity to facilitate the execution of the acquisitions must officially guarantee that the agreements between the MDA and IFAD will be met. This outsourcing may occur to government entities that do not have a sufficient number of bidding staff to meet the demands of the Project. These third sector entities must be evaluated by IFAD, before the implementation agreement for the respective PDHC 3 activities is made official with the government entity in other words, the bidding rule to be used with decentralization resources will be the national one: Law No. 14,133/2021 (New Tender and Contract Law), which replaced Law No. 8,666/1993 in December/2023.

Foundations, which are third sector entities that can support EMBRAPAS in bidding, will follow Interministerial Ordinance 424/2016, as well as the New National Bidding Law.

In the resource decentralization modality, tenders, in principle, will be carried out via ANATER, EMBRAPAs, INSA and other federal organizations, as well as via civil society organizations within the scope of the Regulatory Framework for Civil Society Organizations (MROSC).

In the resource centralization modality, bids will be carried out by the UGP/MDA bidding team and through an agreement with the Inter-American

Institute for Cooperation on Agriculture (IICA), under the coordination of UGP/MDA.

The IICA will provide for the hiring of consultants who will advise the Project, mainly the UGP, in addition to trainings, acquisition of technical and logistical goods and services, taking into account their expertise in agriculture and knowledge of IFAD policy, due to experience in supporting the execution of other similar projects.

All entities that are designated to bid and contract within the scope of the Project with IFAD resources, whether in whole or in part, must comply with the UGP's periodic monitoring of the progress of the execution, whether carried out by the bidding team through the MAC (Acquisitions and Contracts Monitoring), or by the M&A, Project Monitoring and Evaluation team as a whole.

All Project procurement must be foreseen in the OPEN Procurement Plan approved by IFAD and in the work plan of the Decentralized Execution Term of each government entity.

- **Comparison of national and international methods**

National bids comply with IFAD's bidding principles, including Transparency, Publicity, economy, legality, equality, Value of Money, among other legal requirements. The difference is the use of more mathematical criteria that can suppress qualitative assessments.

The Partners are already aware that, in the execution of PDHC 3 activities, using national notices, the IFAD anti-corruption and anti-harassment clauses must be incorporated, as well as the self-certification form must be included as an appendix.

IFAD's methods compared to national ones are:

IFAD	GOV	Law National	National Publication Deadline
NCB/ICB	Electronic Auction	10.024/2019	8 working days
Shopping	Invitation	14.133/2021	5 working days
Individual Consultant	Invitation	14.133/2021	5 working days
SBQC, SBQ, SMC, SQC	Competition - best technique and/or price	14.133/2021	45 calendar days
SOF	Public Call for ATER from MDA	14.133/2021	30 calendar days

The methods that will be most used in project bidding are: Invitation and Electronic Auction.

- **Assessment of the capacity of key partners**

➤ **ANATER – National Agency for Technical Assistance and Rural Extension.**

It is an entity with implementation capacity, with a team available in different sectors, mainly acquisitions. To bid for Rural Technical Assistance services, ANATER follows the National Bidding Law and uses a national standard notice. The bids comply with the principles of advertising, with publicity in communication vehicles and on ANATER's own website. All documents are digitized and accessible to FIDA during supervision, through access to the ANATER system.

ANATER already has a management agreement with the MDA, which was not established exclusively for the Project, but which may, in the new phase, continue to provide rural technical assistance contracting.

ANATER uses the Public Call notice to hire Technical Assistance.

The services contracted by ANATER in the previous phase satisfactorily met the Project's goals.

➤ **EMBRAPAS - Brazilian Agricultural Research Company and UFV - Federal University of Viçosa:**

The central EMBRAPA is a sectorized government body with the availability of a bidding team, however, PDHC 3 will work with state EMBRAPAS, which do not have a team that can handle the Project's bids. Due to this, state EMBRAPAS are looking for an implementing partner, most of which already have an implementation agreement signed outside the project with the Viçosa University Foundation, an entity that has expertise with bidding, available staff and a national bidding system.

The methods bid by UFV were Invitation and Price Taking, for bids for amounts greater than R\$330,000.00.

UFV carried out the activities of the previous phase of the PDHC satisfactorily.

➤ **IICA – Inter-American Institute for Cooperation on Agriculture**

IICA has already supported most of the IFAD Projects in Brazil, with headquarters in Brasília-DF and allocation of representatives in Brazilian states. It is an entity that has already undergone IFAD assessment and training on IFAD regulations and policies.

Today, IICA has a contractual modality for project implementation, not characterized as the old "international technical cooperation", which was hampered by rules and the impossibility of carrying out tenders for the acquisition of goods and services, as it was exclusively for hiring consultants who could cooperate with Brazilian activities.

The new modality has already been established, including for World Bank projects and, from this year onwards, it will be for IFAD, so that IICA will be able to continue with the Project Implementation Manual without any obstacles.

In any case, in the previous phase of the PDHC, IICA collaborated with the selection of consultants who supported the Project, however, the agreement signed was between the MDA in general, and was not exclusive to the Project, nor did it even follow IFAD regulations. In this new phase, a specific agreement will be established to meet the Project's activities.

- **Need for hands-on support**

IFAD will carry out new training and capacity building as necessary for new members of the Project Implementation Unit on procurement management, mainly for the use of OPEN, IFAD's current procurement system.

Furthermore, at the request of SFDT/MDA, it will verify the possibility of implementing the ICP/FIDA system to meet the particularities of decentralized execution of PDHC III, in order to allow the upload of spreadsheets with contract and acquisition data from executing partners directly into the system, considering the large number of contracts that will need to be monitored, generated by other government entities, which will participate in the execution of the activities.

- **Contract management capability and capacity**

In the previous phase of the Project, the project team presented adequate contract management capacity, with the creation of an online monitoring table, the MAC.

Interlocution with other government bodies executing the resources that will be decentralized is satisfactory and promotes a good relationship and meeting the demands of the Implementation Unit, with the systematic updating of information on tenders and contracts for periods that do not exceed one month.

- **Complaint management and dispute resolution systems**

In accordance with IFAD's environmental and social policies, as well as the Law on Access to Information (LAI) and the Law on the Protection and Defense of Users of Public Services, a public and accessible complaints mechanism will be made available to the Project's target groups and complaints (GRM) for individuals, authorities or community representatives affected by the implementation of PDHC III. This mechanism must be easily accessible to the population and have a quick resolution, ensuring that complaints presented are quickly analyzed and that situations are mutually agreed upon in a manner satisfactory to the parties involved.

The Project will take advantage of MDA's consolidated system for receiving and handling complaints and reports with the adoption of the existing Ombudsman channel. The Project must promote a continuous program of dissemination of integrity policies, in addition to training and guidance on the use of tools for reporting irregular practices with communities and beneficiaries of PDHC III. All people potentially affected by Project activities will be informed and will receive clear instructions on what procedures must be followed for registering reports and complaints.

In line with the IFAD Policy on Prevention and Response to Sexual Harassment, Sexual Exploitation and Abuse (2020), as well as federal legislation and regulations related to the topic, including the classification in the Penal Code for sexual harassment and the Code of Professional Ethics of Civilian Public Servant of the Federal Executive Branch, FIDA and MDA will have zero tolerance. PDHC III will ensure that adequate safeguards are in place for a safe working environment free from harassment, including sexual harassment and free from sexual exploitation and abuse in its activities and operations.

- **Key Conclusions**

Teams from government entities bring experience from previous phases of the Dom Helder Project. The implementation arrangement is different from all other projects in the IFAD portfolio, it has a certain degree of complexity, but the project is in its third phase of execution, after 23 years of execution. The Project's bidding team has already undergone IFAD training and procurement certifications, in addition to other related training. The need for technical support is not substantial, but will occur on demand. The Implementation Unit has adequate contract management capacity and the project has a system for complaints and dispute resolution.

- c. Market analysis**

- **Market sector dynamics:**

At the level of project activities, the implementation strategy will involve offering incentives to diversify markets, creating short marketing circuits for local and broader markets, and taking into account the potential of family farming products originating in the Caatinga biome in accordance with agroecological practices. Priority will be agreed with collective women's organizations and/or with women in decision-making spaces.

For simple purchases, local markets will be chosen, with preference given to the use of family farming products, when possible.

- **Financial**

The financial resources will be decentralized to the project's specific UG and moved via SIAFI – Integrated Financial Administration System, under the responsibility of a Financial Manager, designated by MDA Ordinance in accordance with Federal Government regulations.

The Project will have financing of USD 35 million from IFAD and a direct counterpart from the Brazilian Government of USD 10 million. There is also an indirect counterpart worth USD 90 million from other government actions and contributions from beneficiaries in the order of USD 20 million, totaling USD 155 million in six years of implementation.

- **Procurement trends**

A large part of the acquisitions are related to services and acquisitions to meet the logistics of holding events, implementing simple systems and technical assistance, with the greatest value of this last service being decentralized to ANATER, the federal government agency for technical assistance and rural extension.

- **Key Conclusions**

The market dynamics will have a tendency towards local sustainability. The project has budgetary and financial availability to begin its activities and budgetary contributions will be in accordance with the Annual Budget Law (LOA). The acquisition trend reflects simple and low-complexity items.

3 Procurement Risk Analysis

Risk description	Mitigation Description	Risk owner
Regarding the regulatory and legal structure	moderate residual risk. The execution will be with decentralized resources and by various government and private entities, which will have the responsibility to respect the regulations that regulate the relationship between government and civil society, ethics and public governance, as well as bidding on the Project's activities in compliance with national law. of tenders, but they must also comply with the IFAD Anti-Corruption and Anti-Harassment Policy and respond to the UGP. Due to the diversity of government entities, the risk of not complying with the IFAD Policy may increase. As a mitigation, governance actions with the entities that will receive resources must be planned, in order to align and standardize understandings to comply with the IFAD Policy.	SFDT /UIP
Responsibility and transparency	moderate residual risk. The diversity of government and private entities that may become partners in the project, considering the large number of bidding processes that will be necessary to carry out the planned activities, poses a risk to maintaining responsibilities over the use of resources and transparency. This risk will be mitigated with constant monitoring/monitoring of co-executors and continuous actions to clarify and align procedures	SFDT/UIP

4 Procurement Objective

- Promote, within the deadline scheduled in the project's acquisition plan, the carrying out of activities that promote sustainability and support public policies to reduce poverty and inequality in the Brazilian Semiarid region.
- Carry out contracts in compliance with the principles of competition, equality, transparency, economy, efficiency, effectiveness and objective judgment, and for the latter, it will develop objective and qualitative evaluation criteria, in order to select the best proposals, for the execution of services that promote the development of planned activities.
- Ensure the fight against fraud and corruption, the fight against harassment and sexual exploitation, encouraging the best conduct.
- Promote compliance with planned activities and established goals.
- Achieve the development objectives proposed for the Project.

5 Recommended Procurement Approach for the Project

- All planned bids will follow the national bidding rules, with regard to decentralized resources for government entities. Tenders for the Project Implementation Unit will follow the IFAD Procurement Regulations and will be carried out through an agreement with IICA – Inter-American Institute for Cooperation on Agriculture.
- Individual consultancies (individuals) will follow IFAD regulations and specific recommendations from the procurement specialist assigned to the Project. There is no standard contract for this method, but the model used must contain IFAD's Anti-Corruption and Anti-Harassment Clauses. For contracts generated via the system, where it is not possible to insert these clauses, they must be included in the Terms of Reference, which must be an integral part of the contract as an Appendix.
- Bids with notices must have, in the contractual part, the self-certification form, to be completed by the winning bidder. This certificate must be an appendix to the contract.
- The UIP must organize and synchronize the preparation of the Terms of Reference and Technical Specifications and their respective cost estimates and budgets, in order to promote agility and efficiency.
- The bidding and contracts team has already completed training on the IFAD Procurement Regulations, the OPEN procurement system and the contract management system, the CMT. Training should be carried out for new members of the UIP. It is extremely important to prioritize participants who will work in bidding, avoiding providing training to people whose role has no correlation with the topic.
- Tenders must comply with IFAD Procurement Principles, including Value for Money.
- Bids are supervised by FIDA, to ensure fairness and administrative probity, through annual supervisions carried out.
- According to the bidding sector, there is a clearly identified target market for most bids. However, the recommendation to maximize

the dissemination of competitions is reinforced, ensuring compliance with the principle of publicity.

- The Procurement Plan will be prepared and approved at OPEN, where appropriate selection/acquisition methods, market approach and type of review by IFAD will be defined.
- The bidding team must anticipate and request the preparation of technical specifications for the goods and services that will be purchased, so as not to delay the implementation of scheduled activities.
- The Terms of Reference for the project teams, especially the Procurement Specialist, must be ready and sent to IFAD, before the project becomes effective.

6 Percentages of methods planned for the first 18 months of execution:

Methods Provided for in the Acquisitions Plan	Number of Bids (FIDA method)	National Bidding Modality to be used	Percentage of methods over the total number of bids planned for the first 18 months
NS	11	Invitation	32%
NCB	8	Electronic Auction	23%
ICS	16	Invitation	45%
Total Procurement	35	-	100%

7 Strategic Procurement Activities

The main activity of the Dom Helder Project in terms of bidding will be carried out by the government entity ANATER.

ANATER will be responsible for contracting the provision of rural technical assistance services, which is an activity that will be financed by IFAD and the Government (MDA).

The terms of reference for this activity must be prepared jointly by ANATER and the Project Implementation Unit. This process will be subject to prior review by IFAD, but following the national procedure.

IFAD will issue three non-objections to this event through the OPEN system. The first non-objection will be to the Terms of Reference, Cost Estimate and Draft Notice. To this end, ANATER will make the documents available before publicity and in an open file for IFAD input, if necessary. After the publication phase, IFAD will review the competition evaluation report with the award of the winning entities and issue the second non-objection. The last non-objection will be for the contract drafts. Contracts may be signed only after IFAD has not objected.

The type of bidding that will be carried out corresponds to item 1.1.1 of the POA – Annual Operating Plan, with an estimated value of USD 6,761,591.00. In the Procurement Plan, the equivalent method to the national one is NCB – National Competitive Bidding.

The notice will be an ANATER Public Call and will need to include IFAD's anti-corruption and anti-sexual harassment clauses. The draft notice must contain as an appendix the IFAD self-certification form, which is found as an annex to the Project Implementation Manual.

It is recommended that the Project begin drafting these terms of reference even before it becomes effective, so that it is possible to save execution time.

8 Activities for the initial 18 months of the project:

POA/Ref Component	Nº	Description	Financing	Lot No./Description	Project area or contracting entity	Forecast vs Actual Figures	Preliminary or Post Qualification	Pre or post exam	Acquisition methodology	About	Amount (USD)
1.1.1	1	10 service provision contracts for beneficiaries with financing	IFAD/GOB		ANATER	Forecast	Post-qualification	Previous revision	NCB	1	6.761.591,00
						Effective figures					
1.1.4	2	Implementation of 75 water reuse systems.	IFAD/GOB		TED OR TERM IN PROMOTION WITH GOVERNMENTAL ENTITY	Forecast	Post-qualification	Post review	N.S.	1	98.153,00
						Effective figures					
1.2.1	3	Hiring qualified technical assistance to promote collective FA organization and market access (IFAD/GOV and Promotion Term and TED)	IFAD/GOB		TED OR TERM IN PROMOTION WITH GOVERNMENTAL ENTITY	Forecast	Post-qualification	Post review	NCB	1	286.277,00
						Effective figures					
1.3.1	4	Hiring an entity to carry out a "study to prepare digital ATER pilots.	IFAD/GOB		UGP	Forecast	Post-qualification	Post review	N.S.	1	43.623,00
						Effective figures					
1.3.2	5	1 digital ATER pilot.	IFAD/GOB		ANATER	Forecast	Post-qualification	Post review	NCB	1	261.739,00
						Effective figures					
2.1.1	6	40 Events (logistics) to train ATER technicians in food security, gender, agroecology and climate resilient agriculture.	IFAD/GOB		TED WITH GOVERNMENT ENTITY/FEDERAL UNIVERSITY	Forecast	Post-qualification	Post review	NCB	1	104.696,00
						Effective figures					
2.1.2	7	20 events (logistics) to train women on issues related to gender, food security and agroecology.	IFAD/GOB		UGP OR TED WITH EMBRAPAS, OR UNIVERSITIES	Forecast	Post-qualification	Post review	NCB	1	130.870,00
						Effective figures					
2.1.3	8	07 events (logistics) to train public school lunch ladies in food safety.	IFAD/GOB		UGP OR TED WITH EMBRAPAS, OR UNIVERSITIES	Forecast	Post-qualification	Post review	N.S.	1	27.264,00
						Effective figures					

2.1.4	9	14 events (logistics) to carry out basic documentation procedures for rural women (TED CON INCRA)	IFAD/GOB		TED WITH INCRA	Forecast	Post-qualification	Post review	N.S.	1	87.246,00
						Effective figures					-
2.1.5	10	Production of teaching materials for EFAS.	IFAD/GOB		TERM IN PROMOTION WITH THE FEDERAL UNIVERSITY OSCIP OR TED	Forecast	Post-qualification	Post review	N.S.	1	71.542,00
						Effective figures					-
2.1.6	11	Regional events (workshops/seminars)	IFAD/GOB		THERMO IN PROMOTION WITH OSC	Forecast	Post-qualification	Post review	N.S.	1	26.174,00
						Effective figures					-
2.2.2	12	Logistics service to promote south-south and triangular cooperation and public policy dialogue through exchanges.	IFAD/GOB		IICA (PCT/UGP)	Forecast	Post-qualification	Post review	N.S.	1	10.906,00
						Effective figures					-
2.2.3		Logistics services for 18 PDHC III social participation events at the territorial level - Territorial bodies (Municipal, inter-municipal)	IFAD/GOB		IICA (PCT/UGP)	Forecast	Post-qualification	Post review	N.S.	1	27.483,00
						Effective figures					-
2.2.4		Logistics services for 05 social participation events of PDHC III at the state level - Advisory councils, forums, consortia, Condrap	IFAD/GOB		IICA (PCT/UGP)	Forecast	Post-qualification	Post review	N.S.	1	23.557,00
						Effective figures					-

2.2.5		Logistics Services for 03 social participation events of PDHC III at the federal level - Executive Committee Meetings: MDA, MDS, MMA, ANATER)	IFAD/GOB		IICA (PCT/UGP)	Forecast	Post-qualification	Post review	N.S.	1	3.372,00
						Effective figures					
3.1.1		Acquisition of 10 pieces of equipment (computers and audiovisuals) - one piece of equipment in each state	IFAD/GOB		UGP	Forecast	Post-qualification	Post review	N.S.	1	19.922,00
						Effective figures					
3.1.2		Acquisition of a key equipment vehicle in the territories, one in each state.	IFAD/GOB		UGP	Forecast	Post-qualification	Post review	NCB	1	247.762,00
						Effective figures					
3.2.1		Conducting impact evaluation research	IFAD/GOB		TED WITH THE FEDERAL UNIVERSITY	Forecast	Post-qualification	Post review	NCB	1	471.943,00
						Effective figures					
3.2.2		Development of a mergers and acquisitions system	IFAD/GOB		IICA	Forecast	Post-qualification	Post review	NCB	1	109.754,00
						Effective figures					

POA/Ref Component	No	Description*	Financing	Project area	Forecast vs Actual Figures	Pre-selection list (Yes No)	Pre or post exam	Acquisition method	Amount (USD)
3.1.6	1	Administrative Management Specialist	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	22.828,85
					Effective figures				
3.1.7	2	Administrative management consulting.	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	18.548,44
					Effective figures				-
3.1.8	3	Manage component 1	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	28.536,06
					Effective figures				-
3.1.9	4	Specialist in component 1 (nutritional reference)	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	22.828,85
					Effective figures				-
3.1.10	5	Manage component 2	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	28.536,06
					Effective figures				-
3.1.11	6	Component Specialist 2	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	22.828,85
					Effective figures				-
3.1.12	7	Senior Finance and Procurement Specialist	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	34.243,27
					Effective figures				-

3.1.13	8	Complete financial specialist	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	22.828,85
					Effective figures				-
3.1.14	9	Complete Procurement Specialist	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	22.828,85
					Effective figures				-
3.1.15	10	Complete Procurement Specialist	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	22.828,85
					Effective figures				-
3.1.16	11	Gender and youth specialist	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	22.828,85
					Effective figures				-
3.1.17	12	Specialist in knowledge management and communication.	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	22.828,85
					Effective figures				-
3.1.18	13	PACES Specialist	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	22.828,85
					Effective figures				-

3.1.19	14	Senior Mergers and Acquisitions Specialist	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	34.243,27
					Effective figures				-
3.1.20	15	Complete M&A specialist (PCT reference)	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	22.828,85
					Effective figures				-
3.1.21	16	Territorial Development Management	IFAD	PMU/IICA	Forecast	In it	Post review	ICS	28.536,60
					Effective figures				-
3.1.22	17	State articulator (one per state) 10	IFAD	PMU/IICA	Forecast	In it	Previous revision	ICS	17.121,63
					Effective figures				-

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex 9: Integrated Project Risk Matrix (IPRM)

Mission Dates: 26/10/2023 - 03/11/2023

Document Date: 03/06/2024

Project No. 2000003598

Report No. 6690-BR

Latin America and the Caribbean
Programme Management Department

Overall Summary

Risk Category / Subcategory	Inherent risk	Residual risk
Country Context	Moderate	Low
<i>Fragility and Security</i>	<i>Low</i>	<i>Low</i>
<i>Macroeconomic</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Governance</i>	<i>Moderate</i>	<i>Low</i>
<i>Political Commitment</i>	<i>Low</i>	<i>Low</i>
Sector Strategies and Policies	Moderate	Low
<i>Policy Development and Implementation</i>	<i>Moderate</i>	<i>Low</i>
<i>Policy alignment</i>	<i>Low</i>	<i>Low</i>
Environment and Climate Context	Substantial	Moderate
<i>Project vulnerability to climate change impacts</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project vulnerability to environmental conditions</i>	<i>Substantial</i>	<i>Moderate</i>
Project Scope	Moderate	Low
<i>Technical Soundness</i>	<i>Moderate</i>	<i>Low</i>
<i>Project Relevance</i>	<i>Low</i>	<i>Low</i>
Institutional Capacity for Implementation and Sustainability	Substantial	Moderate
<i>Monitoring and Evaluation Arrangements</i>	<i>Moderate</i>	<i>Low</i>
<i>Implementation Arrangements</i>	<i>Substantial</i>	<i>Moderate</i>
Project Financial Management	Substantial	Moderate
<i>Project External Audit</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Project Accounting and Financial Reporting</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project Internal Controls</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Project Funds Flow/Disbursement Arrangements</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Project Budgeting</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project Organization and Staffing</i>	<i>Substantial</i>	<i>Moderate</i>
Project Procurement	Moderate	Moderate
<i>Public Procurement Processes</i>	<i>Low</i>	<i>Low</i>
<i>Capability in Public Procurement</i>	<i>Low</i>	<i>Low</i>
<i>Accountability and Transparency</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Legal and Regulatory Framework</i>	<i>Moderate</i>	<i>Moderate</i>
Environment, Social and Climate Impact	Substantial	Moderate
<i>Vulnerability of target populations and ecosystems to climate variability and hazards</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Greenhouse Gas Emissions</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Physical and Economic Resettlement</i>	<i>Low</i>	<i>Low</i>
<i>Community health, safety and security</i>	<i>Low</i>	<i>Low</i>
<i>Labour and Working Conditions</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Indigenous People</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Cultural Heritage</i>	<i>Low</i>	<i>Low</i>
<i>Resource Efficiency and Pollution Prevention</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Biodiversity Conservation</i>	<i>Moderate</i>	<i>Low</i>

Risk Category / Subcategory	Inherent risk	Residual risk
Stakeholders	Moderate	Moderate
<i>Stakeholder Grievances</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Stakeholder Engagement/Coordination</i>	<i>Low</i>	<i>Low</i>
Overall	Moderate	Moderate

Country Context	Moderate	Low
<i>Fragility and Security</i>	<i>Low</i>	<i>Low</i>
<p>Risk:</p> <p>The economic fragility of recent years, combined with the drastic effects of a pandemic, has led to high unemployment rates and an exponential increase in the population living below the poverty line in Brazil. This figure, which stood at 9.5 million people in August 2020, tripled to more than 27 million in February 2021. There has also been a considerable increase in the number of food insecure people, especially in the North and Northeast regions. In 2021, food and nutrition insecurity affected 68% of households in the Northeast region.</p>	Low	Low
<p>Mitigations:</p> <p>Project activities will help the target population cope with climatic, economic, and environmental shocks. In addition to activities aimed at improving the capacity of family farmers to recover from external shocks, the Project's interventions are aimed at ensuring food and nutrition security, poverty reduction and minimizing the economic losses of the target groups related to external shocks. The Project is nutrition-sensitive, with the central objective of improving food and nutrition security of the most vulnerable populations.</p>		
<i>Macroeconomic</i>	<i>Substantial</i>	<i>Moderate</i>
<p>Risk:</p> <p>Difficulty in mobilizing the federal government's counterpart.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>World Bank data shows the following situation: in July 2023, the 12-month primary deficit of the non-financial public sector reached 0.8% of GDP, from a surplus of 1.3% in 2022. Public debt reached 74.1% of GDP in July 2023. In the medium term, the budget outlook is expected to be anchored in the new fiscal framework, which foresees maintaining the primary surplus from 2024 and stabilizing the debt by 2026. Brazil's growth is expected to fluctuate between 1.3% and 2.4% over the next four years.</p> <p>The design period coincided with the preparation of the 2024-2027 Multiannual Plan, in which the Project is mentioned as a priority activity of the MDA, guaranteeing budget provision for a counterpart. In addition, the counterpart funds will come from various sources, mainly from other MDA and MDS programs, thus diversifying the sources and reducing the risk. In addition to the counterpart sources identified during the design process, an effort was made to identify other possibilities that could be used in the event of difficulties in mobilizing the sources mentioned in the budget.</p>		
<i>Governance</i>	<i>Moderate</i>	<i>Low</i>
<p>Risk:</p> <p>The Project Management Unit, based in the Secretariat for Land Governance, Territorial, and Socio-Environmental Development (SFTD), does not have sufficient structure and support to carry out its functions.</p>	Moderate	Low

<p>Mitigations:</p> <p>The lessons learned from the implementation of phase II have been incorporated into the design of the PMU, thus contributing to stronger governance. The institutional arrangements with the main partners will be defined considering these lessons learned and to ensure the best possible governance by the PMU. A Project management committee will also be established, which will be a space for applying good governance.</p>		
<p>Political Commitment</p>	Low	Low
<p>Risk:</p> <p>Considering that the Project meets a demand from the Brazilian government and, in particular, the MDA, there is a high level of commitment, and PDHC III will be the main instrument for combating rural poverty in the semiarid Northeast and Minas Gerais.</p>	Low	Low
<p>Mitigations:</p> <p>The MDA and its main secretariats were directly involved in the different phases of the Project. The MDS, one of the Project's strategic partners, was also involved in the design and has a high degree of adherence to the objectives and methodology of PDHC III, thus mobilizing another key ministry in the fight against rural poverty.</p>		
<p>Sector Strategies and Policies</p>	Moderate	Low
<p>Policy Development and Implementation</p>	Moderate	Low
<p>Risk:</p> <p>In the current context and considering that PDHC III is being drawn up considering the new priorities of the central government, there are no difficulties with the Project proposal not being representative of these priorities, the beneficiary population, and the main programs. However, these new guidelines have yet to be initiated and implemented.</p>	Moderate	Low
<p>Mitigations:</p> <p>Working in partnership with the MDS (Development programs and access to water), universities, research institutes (EMBRAPA, INSA), rural training institutes and civil society organizations should help to strengthen and ensure that the Project is aligned with other lines of government activities. Within the MDA, in addition to the SFTD, other secretariats such as the Secretariat for Supply, Cooperativism and Food Sovereignty will be important partners, contributing to the implementation of strategic guidelines.</p> <p>The Project will focus on knowledge management, valuing the results of the monitoring and evaluation system, good practices and lessons learned. These will form the basis for policy dialog, so that the Project's experience can contribute to improving public policies to combat rural poverty. In addition, specific items for the Project could be included in the annual budgets of priority programs, especially those of partner ministries and agencies.</p>		
<p>Policy alignment</p>	Low	Low
<p>Risk:</p> <p>The risk that PDHC III is not aligned with key policies.</p>	Low	Low

<p>Mitigations:</p> <p>The design period coincided with the preparation of the Multiannual Plan 2024-2027 in which the Project is mentioned as a priority activity of the MDA, strengthening strategic alignment with key ministries (MDS, MMA, MAPA/Embrapa) and federal government priorities (combating rural poverty and hunger including nutritional issues, access to water, strengthening the capacities of rural women, youth and PCTs, agroecological approach and preservation of natural resources). These alignments with the main policies of the Brazilian government are in line with IFAD's priorities. The activities that will be developed in the policy dialog axis will be another means of ensuring the Project's alignment with the main policies in force.</p>		
<p>Environment and Climate Context</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Project vulnerability to climate change impacts</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Risk:</p> <p>The semiarid region of the Northeast and Minas Gerais is very vulnerable to climate change. The main climate stress factors are decreasing rainfall, rising temperatures and more frequent, longer, and more severe droughts. Within the scope of the proposed Project, the activities of promoting food and nutritional security from an agroecological perspective and the sustainable use of biodiversity, within component 1, are particularly vulnerable to climatic conditions. The impacts of climate change can cause a number of negative shocks for the population, including reduced water and food security. These changes in climate will cause significant losses in the productivity of some key crops for family farmers, such as cassava, beans, bananas, and corn.</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Mitigations:</p> <p>Production activities for self-consumption and commercialization associated with the conservation and restoration of natural resources in an agroecological approach (polyculture systems with plants and animals adapted to the social and environmental conditions of the Caatinga together with training for producers and extension workers) are in themselves a practical measure, already widely tested and sufficient for mitigating the climatic risks that could affect these agro-sylvo-pastoral activities. Investing in cisterns will also increase the capacity to store water for production, creating a buffer against droughts.</p>		
<p>Project vulnerability to environmental conditions</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Risk:</p> <p>Given the Project's area of execution - the semiarid region of the Northeast and Minas Gerais, farmers face adverse soil conditions (shallow, with little organic matter and subject to erosion and desertification processes) and restrictions on water availability (quality and quantity), which can affect the productive activities supported by the Project. Some traditional practices of clear-cutting, slash and burn, and overgrazing are accentuating the negative effects of any environmental restrictions on the Project's activities.</p>	<p>Substantial</p>	<p>Moderate</p>
<p>Mitigations:</p> <p>Measures to mitigate these risks include measures to adapt to environmental conditions, within the paradigm of "Coexistence with the Semiarid", which has already been widely established within the agroecological approach proposed and implemented in previous phases of the PDHC. These measures generally consist of: 1) promoting polyculture (biodiverse) production systems with plant and animal species that are better adapted or resilient to climatic extremes; 2) promoting management practices that promote soil and water conservation; 3) training producers to implement and manage these agroecological systems. These activities are provided for in the Project and have already been successfully implemented in previous phases, reducing the residual risk.</p>		
<p>Project Scope</p>	<p>Moderate</p>	<p>Low</p>
<p>Technical Soundness</p>	<p>Moderate</p>	<p>Low</p>

<p>Risk:</p> <p>There is a technical risk in implementation due to the MDA's current capacities, as the Project's activities require strong coordination and integrated planning. This is the third phase of a successful project.</p>	Moderate	Low
<p>Mitigations:</p> <p>i) Project design based on the lessons learned in previous phases I and II will serve to mitigate possible risks; ii) the establishment of an effective management and coordination structure within the PMU and the appointment of PMU staff, as well as iii) the definition of the management agency that will facilitate the recruitment of consultants; iv) forging alliances with important partners, such as ANATER, EMBRAPA and the MDS; v) ensuring capacity building and training for third-party suppliers and, especially, for technical assistance providers; and vi) ensuring that an instrument is developed and implemented to monitor decentralized agreements (i.e. TEDs).</p>		
Project Relevance	Low	Low
<p>Risk:</p> <p>Non-relevant risk that the Project's objectives and interventions are not fully aligned with IFAD's or the country's development priorities, including the current COSOP (2016-2022) and the new COSOP (2024-2032). The Project corresponds to the central challenges of rural development and its design is also aligned with federal policies and priorities.</p>	Low	Low
<p>Mitigations:</p> <p>Mitigation measures will be taken through contact dialogue with the federal government and the full involvement of stakeholders during design and implementation, including the Forum of State Secretaries, civil society, and farmers' organizations. The involvement of other federal partners, such as EMBRAPA and the MDS, will also serve to ensure that mitigation measures are implemented.</p>		
Institutional Capacity for Implementation and Sustainability	Substantial	Moderate
Monitoring and Evaluation Arrangements	Moderate	Low
<p>Risk:</p> <p>The decentralized execution of the Project brings risks in relation to the monitoring of activities in the field since it is up to the partner/contracted entities to carry out the accounting of activities and families (including their breakdowns) and inform the PMU.</p>	Moderate	Low
<p>Mitigations:</p> <p>The activities carried out through the ANATER partnership will be monitored through the "ATER Management System" (SGA), a system under the responsibility of ANATER, which was used in PDHC II and was improved through investment in the previous project. The activities carried out by the other partnerships will be monitored through the "Monitoring System (MS)", which enables financial and physical management of these partnership instruments. This system is pre-operational and needs to be adjusted to be fully operational.</p>		
Implementation Arrangements	Substantial	Moderate

<p>Risk:</p> <p>i) The execution of the Project by various government entities through decentralized agreements (TED) is the main risk identified. If there is no proper coordination and monitoring by the PMU, this could lead to delays and problems in implementation. ii) There is also a risk that the capacities of the Project executing agency will be insufficient for proper and effective management of the Project, leading to delays and lower quality of execution. iii) The proper arrangement to enable the hiring of consultants and PMU staff is another major risk. It will be necessary to find the appropriate means to hire consultants and staff for the PMU.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>i) Establish a PMU by identifying the core team and determining the TORs; ii) Determine, at an early stage, the instrument to be adopted to hire consultants and the PMU team; and iii) Adopt a monitoring mechanism in the implementation of the Decentralized Execution Terms (TEDs).</p>		
Project Financial Management	Substantial	Moderate
Project External Audit	Moderate	Moderate
<p>Risk:</p> <p>External audits which do not comply with requirements IFAD Handbook for Financial Reporting and Auditing of IFAD-Financed Projects in particular incomplete financial statements and missing reference to accounting standards applied</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Agreement with Federal Court of Accounts on planning and terms of reference external audit and accounting standard to be used for preparation of project financial statements</p>		
Project Accounting and Financial Reporting	Substantial	Moderate
<p>Risk:</p> <p>(i) Lack of discipline around submission of financial reporting (IFRs) and corresponding justifications to IFAD; (ii) Use of auxiliary spreadsheets to monitor budgets versus execution by Component, category and Funding source as per requirement IFAD and for the preparation of IFRs with high risk of human errors; (iii) Incomplete recording and lack of supporting documentation to substantiate indirect government counterpart funding.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>(i) Emphasis during start-up phase in induction session teams on the importance of compliance with reporting requirements as communicated in the FMFCL; (ii) Implementation of a complementary automated reporting system to generate budget versus actual reports by component, category and funding source and IFRs based on data from SIAFI system to avoid human errors and delays in reporting as a condition for first disbursement; Include in the PIM the requirement of at a minimum quarterly review of Budget versus actual and explanation of variances in management Team and sign off on IFR by Project coordinator; (iii) Establish and document in the PIM clear criteria for recording and valuation of both direct and indirect counterpart funding from government;</p>		
Project Internal Controls	Substantial	Substantial
<p>Risk:</p> <p>(i) Lack of oversight on decentralized operations carried out in a large geographic areas involving a significant number of partner entities/subcontractors; (ii) Failure to include in contracts with implementing partners entities/subcontractors relevant clauses on disbursements proportional to implementation of activities, reporting requirements and justification of expenditure;</p>	Substantial	Substantial

<p>Mitigations:</p> <p>(i) Further development of the PIM to ensure adequate supervision of decentralized implementation. (ii) Review by IFAD and required No Objections by IFAD of d contracts signed between PDHC III and the partner entities/subcontractors ;(iii) All contracts signed between PDHC III and partner entities/subcontractors contracts ito include IFAD's anti-corruption and anti-harassment clauses.</p>		
<p>Project Funds Flow/Disbursement Arrangements</p>	Substantial	Substantial
<p>Risk:</p> <p>(i) Delays in disbursement of direct Government counterpart funding causing delays in implementation; (ii) delays in signing of agreements with partner entities/subcontractors causing delays in disbursements to farmers organizations for implementation of investment plans;</p>	Substantial	Substantial
<p>Mitigations:</p> <p>(i) Close Coordination with Treasury to ensure timely disbursement of direct Counterpart funding; (ii) Prioritize selection and signing of agreements with partner entities/subcontractors in start-up phase with clauses on disbursements aligned with implementation of activities and clear reporting requirements incorporated.</p>		
<p>Project Budgeting</p>	Substantial	Moderate
<p>Risk:</p> <p>(i) Contribution of Beneficiaries not included in AWPB;) (ii) Detailed costs estimates used for AWPB not documented for future reference which does not allow for proper analysis of budget versus actuals. (iii) No consistent monitoring of Budget versus actuals is carried out resulting in failure to take corrective action to optimize use of resource.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>(i) Ensure all funding sources including indirect Govt counterpart funding and beneficiary contributions are included in the AWPB submitted for No Objection to IFAD as a condition for first disbursement; (ii) Document assumptions used for preparation pf AWPB for future reference and analysis.; (iii) implement a practice of monthly budget versus actuals review between Finance Manager and Project Director and include explanation of variances in quarterly IFRS submitted to IFAD</p>		
<p>Project Organization and Staffing</p>	Substantial	Moderate
<p>Risk:</p> <p>Insufficient finance staff in SFDT to assume responsibility for the project and delays in contracting of dedicated finance positions to the project</p>	Substantial	Moderate
<p>Mitigations:</p> <p>Recruitment of at least 2 dedicated staff to the financial management of the project and hiring of the finance manager as a condition for first disbursement.</p>		
<p>Project Procurement</p>	Moderate	Moderate
<p>Public Procurement Processes</p>	Low	Low
<p>Risk:</p> <p>The bidding process for the project will generally be simple, with the majority being purchases of productive items and services or logistics. ANATER, a government agency with expertise in this area, will primarily provide technical assistance services. The government bodies and the third-sector entities that will be contracted to support the tenders have the technical capacity to comply with the National Law.</p>	Low	Low

<p>Mitigations:</p> <p>The PMU will monitor partner entities to ensure processes comply with national legal requirements and IFAD Policy. It will continue to monitor the project's procurement and contracting through the MAC spreadsheet, which was already used in the previous phase of the project.</p>		
<p>Capability in Public Procurement</p>	Low	Low
<p>Risk:</p> <p>Some government entities co-executing the PDHC do not have enough staff in the bidding sector to handle the project, so it is necessary to outsource procurement to a third-sector entity with this capacity. These third-sector entities performed satisfactorily in the previous phase of the project.</p>	Low	Low
<p>Mitigations:</p> <p>IFAD will analyze each government partnership established, its capacity to bid, and the capacity of the third-sector entities that may be contracted to procure. The PMU will continue with the alignment carried out in the previous phase with the partners, implementing the training/workshops necessary for these entities to be able to serve the project properly.</p>		
<p>Accountability and Transparency</p>	Substantial	Substantial
<p>Risk:</p> <p>The diversity of government entities and third sector organizations that may become partners in the Project, considering the large number of procurement processes that will be required to carry out the planned activities, may make it difficult to maintain responsibility for the use of resources and the expected transparency.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>The Project team will need to maintain good management and monitoring of the procurement processes carried out, taking advantage of the lessons learned to create more mechanisms to guarantee the fairness of the processes, such as workshops or training for each entity that establishes a direct or indirect partnership with the Project, including clarifications on the supervisions/audits they will undergo.</p>		
<p>Legal and Regulatory Framework</p>	Moderate	Moderate
<p>Risk:</p> <p>Most of the execution will be decentralized. The borrower will transfer Project resources to other government entities to carry out most of the planned activities. These government entities will be responsible for tendering the Project's activities in accordance with the national tendering law but will also have to comply with IFAD's anti-corruption and anti-harassment, social and environmental policy, and must report regularly to the PMU. Due to the diversity of government entities, the risk of non-compliance with the IFAD Policy increases, in addition to the fact that some entities do not have the institutional capacity to carry out tenders and will make agreements with third sector foundations that have operational capacity and follow specific national law.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Governance activities with the government entities that will receive resources should be carried out frequently, including third sector entities that partner with these entities, to align and standardize understandings about the IFAD Policy.</p>		
<p>Environment, Social and Climate Impact</p>	Substantial	Moderate
<p>Vulnerability of target populations and ecosystems to climate variability and hazards</p>	Substantial	Moderate

<p>Risk:</p> <p>The project's target populations and ecosystems are vulnerable to climate variability (periods of prolonged drought and excessive rainfall, which can negatively affect agricultural and forestry productivity). The proposed agroecological practices are a response that has been widely tested (for over 30 years) and proven effective in adapting to this variability.</p>	Substantial	Moderate
<p>Mitigations:</p> <p>The mitigation of this risk is the very promotion of the development of agro-silvo-pastoral and polyculture systems, provided for in component 1, capable of absorbing the shocks caused by climate variability - something that is already part of the socio-environmental context of the semiarid region, which historically suffers from alternating long (several years) periods of drought and intense rainfall. In addition, measures to promote and build structures to capture and store water (cisterns) for human consumption and production are essential to ensure water availability during periods of drought.</p>		
<p>Greenhouse Gas Emissions</p>	Moderate	Moderate
<p>Risk:</p> <p>The Project has some risk of promoting greenhouse gas emissions due to the involvement of small scale livestock, . The proposed natural resource restoration and conservation activities promote both adaptation and mitigation of emissions.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>The proposed natural resource restoration and conservation activities promote both adaptation and mitigation of emissions. The risk of CO2 emissions due to livestock will be mitigated through an integral agro silvo pastoral approach promoted by the project</p>		
<p>Physical and Economic Resettlement</p>	Low	Low
<p>Risk:</p> <p>There is no risk that the project's interventions will cause the physical resettlement of families or significant adverse economic impacts, especially for marginalized groups. The project presents a solid targeting strategy and will promote positive social, physical, cultural, and economic impacts, especially for marginalized groups</p>	Low	Low
<p>Mitigations:</p> <p>N/A</p>		
<p>Community health, safety and security</p>	Low	Low
<p>Risk:</p> <p>There is no risk that the project will have adverse effects on the physical, mental, nutritional, or social health and safety of an individual, group, or population.</p>	Low	Low
<p>Mitigations:</p> <p>N/A</p>		
<p>Labour and Working Conditions</p>	Moderate	Moderate
<p>Risk:</p> <p>The risk that the project may cause exploitative labour practices (e.g. forced or child labour), gender based violence, discriminatory and unsafe/unhealthy working conditions for people employed to work specifically in relation to the project, including third parties and primary suppliers.</p>	Moderate	Moderate

<p>Mitigations:</p> <p>1) All contracts with contractors, suppliers, and third parties to be financed with IFAD resources will include provisions prohibiting child labor and promoting decent working conditions. 2) The PMU will establish a mechanism to supervise and follow up on project's actions with beneficiaries, considering working conditions issues. 3) Through the Project's complaints and grievances mechanism, stakeholders or society, in general, will be able to submit anonymous complaints regarding abusive labor practices (e.g., forced or child labor), cases of gender-based violence, discriminatory working conditions and unsafe/unsanitary working conditions, which will be addressed and resolved as indicated in the mechanism. Therefore, the project will lead to an improvement in labor and working conditions.</p>		
<p>Indigenous People</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Risk:</p> <p>The risk that the project may cause significant adverse physical, social, or economic impacts on indigenous peoples or threats to or loss of resources of historical or cultural importance to them.</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Mitigations:</p> <p>The project methodology is participatory and demand-driven, with peasant, indigenous, and native communities presenting their development plans and co-creating the project activities in a self-determined development process in accordance with IFAD's Policy on Engagement with Indigenous Peoples (2022). The project will develop a Free, Prior, and Informed Consent Plan (FPIC Plan) and an Indigenous Peoples Plan.</p>		
<p>Cultural Heritage</p>	<p>Low</p>	<p>Low</p>
<p>Risk:</p> <p>): There is no risk that the project will cause significant degradation of cultural or physical resources, including threats to or loss of resources of historical, religious, or cultural importance. The project will only work on land already being used for agriculture.</p>	<p>Low</p>	<p>Low</p>
<p>Mitigations:</p> <p>N/A</p>		
<p>Resource Efficiency and Pollution Prevention</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Risk:</p> <p>The Project has no significant risks regarding efficiency in the use of resources and pollution prevention. The agroecological approach proposed for the agro-silvo-pastoral activities eventually supported by the project traditionally does away with the use of agrochemicals/pesticides. Nevertheless, using such substances is common in rural areas, even if not supported by the project. The substantial risk is due to the possible extensive use of animal livestock, but this is a risk that will be mitigated during the project design phase.</p>	<p>Moderate</p>	<p>Moderate</p>

<p>Mitigations:</p> <p>The mitigation measures for this risk are the promotion of agroecology and its pest and disease management practices (Integrated Pest Management - IPM) through the provision of training for extension workers and farmers and the prohibition of the acquisition and use of these substances within the project's. To mitigate the risk of these substances being used by Project beneficiaries on their properties in activities not financed by the project, it is recommended that beneficiaries and extension workers are trained in the proper use of these substances (no use of substances in classes IA and IB, or formulations of products in class II of the WHO classification, respect for shortcomings in the use of products, proper cleaning and disposal of packaging, use of PPE). To prevent the pollution of water bodies due to poor manure management in animal production, the technicians will promote proper management, such as use in composting.</p>		
<p>Biodiversity Conservation</p>	<p>Moderate</p>	<p>Low</p>
<p>Risk:</p> <p>The project's activities do not pose significant risks to biodiversity, either through the significant suppression of natural habitats, the introduction of new invasive species, or the extraction of threatened native species. Nevertheless, some of the project's production activities, such as support for sheep and goat farming, could result in overgrazing with negative impacts on the Caatinga's biodiversity. The activities of component 1 offer an opportunity for mainstreaming the sustainable use of biodiversity, both of wild plants and animals (e.g. Melipona bees), and by valuing varieties of plants and animals already adapted to the social and environmental conditions of the semiarid region (Creole varieties).</p>	<p>Moderate</p>	<p>Low</p>
<p>Mitigations:</p> <p>The agroecological approach proposed by the project has traditionally worked with mainstreaming the valorization of biodiversity to ensure the diversity and resilience (environmental and economic) of agroecosystems in the semiarid region. It is recommended that this aspect of agroecology is emphasized in training and ATER services as a way of increasing the project's reach in this area. Concerning the risks of introducing invasive alien species, the project will follow the relevant lists for each state, ensuring that technicians and procurement specialists are aware of this issue.</p>		
<p>Stakeholders</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Stakeholder Grievances</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Risk:</p> <p>The implementation of the Project may lead to the submission of complaints by various stakeholders involved in or impacted by the Project's activities, thus affecting the continuity of activities and the established schedule. There is a risk that the Project will have ineffective grievance redress processes, leading to unaddressed grievances that jeopardize the achievement of the Project's development objectives.</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Mitigations:</p> <p>The Project will incorporate a clear and effective Grievance Redress Mechanism (GRM) in accordance with IFAD's guidance documents - Framework for Operational Stakeholder Feedback and IFAD Guidelines 2021 on Engagement, Feedback and Redress of Project Target Group Grievances. The procedure includes mechanisms for expressing the complaint or grievance, the response time, and the spheres of resolution. This mechanism should be easily accessible to the population and have a rapid resolution, ensuring that the complaints submitted are quickly analyzed and that the situations are mutually agreed upon to the satisfaction of the parties involved. The Project will also raise awareness among stakeholders about the complaints and grievance mechanisms available. It will also include this information as part of IFAD missions, as well as part of the training of the technical assistance teams that will work with the beneficiaries.</p>		
<p>Stakeholder Engagement/Coordination</p>	<p>Low</p>	<p>Low</p>

<p>Risk:</p> <p>There is a risk that the relevant stakeholders are not identified, that there is inadequate/insufficient disclosure of information and that the key stakeholders invited to be part of the Project show little interest in or commitment to the Project's objectives and activities. Some civil society organizations represent different interests relevant to the Project and were consulted during the design process to ensure buy-in and active involvement of stakeholders.</p>	<p>Low</p>	<p>Low</p>
<p>Mitigations:</p> <p>The MDA will coordinate the participation of stakeholders during the design and implementation of the Project. During the design, several civil society organizations were consulted, as well as various secretariats of the MDA and other ministries, such as the MDS. At the community and family level, the Project will implement a participatory process in defining activities that meet the needs and aspirations of the beneficiaries. The Project will also establish continuous communication, awareness-raising, and coordination with the various partners at different levels (local, regional, and state), starting at the Project preparation stage, and will foster visibility activities with the aim of publicizing and clarifying doubts about the results of the Project's activities, both for the target groups and for the partners involved in implementation. It is essential to promote awareness and participation among local communities, farmers, and other key players to ensure adherence and commitment to the proposed activities.</p>		

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex 10: Exit Strategy

Mission Dates: 26/10/2023 - 03/11/2023

Document Date: 03/06/2024

Project No. 2000003598

Report No. 6690-BR

Latin America and the Caribbean
Programme Management Department

ANNEX 10: EXIT STRATEGY

1. The sustainability of the transformation supported by the Project will be inherent in its design, monitored, and adjusted throughout implementation, thus avoiding the risk of addressing it only at the conclusion of the Project. A document presenting the Project's sustainability strategy with an operational plan will be elaborated and regularly updated by the PMU (Project Management Unit), in particular, during IFAD's support and supervision missions. The sustainability of the Project is based on the aspects presented below.

2. The close alignment of the Project with the MDA's priorities will create favorable conditions for strong ownership of its activities and commitment during and after implementation. Several factors will contribute to this: i) the intense training program for beneficiaries and technical advisory teams; ii) the dissemination of contextualized agroecological practices for the semiarid region and the strengthening of market access; iii) inter-ministerial collaboration and alignment, mainly with the MDS, but also with MAPA (EMBRAPA), MCTI (INSA) and MMA (Coordination to Combat Desertification), as well as bodies linked to the MDA, such as INCRA, CONAB and ANATER; iv) partnerships with civil society and producers' organizations; v) partnerships with other international organizations; vi) encouraging social participation in the design, planning, implementation, monitoring, and evaluation of the Project; vii) KM (Knowledge Management), political dialogue and SSTC (South-South and Triangular Cooperation) to expand and give continuity and scale to the Project's activities.

3. As far as production systems are concerned, the sustainability of the interventions will depend, to varying degrees, on the Project's ability to structure farmers' production systems and build a diverse web of collaborative relationships (associations, cooperatives, solidarity marketing networks, etc.) that can ensure the continuity of results, such as: increased production, diversification in production, improved nutrition and increased income (by reducing costs and improving prices and sales conditions), greater resilience to climate change and shocks. Another factor that could contribute to sustainability is the process of participatory territorial planning in response to the demands of the different actors in the target groups.

4. An integrated approach of training and capacity building and creating an environment conducive to innovation will be applied to develop the institutional and community capacities of producer organizations and other civil society organizations involved in agroecology and family farming in the semiarid region.

5. PDHC III will sustainably promote agroecological production and sustainable productive intensification, encompassing natural resources management and recovery knowledge. Improving capacities and knowledge in nutrition, together with participatory methods of social, ethnic-racial, gender, and youth inclusion, will contribute to achieving better ownership and social inclusion.

6. The territorial approach will be another key factor in sustainability, as it will ensure that the Project's activities are integrated into the territorial dynamics. This will involve both the territorial committees, which will have to ensure the integration and complementarity between the different activities and the links between projects, programs, and policies implemented in these territories. Since each territory consists of several municipalities, the Project will seek to establish partnerships with the

municipalities to structure collaborative ties, particularly regarding marketing aspects, the setting up of fairs and access to the school feeding program. These partnerships will have the potential to continue after the end of the Project.

7. **Capacity building:** the intense training program for ATER technicians, rural school teachers and PDHC III beneficiary groups, in addition to seeking quality implementation, will constitute a significant legacy with the sharing and joint construction of new knowledge on agroecological practices, food and nutritional security and adapting production systems to climate change. This should contribute significantly to the sustainability of the activities that the Project will introduce, allowing for the appropriation of new knowledge and sustainable practices in a semiarid context. Training on public policies will be another key activity to improve the beneficiary families' ability to access programs such as financing resources, institutional markets, and participatory guarantee systems, which are fundamental policies for the continuity, complementarity, and expansion of the Project's activities.

8. **Rural schools:** all the work done with CEFFAs and other education centers in and for the rural areas, will be key in terms of sustainability. The training of teachers and cooks, which will complement the development of supporting teaching materials, can be continued once the Project is completed. Likewise, the students who will be able to benefit from scholarships and support from the Project will be able to become professionals with the capacity to continue working according to the Project's principles. Considering that some of the students trained in this way work at local level as professionals in trade unions, town halls, civil society organizations or ATER bodies, they will have the necessary knowledge to maintain the line of activity promoted by the Project. Likewise, those who will go on to produce in family units will be able to apply the principles and practices stemming from the Project.

9. **Strengthening the capacity of community organizations with an emphasis on women and young people:** A fundamental premise of the Project is the empowerment of its target groups so that they can transform their realities. The Project provides for intensive and continuous training and strengthening of community organizations, complemented by a programme of knowledge exchanges and demonstration units of good practices to strengthen the capacities of the beneficiaries and their organizations, bringing together technical-scientific and traditional knowledge. Capacity building will take place through planning and implementation at family and community level. By preparing productive projects implementing the non-reimbursable funds (*fomento*), there will be strong ownership on the part of the beneficiaries, a key factor in the sustainability of the activities introduced by the Project.

10. **Strengthening organizational capacities and market access:** The Project envisages that the various forms of technical assistance, together with small structural investments, will strengthen the capacities of families and their organizations to improve market access, both at local level at fairs and shops, and at the institutional market level, such as the Food Acquisition Program (PAA) and the National School Feeding Program (PNAE). The diversification of production and the application of sustainable management practices should allow for an increase in production and productivity and, consequently, an increase in the volumes sold. The increase in income and food and nutritional security for the beneficiaries will strengthen their determination to maintain the activities.

11. Agroecological practices will be the basis of the activities carried out and will be based on the use of native species and seeds, the implementation of Agroforestry Systems, the practice of composting and diversification of production from an integration perspective, the limited use of commercial inputs external to the properties. These practices add value to the products and flows within the properties and will contribute significantly to sustainability after the end of the Project. It has been proven that agroecological practices and the organizational dynamics of the families that follow them have a strong potential for sustainability from an environmental, social, and economic point of view in the region where the Project operates and in a semiarid climate.

12. Consideration and respect for local culture, and in particular with traditional peoples and communities, from the definition of activities to the type of Technical Assistance for these beneficiaries, will be another key factor in ensuring the continuity of activities, which will be aligned with socio-cultural forms of organization.

Knowledge management and policy dialogue. Finally, the Project plans to produce a significant number of knowledge management products from its experience. These documents will not only ensure that information is shared, but also provide important support that can serve as a reference for the sustainability of the activities carried out by the Project, both for Technical Assistance professionals and the beneficiary families. The policy dialog at Northeast level with the Technical Chamber of Family Farming Managers and CONDRAF at the national level, which will be conducted throughout implementation, should help reinforce the inclusion of PDHC III in strategies to combat poverty and support family farming in situations of poverty and extreme poverty. From this, it is hoped that the Project's activity and intervention strategy will be used as a reference to feed into the definition of instruments, projects and programs that can continue the PDHC III's activities.

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex 11: Mainstreaming themes – Eligibility criteria checklist

Mission Dates: 26/10/2023 - 03/11/2023

Document Date: 03/06/2024

Project No. 2000003598

Report No. 6690-BR

Latin America and the Caribbean
Programme Management Department

Mainstreaming themes – Eligibility criteria checklist						
	<input type="checkbox"/> Be gender transformative	<input checked="" type="checkbox"/> Be youth sensitive	<input checked="" type="checkbox"/> Be nutrition sensitive	<input type="checkbox"/> Prioritize persons with disabilities	<input checked="" type="checkbox"/> Prioritize indigenous peoples	<input checked="" type="checkbox"/> Include climate finance <input checked="" type="checkbox"/> Build adaptive capacity
Situation analysis	<input type="checkbox"/> National gender policies, strategies and actors <input type="checkbox"/> Gender roles and exclusion/discrimination <input type="checkbox"/> Key livelihood problems and opportunities, by gender	<input checked="" type="checkbox"/> National youth policies, strategies and actors <input checked="" type="checkbox"/> Main youth groups <input checked="" type="checkbox"/> Challenges and opportunities by youth group	<input checked="" type="checkbox"/> National nutrition policies, strategies and actors <input checked="" type="checkbox"/> Key nutrition problems and underlying causes, by group <input checked="" type="checkbox"/> Nutritionally vulnerable beneficiaries, by group	<input type="checkbox"/> National policies, strategies and actors <input type="checkbox"/> Main groupings among PwDs <input type="checkbox"/> Context-based barriers and opportunities for PwDs	<input checked="" type="checkbox"/> International standards, national policies, strategies and key IPs' organizations <input checked="" type="checkbox"/> Main IPs communities, demographic, social, cultural and political characteristics <input checked="" type="checkbox"/> Important livelihoods constraints and opportunities for IPs and their cultural heritage	
Theory of change	<input type="checkbox"/> Gender policy objectives (empowerment, voice, workload) <input type="checkbox"/> Gender transformative pathways <input type="checkbox"/> Policy engagement on GEWE	<input checked="" type="checkbox"/> Pathways to youth socioeconomic empowerment <input checked="" type="checkbox"/> Youth employment included in project objectives/activities	<input checked="" type="checkbox"/> Nutrition pathways <input checked="" type="checkbox"/> Causal linkage between problems, outcomes and impacts	<input type="checkbox"/> Pathways to PwDs' socioeconomic empowerment using a twin-track approach	<input checked="" type="checkbox"/> Pathways to IPs' socioeconomic empowerment	
Logframe indicators	<input type="checkbox"/> Outreach disaggregated by sex, youth and IPs (if appropriate) <input type="checkbox"/> Women are > 40% of outreach beneficiaries <input type="checkbox"/> IFAD empowerment index (IE.2.1)	<input checked="" type="checkbox"/> Outreach disaggregated by sex, youth and IPs (if appropriate) <input checked="" type="checkbox"/> Persons with new jobs/employment opportunities (CI 2.2.1)	<input checked="" type="checkbox"/> Outreach disaggregated by sex, youth and IPs (if appropriate) <input checked="" type="checkbox"/> Targeted support to improve nutrition (CI 1.1.8) Outcome level CIs <input checked="" type="checkbox"/> CI 1.2.8 MDDW <input type="checkbox"/> CI 1.2.9 KAP	<input type="checkbox"/> Outreach disaggregated by sex, youth, disability and IPs (if appropriate)	<input checked="" type="checkbox"/> Outreach indicator disaggregated by sex, youth and IPs <input checked="" type="checkbox"/> IPs are > 30% of target beneficiaries	
Human and financial resources	<input type="checkbox"/> Staff with gender TORs <input type="checkbox"/> Funds for gender activities <input type="checkbox"/> Funds for IFAD empowerment index in M&E budget	<input checked="" type="checkbox"/> Staff with youth TORs <input checked="" type="checkbox"/> Funds for youth activities	<input checked="" type="checkbox"/> Staff or partner with nutrition TORs <input checked="" type="checkbox"/> Funds for nutrition activities	<input type="checkbox"/> Staff with disability inclusion-specific TORs <input type="checkbox"/> Funds for disability inclusion-related activities (including accessibility)	<input checked="" type="checkbox"/> Staff with IPs-specific TORs <input checked="" type="checkbox"/> Funds for IPs related activities, including FPIC	IFAD Adaptation Finance \$12,883,000 IFAD Mitigation Finance \$13,566,000 Total IFAD Climate-focused Finance \$26,449,000

ECG Remarks	Gender Nutrition Youth Persons with Disabilities Indigenous Peoples <input type="checkbox"/> No social inclusion themes
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Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex: A Indigenous Peoples Planning Framework

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**Climate Resilience, Food Nutrition and Security in the Northeast Semiarid of Brazil
Project**

(Dom Hélder Camara - PDHC III)

ANNEX A - INDIGENOUS PEOPLES PLANNING FRAMEWORK

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Figure 1: Map of the project area/Caatinga biome (9 Northeast states and the Northern part of the State of Minas Gerais)



INTRODUCTION

1. This Indigenous People Planning Framework (IPPF) was prepared for the Climate Resilience, Food Nutrition and Security in the Northeast Semiarid of Brazil Project (Dom Hélder Câmara - PDHC III), the Project henceforth. The IPPF is part of the Project's Environment and Social Management Framework (ESMF) and related environmental and social safeguards documents. This IPPF is to be applied to all Project activities involving indigenous peoples. The Ministry of Agrarian Development and Family Farming (MDA) will implement the Project. Safeguard implementation will be carried out by social and environmental safeguards focal persons at the Project's Management Unit (PMU) allocated in MDA's Secretariat for Land Governance, Territorial, and Socio-Environmental Development (SFDT), who shall oversee this IPPF implementation, supervision, and reporting.

PROJECT OVERVIEW

2. The aim of the Dom Hélder Câmara III (PDHC III) is to reduce rural poverty and food and nutrition insecurity in family farming in Brazil's Northeast region and in Minas Gerais, in its semiarid region, the Caatinga biome (see map below). Its development objective is to generate more sustainable, biodiverse food systems that strengthen family farmers' resilience to climate change. The Project will also seek to reduce gender, generational and ethnic-racial inequalities in the semiarid region by promoting access to public policies, technological innovations, and resources that support sustainable, biodiverse, and climate-resilient food systems.

3. The Project seeks to improve income and food security by strengthening the productive capacities of family farmers living in poverty, from the perspective of agroecology and coexistence with the semiarid region. The Project also seeks to reduce gender and ethnic-racial inequalities in the semiarid region through access to public policies, technological innovations, and resources that promote sustainable, biodiverse, and climate-resilient food systems. Furthermore, it will rely on Technical Assistance and Rural Extension (TATER) services and other forms of technical assistance to co-construct knowledge and share critical agricultural and climate change information to family farmers and facilitate their access to public policies and resources geared towards social inclusion, promotion of sustainable agriculture, and climate change adaptation. The Project's objectives will be achieved through the implementation of the three following components:

4. **Component 1: Promoting food and nutrition security from an agroecological perspective** - Aims to improve families' income and food security by strengthening farmers' productive capacity and strengthening family farming organizations so that they can absorb surplus production, process it, and market it with added value. Through the provision of in-person and hybrid agroecological technical assistance, the component highlights production for self-consumption, surpluses for marketing, and access to public policies, including water access technologies. It is structured around three axes: sustainable production, access to markets, and Virtual Technical Assistance (VTA), organized in the below sub-components:

- **Subcomponent 1.1 - Resilient and Diversified Agroecological Production** - This subcomponent aims to provide ATER services and other forms of technical advice with a view to strengthening production systems with agroecological practices; Implementing diversified agroforestry systems, other polycultures, and sustainable practices; training, and exchanges (prioritizing

young people, rural women, and traditional communities); providing financial resources for productive investments through the Ministry of Development and Social Assistance, Family and Fight against Hunger (MDS); implementation of water collection and reuse systems. It will also provide investments to support the establishment of agroforestry and silvopastoral systems, small poultry, and livestock (caprine, ovine, and swine), vegetable gardens, and beekeeping).

- **Subcomponent 1.2 - Strengthening market access capacities** - aims to strengthen the capacities of producer organizations to add value to rural production and improve marketing conditions. Encouraging the diversification of markets by establishing short marketing circuits, obtaining distinctive seals of quality, health, identity and origin, training for participation in public food procurement programs, providing resources for specialized advice, and acquiring goods for increased productivity.
- **Subcomponent 1.3 - Virtual Technical Assistance (VTA)** - Use of digital media to complement face-to-face ATER; development of communication methodologies and tools for family farmers; and creation of pilot projects exclusively for VTA.

5. **Component 2: Capacity Building, Innovation and Dissemination** – This component aims to create an environment conducive to improving and updating the knowledge and skills of project beneficiaries and teams of professionals, especially ATER professionals to promote agroecological transition and sustainable and nutritious agri-food systems.

- **Subcomponent 2.1 – Innovation and Capacity building** - This subcomponent aims to implement actions to generate, improve and disseminate knowledge and strengthen capacities for a diverse audience, such as ATER teams, civil society actors involved in training processes in the territories, rural school cooks and women farmers. The training will cover topics of interest to these groups, including food security, gender, agroecology, and climate-resilient agriculture, etc. To this end, training will be provided, as well as support for regional events/fairs and support for the preparation of teaching materials.
- **Subcomponent 2.2 – Capacity building for young people** - This subcomponent seeks to strengthen the knowledge and the pedagogy of alternating students practices of high school students at CEFFAs and similar rural education institutions, by providing teaching grants for students and teachers, organizing awards, learning routes and exchanges.
- **Subcomponent 2.3 – Knowledge Management, South-South and Triangular Cooperation, and policy dialogue** - The subcomponent's actions will aim to strengthen and expand the development and exchange of good management practices for public policies, innovations and social technologies for living in the semi-arid region, with a focus on strategies for adapting to climate change and promoting food security, in line with the Project's actions. The subcomponent's main activities will be the production of publications in

different formats, which will support seminars, workshops, and exchanges (national/international and face-to-face/online), and training processes (face-to-face/distance).

6. **Component 3: Project Management and Monitoring and Evaluation (M&E)** - Aims to establish the Project Management Unit (PMU) for technical coordination, management of agreements, procurement, finance, audits, safeguards, monitoring, and evaluation. The PMU's key team will comprise MDA officials' consultants. The component also includes financial resources for evaluation studies and monitoring actions. It has two sub-components:

- **Subcomponent 3.1 - Project Management** - Through this subcomponent, a Project Management Unit (PMU) will be established at the SFDT/MDA in Brasilia (DF), with responsibility for implementing the project and carrying out technical coordination activities, managing the agreements established with the partner entities, procurement management, financial management and audits.
- **Subcomponent 3.2 - Monitoring and Evaluation (M&E)** - This subcomponent includes financial resources for contracting evaluation studies, such as the Impact Evaluation (with baseline, mid-term, and final evaluation), as well as follow-up/evaluation studies on the implementation of ATER. Actions relating to the Decentralized Execution Terms (TEDs) and other forms of decentralized implementation will be monitored and evaluated by means of specific studies.

7. As previously mentioned, PDHC III will be run by the SFDT/MDA, which will be the decision-making body for the project's actions. To inform its deliberations and increase capillarity and articulation with territorial, state, regional and national public policies, three other governance spaces will be established for information purposes and to prepare and align actions to enhance the participatory nature of the Project. The following institutional governance spaces will be established:

a) Territorial Committee: in each Territory in which the Project operates, a Committee will be set up within the framework of the Territorial Collegiate as a space for social control; dialogue on the demands of the communities and their alignment with the Project's actions at territorial level; and articulation with other public policies, programs and projects, in particular those of IFAD and the Federal Government. The Project can provide support for the functioning and meetings of the Territorial Committee for discussions and implementation of its actions;

b) Regional Committee: at the regional level in the Northeast and Minas Gerais, a space will be established for disseminating information and discussing the project's actions between the states where the PDHC operates and the organizations representing family farming at the regional level. This committee will be made up of representatives of civil society organizations, including those that make up the National Council for Sustainable Rural Development (CONDRAF), and representatives of state governments. In this sense, the Project will present its actions and thus ensure alignment and the search for synergies and complementarities with state governments and family farming civil society organizations operating in the states;

c) Executive Committee: this will be made up of representatives from the units of the Ministry of Agrarian Development and Family Farming (MDA) and other federal bodies with a prominent role in the project and will act as a mechanism for monitoring the actions and coordination between the different areas of the Ministry and the Federal Government that form part of the Committee.

8. The Project will support the functioning of these collegiate bodies for meetings relating to PDHC III and may support the participation of some of their members, provide secretarial support for meetings and prepare knowledge management products to contribute to the debate and dialog on actions.

9. The main objective of these collegiate bodies will be to: i) serve as spaces for dialog, social control, and integration of policies; ii) contribute to the process of social management of public policies by strengthening these spaces in the territories where the project will operate (Territorial Collegiate Groups). As part of this work, the project will be able to support the functioning of the Territorial Councils, helping to generate proposals on issues to be considered in the dialog agendas and building partnerships to carry out specific undertakings or actions defined in these areas; iii) promoting the participation of civil society organizations and strengthening the capacities of rural communities and different actors (including women, young people and PCTs) to participate in these spaces; iv) contributing to the definition of the project's priority actions, planning, monitoring and evaluating their implementation; v) contributing to the definition of possible innovative methodologies; and vi) disseminating and analyzing results on innovative methodologies applied by the project and evaluated as successful, with a view to their possible adaptation and scaling up.

10. The Project will target 90,000 family farming families, of which 40,000 will receive support for ATER and financial support for productive investments, 2,500 for implementing agroecological systems for producing healthy food, including ATER. In contrast, the rest of the families will benefit from the other activities planned by the Project. The actions aimed at direct interventions through ATER and investments in the beneficiaries' productive activities are concentrated in component 1, based on actions developed in each sub-component.

INDIGENOUS PEOPLES IN THE PROJECT AREAS

11. There are currently 45 indigenous people's groups living in the Caatinga, with a population of around 90,000 inhabitants, distributed over 36 Indigenous Lands, occupying an area of almost 140,000 hectares (see table below). Among these, the largest are the Kambiwá and Xukuru Indigenous Lands in Pernambuco, and the Pankararé and Brejo do Burgo in Bahia, totaling approximately 107,000 hectares. Kambiwá is the largest indigenous land in the biome and is in the state of Pernambuco, with just over 31,000 hectares⁶. The Caatinga is home to the Atikum, Fulni-ô, Jenipapo-Kanindé, Jiripancó, Kariri-Xokó, Kantaruré, Kiriri, Kaimbé, Kambiwá, Kapinawá, Pankararé, Pankararu, Pitaguary, Potiguara, Pipipan, Tingui Botó, Tremembé, Tucumanduba, Truká, Tumbalalá, Tuxá, Xakriabá, Xukuru Kariri, and Xocó. The indigenous peoples of the Caatinga often live in reduced areas and suffer intense pressures that cause serious social, environmental, and climatic vulnerability.

12. The semiarid is a region of great ethnic and cultural diversity, with a high concentration of traditional peoples and communities (PCTs)¹. PCTs are particularly vulnerable due to historical dynamics of exclusion, high dependence on natural resources affected by climate change, marginalization of their ways of life, exclusion from the formulation of public policies, and poor access to services, including health, education, sanitation, infrastructure and technical assistance and extension services. Indigenous and quilombola (see definition below) women are the most marginalized and socially excluded groups, facing higher rates of violence, poverty, and food and nutritional insecurity, as well as more limited access than other women to public health and education policies, among others. They are also the target groups most vulnerable to climate change.

13. According to the latest IBGE census (2022), Northeast Brazil (NEB) is the second region with the largest indigenous population, with 528.800 indigenous people (31.2% of the total). In the Project area, there are 283.747 indigenous peoples, only 64.132 (22.6%) living in Indigenous Lands (ILs – **see table below**), and the vast majority, 77,4%, living outside ILs (IBGE, 2022b). 106.331 indigenous peoples are registered in the Unified Registry (2023) in the Project area, 37,5% of the total population. Of the 37.885 indigenous families in the Single Registry, 82.0% live in poverty or extreme poverty.

14. Extreme poverty affects indigenous people six times more than the rest of the Brazilian population. Much of the indigenous population faces accelerated social transformation and needs to seek its physical and cultural survival and guarantee a better quality of life for future generations. It is estimated that in Brazil, less than 5% of young rural indigenous people aged between 20 and 29 have 13 or more years of schooling (ECLAC, 2016). In terms of health, infant mortality in the first year of life for indigenous children is three times higher than the national average. Between 2018 and 2021, the Special Secretariat for Indigenous Health (SESAI) recorded 3,126 deaths of indigenous children aged 0 to 5, mostly due to preventable and treatable diseases such as diarrhea and malnutrition - 72% of the deaths were of children under the age of one. The precarious situation of indigenous children is evident in the fact that anemia affects 50% of them.

Table 1: Table 1: INDIGENOUS LANDS, ETHNIC GROUPS PER STATE IN THE NEB (Source MPF).

State	Indigenous Land	Ethnic group	Municipality	Federal attorney jurisdiction (MPF)	Area (ha)	Population
AL	Aconã	Tingui-Botó	Traipu, São	PRM/Arapiraca	268	46
AL	Fazenda Canto	Xukuru-Kariri	Palmeira dos	PRM/Arapiraca	372	2910
AL	Jeripancó	Jeripancó	Água Branca,	PRM/Arapiraca		1607
AL	Kalankó	Kalancó	Água Branca	PRM/Arapiraca	1810	360

¹ "Traditional Peoples and Communities" are defined by Decree 6.040/2007 as "culturally differentiated groups who recognize themselves as such, who have their own forms of social organization, who occupy and use territories and natural resources as a condition for their cultural, social, religious, ancestral and economic reproduction, using knowledge, innovations, and practices generated and transmitted by tradition." These groups include indigenous peoples, quilombolas, Afrodescendants, riverine communities, artisanal fishers, shellfish gatherers, caboclos, among other groups.

State	Indigenous Land	Ethnic group	Municipality	Federal attorney jurisdiction (MPF)	Area (ha)	Population
AL	Karapotó	Karapotó	São Sebastião	PRM/Arapiraca	1810	625
AL	Karapotó-Guariri	Karapotó	São Sebastião	PRM/Arapiraca		
AL	Kariri-Xocó	Kariri-Xocó	Porto Real do	PRM/Arapiraca	4316	2312
AL	Karuazú	Karuazú	Pariconha	PRM/Arapiraca		955
AL	Katokim	Katoquim	Pariconha	PRM/Arapiraca		1881
AL	Koiupanká	Koiupanká	Inhapi	PRM/Arapiraca		580
AL	Mata da Cafurna	Xukuru-Kariri	Palmeira dos	PRM/Arapiraca	117	455 (1994,
AL	Tingui-Botó	Tingui-Botó	Campo Grande	PRM/Arapiraca	535	365
AL	Wassu Cocal	Wassu	de Camaragibe,	PR/AL		2037
AL	Wassu Serrinha	Wassu	Joaquim Gomes	PR/AL		
AL	Xukuru-Kariri	Xukuru-Kariri	Palmeira dos	PRM/Arapiraca	7073	3327
BA	Águas Belas	Pataxó	Prado	PRM/Teixeira de	1.189	300
BA	Aldeia Thá-Fene	Kariri-Xocó	Lauro de Freitas	PR/BA	3	40
BA	Aldeia Truká-Tupã	Truká	Paulo Afonso	PRM/Paulo		22
BA	Aldeia Velha	Pataxó	Porto Seguro	PRM/Eunápolis	2220	803
BA	Atikum de Cotejipe	Atikum	Cotejipe	PRM/Barreiras		72
BA	Barra	Kiriri e Atikum	Muquém de São	PRM/Barreiras	62	
BA	Barra Velha/Monte Pascoal	Pataxó	Itamaraju, Porto	PRM/Eunápolis e PRM/Teixeira de Freitas		2992
BA	Brejo do Burgo	Pankararé	Glória, Paulo	PRM/Paulo	17.925	
BA	Caldeirão Verde	Pataxó Hã-Hã-	Ramalho	PRM/Barreiras		
BA	Caramuru-Paraguaçu	Pataxó Hã-Hã-	Colônia, Paulo	PRM/Ihéus/	54105	2359
BA	Comexatiba (Cahy Pequi)	Pataxó	Prado	PRM/Teixeira de	28077	732
BA	Coroa Vermelha	Pataxó	Porto Seguro,	PRM/Eunápolis	1493	4958
BA	Fazenda Altamira	Atikum	Curaçá	PRM/Paulo	700	53
BA	Fazenda Bahiana	Pataxó Hã-Hã-	Camamu	PRM/Ihéus/	308	74
BA	Fazenda Curaça	Atikum	Curaça	PRM/Petrolina/		
BA	Fazenda Jenipapeiro	Atikum	Santa Rita de	PRM/Barreiras		

State	Indigenous Land	Ethnic group	Municipality	Federal attorney jurisdiction (MPF)	Area (ha)	Population
BA	Fazenda Remanso	Tuxá	Muquém de São	PRM/Barreiras	328	
BA	Fazenda Sempre Verde	Pankaru	Muquém de São	PRM/Barreiras	1000	26
BA	Fazenda Sítio/Tuxá de Banzaê	Tuxá	Quijingue	PRM/Paulo	414	65
BA	Fulniô de Serra do Ramalho	Fulniô	Ramalho	PRM/Barreiras		
BA	Ibotirama	Tuxá	Ibotirama	PRM/Barreiras	2019	639
BA	Imbiriba	Pataxó	Porto Seguro	PRM/Eunápolis	397	
BA	Kantaruré	Kantaruré	Glória	PRM/Paulo	1.811	328
BA	Kiriri	Kiriri	Pombal, Tucano	PRM/Paulo	12.299	2082
BA	Massacará	Kaimbé	Euclides da	PRM/Paulo	8.020	1002
BA	Mata Medonha	Pataxó	Santa Cruz	PRM/Eunápolis	549	213
BA	Neo-Pankararé	Pankararé	Rodelas	PRM/Paulo		
BA	Nova Vida	Atikum	Rodelas	PRM/Paulo		
BA	Pankararé	Pankararé	Glória, Paulo	PRM/Paulo	47.522	1288
BA	Pankararu Gueyah	Pankararu Gueyah	Paulo Afonso	PRM/Paulo		
BA	Payaya	Payaya	Utinga	PRM/Irece		
BA	Quixaba	Xukuru-Kariri	Glória	PRM/Paulo	39	55
BA	Rodelas	Tuxá	Rodelas	PRM/Paulo	4328	1141
BA	Rodelas	Atikum	Rodelas	PRM/Paulo		
BA	Rodelas - Cidade	Tuxá	Rodelas	PRM/Paulo	38	1031
BA	Serra do Periperi	Mongoió e Imboré	Conquista	PRM/Vitória da		
BA	Surubabel	Tuxá	Rodelas	PRM/Paulo		
BA	Truká de Sobradinho	Truká	Sobradinho	PRM/Petrolina/	350	103
BA	Tumbalalá	Tumbalalá	Abaré, Curaçá	PRM/Paulo Afonso e PRM/Petrolina/Juazeiro	44978	1138
BA	Tupinambá de Belmonte	Tupinambá do	Belmonte	PRM/Eunápolis		89
BA	Tupinambá de Itapebi	Tupinambá do	Itapebi	PRM/Eunápolis		400

State	Indigenous Land	Ethnic group	Municipality	Federal attorney jurisdiction (MPF)	Area (ha)	Population
BA	pebi Tupinambá de Olivença	Tupinambá de	Buerarema e	PRM/Ilhéus/	47376	4664
BA	Vargem Alegre	Pankaru	Ramalho	PRM/Barreiras	981	48
BA	Xakriabá de Côcos	Xakriabá	Côcos	PRM/Barreiras		
BA/PE/PI	Cariri da Serra	Kariri	Nova (PI), Afrã-	PRM/Petrolina/		
CE	Aldeia Imburana	Tabajara e	Poranga	PRM/Crateús/		1228
CE	Aldeia São José	Tupinambá de	Cratéus	PRM/Crateús/		1228
CE	Anacé	Anacé	Caucaia e São	PR/CE		1262
CE	Cajueiro	Tabajara e	Poranga	PRM/Crateús		
CE	Carnaubal	Tapuia-Kariri	São Benedito	PRM/Sobral		(32 famílias)
CE	Córrego João Pereira	Tremembé		PRM/Sobral	3.162	449
CE	Fazenda Gameleira	Kanindé	Canindé	PRM/Limoeiro do Norte		55
CE	Kanindé de Aratuba	Kanindé	Aratuba	PRM/Limoeiro do Norte		659
CE	Kariri de Crateús	Kariri	Cratéus	PRM/Crateús/		118
CE	Kariri do Crato	Kariri	Crato	PRM/Juazeiro do Norte		(5a famílias)
CE	Lagoa Encantada	Jenipapo-Kanindé	Aquiraz	PR/CE	1731	293
CE	Monte Nebo	Potiguara do	Cratéus	PRM/Crateús/		
CE	Mundo Novo-Viração (Pitagatapuia)	Gavião, Potiguara, Tabajara e Tubiba-Tapuia	Monsenhor	PRM/Crateús/		2307
CE	Nova Terra	Potiguara do	Cratéus	PRM/Crateús/		865
CE	Olho d'Água dos Canuto (Serra das Matas)	Tabajara	Monsenhor	PRM/Crateús/	74	28
CE	Paupina	Potiguara	Fortaleza	PR/CE		81
CE	Pitaguary	Pitaguari	Maracanaú e	PR/CE	1735	3765
CE	Poranga	Tabajara e	Poranga	PRM/Crateús/		1228
CE	Potiguara de Novo	Potiguara do	Novo Oriente	PRM/Crateús/		281

State	Indigenous Land	Ethnic group	Municipality	Federal attorney jurisdiction (MPF)	Area (ha)	Population
	Oriente					
CE	São José e Buriti	Tremembé	Itapipoca	PRM/Sobral		73 (CIMI)
CE	Serra das Melancias	Tabajara	Cratéus	PRM/Crateús/		23
CE	Taba dos Anacés	Anacé	Caucaia e São	PR/CE	543	
CE	Tabajara de Quiterianópolis	Tabajara	Quiterianópolis	PRM/Crateús/		319
CE	Tapeba	Tapeba	Caucaia	PR/CE	5838	6552
CE	Tremembé da Barra do Mandaú	Tremembé	Itapipoca	PRM/Sobral	3580	494 (Funai)
CE	Tremembé de Acaraú	Tremembé	Acaraú	PRM/Itapipoca		
CE	Tremembé de Almofala	Tremembé	Itarema	PRM/Sobral	4900	1936
CE	Tremembé de Arueira	Tremembé	Acaraú	PRM/Sobral		
CE	Tremembé de	Tremembé	Acaraú	PRM/Sobral	767	126
CE	Vila Vitória	Calabaças e	Cratéus	PRM/Crateús/		168
PB	Potiguara	Potiguara	Baía da Traição,	PR/PB	21238	15005
PB	Potiguara de Monte Mor	Potiguara	Marcação, Rio	PR/PB	7487	
PB	Tabajara	Tabajara	Conde	PR/PB		700
PE	Aldeia Altinho	Pankararu	Tacaratu	PRM/Serra		
PE	Atikum	Atikum	Carnaubeira da	Talhada/Salgueir	16290	5390
PE	Bom Sucesso	Atikum	Santa Maria da	PRM/Petrolina/		
PE	Entre Serras	Pankararu	Petrolândia,	Talhada/Salgueir	7.550	1072
PE	Fazenda Funil/Inajá	Tuxá	Inajá	PRM/Garanhuns	140	263
PE	Fulniô	Fulniô	Águas Belas	PRM/Garanhuns	11.506	4261
PE	Ilha da Tapera/São Felix	Truká	Orocó	PRM/Salgueiro		
PE	Ilhas da Varge, Caxói e Cana Brava	Tuxi	Belém do São			

State	Indigenous Land	Ethnic group	Municipality	Federal attorney jurisdiction (MPF)	Area (ha)	Population
PE	Kambiwá	Kambiwá/Pipipã	Ibimirim, Inajá	Talhada/Salgueir	31.495	4340
PE	Kapinawa	Kapinawá	Buíque	PRM/Garanhuns	12403	2487
PE	Pankaiuká/Fazenda Cristo Rei	Pankaiucá	Jatobá	Talhada/Salgueir		
PE	Pankará da Serra do Arapuá	Pankará	Carnaubeira da	Talhada/Salgueir		2550
PE	Pankararu	Pankararu	Petrolândia,	Talhada/Salgueir	8.377	7681
PE	Pipipã	Pipipã	Floresta	Talhada/Salgueir	63322	185
PE	Serrote dos Campos	Pankará	Itacuruba	Talhada/Salgueir		
PE	Truká - Família de Mozenir Araújo	Truká	Cabrobo	Talhada/Salgueir		
PE	Truká- Assunção	Truká	Cabrobó	Talhada/Salgueir	5769	5899
PE	Xucuru	Xukuru	Pesqueira e	PRM/Garanhuns	27.555	12171
PE	Xucuru de Cimbres	Xukuru	Pesqueira e	PRM/Garanhuns	1166	(149 famílias)
PI	Cariri da Serra	Kariri	Casa Nova (BA)	PRM/Florianópolis		
PI	Codó Cabeludo	Codó Cabeludo	Dom Pedro	PR/PI		
PI	Itacoatira	Itacoatiara	Piripiri	PR/PI		211
RN	Amarelão	Potiguara	João Câmara	PR/RN		1500
RN	Caboclos do Assu	Potiguara	Açu	PRM/Mossoró		150
RN	Catu	Potiguara	Canguaretama e	PR/RN		749
RN	Novo Amarelão	Potiguara	Natal	PR/RN		164
RN	Sagi/Trabanda	Potiguara	Baía Formosa	PR/RN		
SE	Caiçara	Xocó	Porto da Folha	PR/SE	4.317	329
SE	Fulkaxó	Fulkaxó	Pacatuba	PR/SE		
SE	Kaxagó	Kaxagó	Porto da Folha	PR/SE		
SE	Xocó Guará	Xocó Guará	Porto da Folha	PR/SE		108

RELEVANT LEGAL FRAMEWORK

15. The implementation of this IPPF is an International Fund for Agricultural Development - IFAD policy requirement. It aligns with Brazilian Law and international commitments, notably with the International Labor Organization - ILO Convention 169 on Indigenous and Tribal Peoples (1989), ratified by the Brazilian Congress and currently in force. The following paragraphs present a summary of these legal documents:

IFAD POLICY ON INDIGENOUS PEOPLES²

16. On IFAD projects that may affect indigenous peoples' land, territories, or resources, Project approval is contingent on obtaining Free, Prior, Informed Consent during Project design. If FPIC (Free, Prior and Informed Consent) is not possible at the design stage, an FPIC implementation plan should be prepared to guide the FPIC process during implementation. In appraising such projects, the IFAD verifies whether they include measures to (i) avoid potentially adverse effects on the indigenous peoples' communities or (ii) minimize, mitigate, or compensate for adverse effects when avoidance is not feasible. The objectives of IFAD standard 4 on Indigenous Peoples are:

- Support indigenous peoples to determine priorities and strategies for exercising their right to development;
- Ensure that each Project is designed in partnership with indigenous peoples and with their full, effective, and meaningful consultation, leading to Free, Prior and Informed Consent (FPIC);
- Ensure that indigenous peoples obtain fair and equitable benefits and opportunities from project-supported activities in a culturally appropriate and inclusive manner and
- Recognize and respect the rights of indigenous peoples to the lands, territories, waters, and other resources they have traditionally owned, used, or relied upon.

17. Standard 4 requires meaningful consultations and FPIC. IFAD will ensure that FPIC is applied in all projects affecting indigenous peoples that:

- May have an impact on the land access and use rights of rural communities and
- Target indigenous peoples or rural areas that are home to indigenous peoples.

18. Engagement with indigenous peoples will be undertaken in good faith, in a culturally appropriate manner, and with full regard to these peoples' institutions, governance systems, customs, and decision-making methods. Each borrower/recipient/partner is responsible for seeking FPIC as part of the consultation process with indigenous peoples. This process should continue throughout all phases of the project cycle. FPIC needs to be solicited either before project approval (in the design phase) or during implementation, depending on the nature of the Project and the stage in the project cycle in which target communities are identified. When it is not possible to seek FPIC during project design, an FPIC implementation plan should be prepared specifying how FPIC will be sought during early implementation and before any

² For more detailed information, please refer to IFAD's Social, Environmental, and Climate Assessment Procedures (SECAP) at <https://www.ifad.org/en/-/social-environmental-and-climate-assessment-procedures>.

investments are made. The FPIC implementation plan must be made accessible in a timely manner and as early as possible during implementation.

19. Indigenous Peoples Plan (IPP).

20. Projects that affect indigenous peoples require an IPP prepared by the borrower/recipient/partner. The IPP should include:

- i. a sociocultural and land tenure assessment;
- ii. the specific characteristics of each indigenous people or historically underserved local community;
- iii. strategy for working with indigenous peoples and
- iv. documentation of the FPIC process.

21. The IPP should be integrated into project design and implementation, identifying potential risks and impacts, and outlining risk avoidance and mitigation measures. It should also specify measures for:

- i. providing culturally appropriate benefits;
- ii. continued consultation and participation;
- iii. grievance procedures;
- iv. monitoring and evaluation, and
- v. a budget and financial plan for risk-mitigation measures.

22. An indicative outline of the IPP at the end of this report

BRAZILIAN LEGISLATION
Federal Constitution of 1988

23. The 1988 Federal Constitution sets out the principles governing the basic rights of indigenous peoples. It forms the legal basis from which complementary laws, decrees, ordinances, and other national legislation on indigenous peoples derive. The main advance, apart from the recognition of differentiated territorial and cultural rights, was the legal aspects that recognized and defined actions to strengthen the autonomy of these peoples. The two articles below are of particular relevance to the Project:

Art. 231. Indigenous peoples are recognized for their social organization, customs, languages, beliefs, and traditions, and for their original rights over the lands they traditionally occupy, and the Union is responsible for demarcating, protecting, and ensuring respect for all their property.

Art. 232. Indigenous peoples, their communities, and organizations are legitimate parties to take legal action to defend their rights and interests, with the Public Prosecutor's Office intervening in all acts of the process.

Decree n. 11.355 of January 1st, 2023³ - Creation of the Ministry for Indigenous Peoples

24. Creates the Ministry for Indigenous Peoples and approves its organizational structure, putting the Brazilian Agency for Indigenous Peoples (FUNAI) under its line responsibility (formerly under the Ministry of Justice). FUNAI is a key interlocutor in communicating with indigenous peoples, and the Project implementing partners should coordinate Project activities with it at the Federal and State levels.

ILO 169 Convention

25. The right of indigenous and tribal peoples to be consulted, in a free and informed manner, before decisions are made that may affect their property or rights, or the so-called state obligation to consult, was first provided for at the international level in 1989 when the International Labor Organization (ILO) adopted Convention 169. The Convention was ratified by Brazil in 2004, and it is in force. The Convention establishes the rights of Indigenous peoples to Free, Prior, Informed Consent (FPIC). This type of consultation is an obligation of the Brazilian state to ask indigenous peoples properly and respectfully for their position on administrative and legislative decisions that could affect their lives and rights. It is the right of indigenous peoples to be consulted and to participate in the decisions of the Brazilian state through intercultural dialogue marked by good faith. This dialogue must be broadly participatory, transparent, free from pressure, flexible to take account of the diversity of indigenous peoples and communities and have a binding effect in the sense that it leads the state to incorporate what is discussed into the decision to be taken.

PNGATI - National Policy for Territorial and Environmental Management of Indigenous Lands

26. The creation of PNGATI comes in the wake of Brazil's ratification of the ILO 169 Convention, as we can see from the decree's wording. This law guarantees indigenous peoples the conditions for territorial management, ensuring respect for their sociocultural systems and fostering sustainable development in their territories. Here, we highlight the first article of the Law, which defines its general parameters.

Art. 1 The National Policy for Territorial and Environmental Management of Indigenous Lands - PNGATI - is hereby established to guarantee and promote the protection, recovery, conservation, and sustainable use of the natural resources of indigenous lands and territories, ensuring the integrity of indigenous heritage, the improvement of quality of life and the full conditions for the physical and cultural reproduction of current and future generations of indigenous peoples, respecting their sociocultural autonomy, under the terms of current legislation.

FREE, PRIOR, INFORMED CONSENT (FPIC)

27. Historically, indigenous peoples have been subjected to state policy decisions that did not consider the possible negative impacts on their traditional ways of life. Specifically, in Brazil, laws were formulated based on the supposed incapacity of indigenous people to make decisions. Whether it was defining public policies or authorizing the implementation of

³ <https://legislacao.presidencia.gov.br/atos/?tipo=DEC&numero=11355&ano=2023&ato=68aUTVU9kMZpWT552>

development projects, there was no guaranteed form of indigenous participation in these processes.

28. The Brazilian state changed course on this concept thanks to the protest of indigenous peoples and international treaties and provisions. ILO Convention 169 of June 7, 1989, was the legal framework from which the parameters that gave rise to the other regulations on this issue were established. Brazil signed up to ILO Convention 169 by means of Presidential Decree 5051 of April 19, 2004. The American Declaration on the Rights of Indigenous Peoples reaffirms this right.

29. The central aim of this legal framework is to ensure that indigenous peoples have the right to be consulted in advance about decisions that affect their lives and to guarantee that the methodologies used are appropriate to their sociocultural contexts. Many indigenous peoples have already drawn up their documents establishing their Consultation Protocols. In these documents, indigenous peoples define the methodologies and stages that must be followed to consult them.

30. The FPIC will be carried out based on the methodology proposed in the FPIC Plan which includes guidance to obtaining consent (Annex H of the PDR). During project implementation, consent must be guaranteed through a continuous and inclusive consultation process and indigenous peoples' participation. The Project must seek to build a relationship of trust with the communities, their organizations, and governance institutions. With this in mind, it should be noted that if, during the life of the Project, the beneficiary indigenous peoples conclude the construction of their Consultation Protocols, these will become the consultation mechanisms to be considered. The Implementation Guide provides for the participation of indigenous peoples right from the planning stages for carrying out consultation activities in accordance with ILO 169 and good practices for FPIC implementation processes.

ASSOCIATIONS AND POLITICAL REPRESENTATION

31. The forms of formal organization that have emerged from interaction with our society can never be seen as a substitute for the traditional decision-making bodies of indigenous peoples. Associations play the role of mediators in relations with external agents. In some cases, these associations already include references to bodies such as the Council of Elders or women's representation in their statutes or internal regulations.

32. In a simplified way, we should understand that the local Indigenous Associations are appropriated by the Indigenous people fundamentally as catalysts for resources, executors of actions, and political representations of their interests. Because of this, the same Indigenous Land can have more than one association. Even if there are forums and consultations, mechanisms provided for in their statutes and/or bylaws, all the sociocultural dynamics described above are also reflected in the Indigenous Associations. In other words, by legitimizing an association as their representative, a chief or leader is not necessarily giving up their desire to be consulted individually. In the same way, at a specific moment, internal issues can cause a relative distancing between the association and part of the group that constitutes it.

33. Organizations with a specific focus (women, young people, and teachers) can bring together the agendas common to these groups. However, when implementing actions, it is important to check that these agendas align with the other representation instances. This is

necessary to avoid generating internal conflicts. There are records of cases in which chiefs have felt discredited because they were not involved in decision-making processes, and this has caused discomfort in the communities. Larger organizations, which aim to represent the state or national level, are important in dealing with issues from a macro perspective, as they allow for a connection between what is being dealt with locally and the agendas being pursued broadly by the organized indigenous movement.

34. The table below presents a list of associations in the Indigenous Lands in the Project's area. These are the main points of entry for the Project and its implementing partners to engage with indigenous peoples to obtain their Free, Prior and Informed Consent (FPIC).

Table 2: INDIGENOUS PEOPLES ASSOCIATIONS IN THE PROJECT AREA (Source MPF⁴).

Association name	Village	Indigenous Land	CEP	Municipality	State
Associação Comunitária Indígena Bonsucesso Kariri-Xocó	Aldeia Kariri-Xocó	Terra Indígena Kariri-Xocó	57290000	Porto Real do Colégio	AL
Associação Comunitária Indígena dos Pescadores e Pescadoras Kariri Xocó	-	-		-	AL
Associação de Mulheres Indígenas karapotó	Aldeia Indígena Karapotó Plak-ô	Terra Indígena Karapotó	57275000	São Sebastião	AL
Associação de Mulheres Indígenas Tingui Botó	Aldeia Tingui Boto, s/n	-	57340000	Feira Grande	AL
Associação dos Índios Kariris - Cerealista e Armazenamento	Aldeia Kariri-Xocó	Terra Indígena Kariri-Xocó	57290000	Porto Real do Colégio	AL
Associação Indígena Cocal	Posto Indígena Cocal	Terra Indígenas Wassu-Cocal	57000000	Joaquim	AL
Associação Indígena Comunitária Karapoto Terra Nova	Comunidade Polo Base da Aldeia Indígena Karapoto Terra Nova	Zona Rural	57275000	São Sebastião	AL
Associação Indígena Comunitária Kariri-Xocó	Comunidade Aldeia Indígena Kariri-Xocó, s/n	zona rural	57290000	Porto Real do Colégio	AL
Associação Indígena da Aldeia Wassu Cocal	-	-		-	AL
Associação Indígena do Grupo Wpyra Swpira	Aldeia Mata da Cafurna, S/N	Zona Rural	57600970	Palmeiras dos Índios	AL
Associação Indígena Kariri-Xocó	Aldeia Indígena Kariri Xoco, Sn	Zona Rural	57290000	Porto Real Do Colegio	AL
Associação Indígena Praki-ô	Aldeia Indígena Karapotó Plak-ô	Terra Indígena Karapató	57275000	São Sebastião	AL
Associação Indígena Xucuru Kariri	Aldeia Fazenda Canto	Terra Indígena Xukuru-Kariri	57600000	Palmeira dos Índios	AL

⁴ <https://www.mpf.mp.br/atuacao-tematica/ccr6/documentos-e-publicacoes/tabela-terras-indigenas-2020/tabela-terras-indigenas-2020.pdf>

Association name	Village	Indigenous Land	CEP	Municipality	State
Comitê Intertribal de Mulheres Indígenas em Alagoas	Rua Major Cícero de Goés Monteiro, 22 - 1º Andar	Centro	57600050	Palmeira dos Índios	AL
GRUJACAMIN	Aldeia Baixa Fresca	-	57345000	Inhapi	AL
Grupo Indígena Dzubucúá	Aldeia Indígena Dzubucúá	TI Kariri-Xokó	57290000	Porto Real do Colégio	AL
Organização das Mulheres Indígenas Xucuru Kariri	-	-	57600000	Palmeira dos Índios	AL
Associação Caramuru Indígena da Água Vermelha	Bom Sossego-Agua Vermelha, 01 Galpão	Água Vermelha Jacareci Km 18	45890000	Pau Brasil	BA
Associação Comunitária Indígena de Corumbauzinho	OTR ALDEIA CORUMBAUZINHO , s/n	Zona Ruaral	45980000	Prado	BA
Associação Comunitária Indígena Francisco Rodelas	Fazenda Mourrinhos - Aldeia Indígena Tuxá	-	47520000	Ibotirama	BA
Associação Comunitária Indígena Kiriri Santo André da Marcação	VI Povoado Marcação s/n	Zona Rural	48405000	Banzaê	BA
Associação Comunitária Indígena Pataxó da Coroa Vermelha	Aldeia Indígena Pataxó da Coroa Vermelha	TI Coroa Vermelha	45810000	Santa Cruz Cabralia	BA
Associação Comunitária Indígena Raul Valério de Oliveira	Fazenda sitio s/n	Zona Rural	48405000	Banzaé	BA
Associação Comunitária Indígena Tumbalalá da Aldeia Salgado	Fazenda Aldeia Salgado s/n	zona rural	48930000	Curuçá	BA
Associação Comunitária Kiriri da Aldeia de Mirandela	Aldeia Mirandela	Terra Indígena Kiriri	48405000	Banzaê	BA
Associação Comunitária Kiriri do Saco dos Morcegos	Povoado de Mirandela, s/n. Complemento: Casa	Mirandela	48405000	Banzaê	BA
Associação Comunitária Kiriri Santa Cruz Aldeia Cajazeira	Aldeia Cajazeira	Zona Rural	48405000	Banzaê	BA
Associação Comunitária Pankararé	Aldeia Indígena Pankararé	-	48610000	Glória	BA

Association name	Village	Indigenous Land	CEP	Municipality	State
Associação Cultural e Ambientalista dos Índios Tupinambá	Rua Hortência Castro, 02	Olivença	45668000	Ilhéus	BA
Associação da Comunidade Indígena Nova Atikun	TR Projeto de Reforma Agrária	COMUNIDADE DE BENFICA	47960000	Angical	BA
Associação da Comunidade Indígena Pataxó da Aldeia Barra Velha	-	TI Barra Velha	45810000	Porto Seguro	BA
Associação da Comunidade Indígena Pataxó Hã-Hã-Hãe da Aldeia Caramuru	Reserva Indígena, s/n	Zona Rural	45890000	Pau Brasil	BA
Associação das Mulheres Indígenas Tuxá de Ibotirama	Povoado Aldeia Tuxá s/n	Zona Rural	47520000	Ibotirama	BA
Associação de Desenvolvimento Rural Sustentável Indígena do Mundo Novo	FAZ SÃO SEBASTIÃO	Reserva Indígena Caramuru Paraguassu	45.890000	Pau Brasil	BA
Associação de Ecoturismo de Aldeia Velha	Praça São Braz, 135	Centro	45810970	Porto Seguro	BA
Associação de Mulheres Indígenas	FAZ FAZ BOA VISTA, REGIAO AGUA VERMELHA KM 18, S/N, GALPAO	Bairro ÁGUA VERMELHA KM 18	45.890000	Pau Brasil	BA
Associação de Mulheres Indígenas da Aldeia Boca da Mata	Aldeia Boca da Mata s/n	Zona Rural	45810000	Porto Seguro	BA
Associação de Pescadores e Moradores Indígenas de Bujigão	Margem Esquerda do Rio Corumbau, s/n - distrito de Caraíva	Aldeia Bujigão	45819970	Porto Seguro	BA
Associação de Produtores Rurais e Pescadores Indígenas Tumbalala da Aldeia de Missão Velha de Curaçá-BA	Aldeia Missão Velha	-		Curaçá	BA
Associação do Povo Indígena Truka-tupan de Paulo Afonso	Com Alto do Aratikum, s/n, Aldeia	Zona Rural	48601000	Paulo Afonso	BA
Associação dos Agricultores Indígenas Pataxó da Coroa Vermelha	Rua Mata da Agricultura, s/n	Coroa Vermelha	45807000	Santa Cruz Cabralia	BA
Associação Dos Bugueiros Indígenas Pataxó da Aldeia de Barra Velha	Aldeia Indígena Pataxó de Barra Velha	-	45819000	Porto Seguro	BA
Associação dos Índios da Tribo Tuxá dos Pequenos Agricultores de Rodelas	Rua Maestro Florêncio de Almeida Lima, s/n	Centro	48630000	Rodelas	BA

Association name	Village	Indigenous Land	CEP	Municipality	State
Associação dos Índios Tupinambá da Serra do Padeiro	Rua Sá Barreto, 345	São Bento	45615000	Buerarema	BA
Associação dos Pequenos Produtores Rurais Indígenas Fulni-ô da Agrovila 05	-	Agrovila 05	47630000	Serra do Ramalho	BA
Associação dos Pequenos Produtores Rurais Indígenas Kariri de Barreiras	ROD BR 135, s/n ALDEIA KIRIRI KM 196	AREA RURAL DE BARREIRAS	47819899	Barreiras	BA
Associação Hã Hã Hãe Indígena de Água Vermelha	Rua João Veloso, 40	Centro	45890000	Pau Brasil	BA
Associação Indígena Atikum Nova Aliança de Rodelas-BA	Aldeia Atikum Nova Aliança	zona rural	48630000	Rodelas	BA
Associação Indígena Comunidade Kantaruré - Batido	TI Kantaruré	-	48610000	Glória	BA
Associação Indígena de Imbiriba	Aldeia Imbiriba	Sede	45810000	Porto Seguro	BA
Associação Indígena dos Pescadores e Produtores Rurais Tuxá	Aldeia Tuxá	Faz Morrinhos	47520000	Ibotirama	BA
Associação Indígena Neo Pankararé	-	Rio São Francisco		Rodelas	BA
Associação Indígena Pataxó da Aldeia Velha	AGROVILA ALDEIA VELHA s/n	ARRAIAL DAJUDA	45810000	Porto Seguro	BA
Associação Indígena Pataxó Mata Medonha	Agrovila da Aldeia - Junto ao Chafariz, s/n	Mata Medonha	45807000	Santa Cruz Cabralia	BA
Associação Indígena Reserva Biológica Eco-Turística Pataxó	DT ALDEIA ALEGRIA NOVA , s/n	Zona Rural	45980000	Prado	BA
Associação Indígena Tupinambá do Acuipe de Cima	Sítio Mangueira	Zona Rural	45652500	Ilhéus	BA
Associação Kaimbé Várzea	Aldeia Massacará, Zona Rural	Terra Indígena Massacará	48500000	Euclides da Cunha	BA
Associação Kantaruré da Aldeia Batida	Aldeia Indígena Kantaruré-Batida	Terra Indígena Kantaruré	48600900	Glória	BA
Associação Massacará-Kaimbé	Povoado de Massacará	Quarteirão do Icó	48500000	Euclides da Cunha	BA

Association name	Village	Indigenous Land	CEP	Municipality	State
Associação Nova Vida dos Índios Atikum de Rodelas - BA	Rua Vereador Odilon Ribeiro Cruz, s/n (Casa)	Centro	48630000	Rodelas	BA
Associação Pataxó da Aldeia Pé do Monte	DT ALDEIA PE DO MONTE	Aldeia Pé do Monte	45810000	Porto Seguro	BA
Associação Pataxó de Ecoturismo	Rua do Telégrafo, s/n	Taperapua	45810000	Porto Seguro	BA
Associação Ybytyra Porang Tupinambá	Km 09 - Água Vermelha, s/nº	TI Caramuru Paraguaçu	45890000	Pau Brasil	BA
Conselho de Caciques Pataxó	Av. Paulino Mendes, 53 - Anexo	-	45825000	Eunápolis	BA
Consórcio Agropecuário Indígena Tuxá Rodelas	R B5 QUADRA 27 LOTE 09 s/n	Centro	48630000	Rodelas	BA
Cooperativa de Habitação, Produção e Serviços da Reserva Indígena Pataxós - Coroa Vermelha	Av. Beira Mar, s/n (complem. Res. Indig. Pataxó)	Coroa Vermelha	45807000	Santa Cruz Calábria	BA
Federação Indígena das Nações Pataxó e Tupinambá do Extremo Sul da Bahia	BR 367, Km 77. Cj. Cultural Pataxó, Chalé 02 - aldeia indígena	Coroa Vermelha	45807000	Santa Cruz Cabralia	BA
Movimento Unido dos Povos e Organizações Indígenas da Bahia	-	-		Muquén de São Francisco	BA
União Nacional dos Índios Descendentes	Av. Sete de Setembro 62 S/317	Edf.SULACAP	40060001	Salvador	BA
Articulação das Mulheres Indígenas do Estado do Ceará	Est. Casa de Apoio	Aldeia da Monguba	61800000	Pacatuba	CE
Articulação das Mulheres Indígenas Tapeba	Terra Indígena Tapeba	-		Caucaia	CE
Associação das Comunidades dos Índios Tapeba de Caucaia	Rua do Trilho, 162	Capuan	61600000	Caucaia	CE
Associação das Mulheres Indígenas Jenipapo-Kanindé	-	TI Lagoa Encantada	61700000	Aquiraz (Praia do Iguape)	CE
Associação das Mulheres Indígenas Pitaguary	Rua Maria Bezerra da Silva, 413	Horto	61909220	Maracanaú	CE
Associação das Mulheres Indígenas Tabajara e Kalabaça	Aldeia Cajueiro	Cajueiro		Poranga	CE
Associação dos Agricultores Indígenas Pitaguary	Rua Professor José Henrique da Silva, 5613	Horto	61900005	Maracanaú	CE

Association name	Village	Indigenous Land	CEP	Municipality	State
Associação dos Povos Indígenas Tabajara em Crateús	Rua Gustavo Barroso, 948	São Vicente	63700000	Crateús	CE
Associação dos Produtores Indígenas Pitaguary	Rua Dona Joaquina Vieira, 561	-	61900000	Maracanaú	CE
Associação Indígena da Aldeia Jucás	Rua Artemísio Gomes	Jucás	63780000	Monsenhor Tabosa	CE
Associação Indígena Kanindé de Aratuba	Sítio Fernandes, s/nº	Zona Rural	62762000	Aratuba	CE
Associação Raízes Indígenas dos Potyguara em Cratéus	Rua Dezenove de Março, 44	Campo Velho	63700000	Cratéus	CE
Associação Unidos Venceremos	Olho D'agua dos Canutos - Povo Tabajara	Terra Indígena Governador	63780000	Monsenhor Tabosa	CE
Conselho Comunitário Indígena Pitaguary de Maracanaú	Rua Dona Alzira, 7	Olho D'água	61900000	Maracanaú	CE
Conselho de Articulação Indígena do Povo Pitaguary	Rua Professor José Henrique da Silva, s/n	Santo Antônio do Pitaguary	61900000	Maracanaú	CE
Conselho do Povo Indígena Potiguara da Serra das Matas	Aldeia Mundo Novo	Terra Indígena Mundo Novo/Viração	63780000	Monsenhor Tabosa	CE
Conselho Dos Índios Tremembé do Córrego Das Telhas	Centro Comunitário, s/n	Zona Rural	62580000	Aracaú	CE
Conselho dos Povos Indígenas de Cratéus e Região	Rua Afonso Chaves, 1153	Fátima	63700000	Crateus	CE
Conselho dos Professores Indígenas Pitaguary	-	Terra Indígena Pitaguary		Maracanaú	CE
Conselho Indígena de Poranga	Rua Raimundo Bezerra de Menezes, s/n	-	62220000	Fortaleza	CE
Conselho Indígena Pitaguary de Monguba	Rua Santa Inês, 600 - Aldeia Monguba	TI Pitaguary	71800000	Pacatuba	CE
Conselho Indígena Tremembé de Almofala	Rua José Cândido, 53	Monte Castelo	60325490	Fortaleza	CE
Cooperativa Agropecuária União dos Indígenas	Rua Do Trilho, 4001	Capuan	61615070	Caucaia	CE

Association name	Village	Indigenous Land	CEP	Municipality	State
Coordenação das Organizações dos Povos Indígenas no Ceará	Rua Cratéus, 1540	Parquelândia	60455166	Fortaleza	CE
Federação dos Povos e Organizações Indígenas do Ceará	-	-		-	CE
Organização dos Professores Indígenas do Ceará	-	-		-	CE
Sociedade Indígena Tremembé Córrego João Pereira	Rua José Cândido, 53	Monte Castelo	60300000	Fortaleza	CE
Associação Comunitária Indígena Pataxó do Vale do Retirinho e Imbiruçu	Posto Indígena Fazenda Guarani	-	35878000	Carmésia	MG
Associação das Comunidades Indígenas Pataxó	-	Terra Indígena Fazenda Guarani	35878000	Carmésia	MG
Associação das Mulheres Pataxó	Posto Indígena Fazenda Guarani	-	35878000	Carmésia	MG
Associação de Desenvolvimento e Intercâmbio Cultural Indígena da Região de Araxá	Rua Jason Armando de Paula, 226	Bom Jesus	38181020	Araxá	MG
Associação dos Povos Indígenas de Belo Horizonte e Região Metropolitana	Rua conselheiro saraiva nº 80	Alto Barroca	30431-031	Belo Horizonte	MG
Associação Indígena Atorã	Aldeia Indígena Krenak	-	35230000	Resplendor	MG
Associação Indígena Krenak	-	Terra Indígena Krenak	35230000	Resplendor	MG
Associação Indígena Maxakali Pradinho - RAURAU	Aldeia Pradinho	TI Maxakali	39875000	Bertópolis	MG
Associação Indígena Maxakali Água Boa - CUNAÂN	Aldeia Água Boa	Terra Indígena Maxakali	39874000	Santa Helena de Minas	MG
Associação Indígena Nak Nenuk	margem do EME	Terra Indígena Krenak	35230000	Resplendor	MG
Associação Indígena Nakrerré	CRG do Cacau	Terra Indígena Krenak	35230000	Resplendor	MG
Associação Indígena Pankararu - Pataxó	Rua Israel Pinheiro, 573	Multirão	39600000	Araçuaí	MG
Associação Indígena Takruk	-	Terra Indígena Krenak	35230000	Resplendor	MG
Associação Indígena Uatu	Aldeia da Barca	Terra Indígena Krenak	35230000	Resplendor	MG

Association name	Village	Indigenous Land	CEP	Municipality	State
Associação Indígena Xacriabá Aldeias Sumaré/Peruaçu	-	-	39475000	São João das Missões	MG
Associação Indígena Xakriabá	Rua Ivo Macedo, 235 - Aldeia Barreiro Preto - zona rural	Centro	39475000	São João das Missões	MG
Associação Indígena Xakriabá Aldeia Barreiro Preto	Aldeia Brejo do Mata Fome	Manga - Terra Indígena Xakriabá	39460000	São João das Missões	MG
Associação Indígena Xakriabá Aldeias Santa Cruz e São Domingos	Terra Indígena Xakriabá	-	39475000	São João das Missões	MG
Associação Indígena Xakriabá Aldeia Tenda	Comunidade de Tenda	Terra Indígena Xakriabá Rancharia	39475000	São João das Missões	MG
Associação Indígena Xakriabá Barra do Sumaré	Reserva Indígena Xakriaba s/n	Zona Rural	39475000	São João das Missões	MG
Casa da Medicina Tradicional Xakriabá	Aldeia Barreiro Preto	TI Xakriabá	39475000	São João das Missões	MG
Conselho Comunidade Indígena Kaxixó	Comunidade Indígena Kaxixó - Aldeia Capão do Zezinho	Terra Indígena Kaxixó	35606000	Martinho Campos	MG
Conselho dos Índios Pataxó do Alto das Posses	Fazenda Guarani	Terra Indígena Guarani	35878000	Carmesia	MG
Conselho dos Povos Indígenas de Minas Gerais	Rua Cristal, 89	Santa Tereza		Belo Horizonte	MG
Movimento dos Indígenas não-aldeados do Triângulo Mineiro e Alto Paranaíba	-	-		Ituiutaba	MG
Núcleo de Cultura Indígena	Rua Dr. Gabriel Resende Passos, 25	Jardim da Torre Nova Lima	34000000	Belo Horizonte	MG
Organização da Educação Indígena Xacriabá	Aldeia Barreiro Preto S/N	Área indígena Xacriabá	39475000	São João das Missões	MG
Organização dos Grupos de Roça do Povo Xacriabá	Aldeia Itapicuru s/n	-		São João das Missões	MG
Organização Indígena Pataxó da Aldeia Muã Mimatxi	Fazenda Modelo Diniz	-	35550000	Itapeçerica	MG

Association name	Village	Indigenous Land	CEP	Municipality	State
Organização Xakriabá Morro Vermelho de São João das Missões	Rua Travessa Orozimbo, 556	Centro	39475000	São João das Missões	MG
Associação Comunitária Indígena Awa Kuza	Aldeia Galego, s/n	-	58295000	Baía da Traição	PB
Associação Comunitária Nova Jerusalém	Aldeia Laranjeiras	-	58295000	Baía da Traição	PB
Associação das Parteyras Tradicionais Indígenas Potiguara	TI Potiguara	-		-	PB
Associação dos Agentes Indígenas de Saúde e Saneamento	Aldeia Ybykuara	Zona Rural	58294000	Marcação	PB
Associação dos Artesãos Indígenas Potiguara do Estado da Paraíba	Aldeia São Francisco,s/n	TI Potiguara	58295000	Baía da Traição	PB
Associação Mulheres Companheiras da Aldeia Lagoa do Mato	TI Potiguara	-		Baía da Traição	PB
Conselho de Mulheres Indígenas Potiguara da Paraíba	-	-		Rio Tinto	PB
Conselho Escolar da Escola Estadual Indígena de Ensino Fundamental e Medio Akajutibiro	Aldeia Akajutibiro	Zona Rural	58295000	Baía da Traição	PB
Conselho Escolar da Escola Estadual Indígena do Ensino Fundamental e Médio Pedro Poti	Aldeia São Francisco	-	58295000	Baía da Traição	PB
Organização dos Jovens Indígenas Potiguara do Estado da Paraíba	CTL Funai de Baía da Traição - Aldeia Forte	Posto Indígena Potiguara	58295000	Baía da Traição	PB
Organização dos Professores Indígenas Potiguara do Estado da Paraíba	Rua São Miguel, s.n.	Centro	58295000	Baía da Traição	PB
Toré Forte Associação Cultural Indígena Potiguara	Coordenação Técnica Local da Funai - Aldeia Forte	Posto Indígena Potiguara	58295000	Baía da Traição	PB
Articulação dos Povos e Organizações Indígenas do Nordeste, Minas Gerais e Espírito Santo	Av. Sigismundo Gonçalves, 654 - Andar 1	Varadouro	53010240	Olinda	PE
Associação Comunitária dos Índios Kapinawá de Pernambuco	Clube Indígena Kapinawá	Tabatinga	55200000	Buique	PE
Associação Cultural Indígena Fulni-ô	Aldeia Fulni-ô	Terra Indígena Fulni-ô	55340000	Águas Belas	PE

Association name	Village	Indigenous Land	CEP	Municipality	State
Associação da Comunidade Indígena Rio Pequeno - Truká	Aldeia Caatinga Grande - Rio Pequeno	TI Truká	56180000	Cabrobó	PE
Associação da Comunidade Indígena Xukuru do Ororubá	Aldeia Cana Brava	Terra Indígena Xucuru	55200000	Pesqueira	PE
Associação de Desenvolvimento Comunitário e Cultural Indígena Fulni-ô e Xixiacla		Terra Indígena Fulni-ô	55340000	Águas Belas	PE
Associação de Mulheres Indígenas da Aldeia Nazário - Etnia Kambiwá - Canto Bonito	Aldeia Nazario, s/n 56580000	-	56580000	Ibimirim	PE
Associação dos Produtores Rurais da Tribo Tuxá	Fazenda Funil	Zona Rural		Inajá	PE
Associação dos Rizicultores Indígenas Truká	Ilha da Assunção - Aldeia Coronheira Km11	Posto Indígena Truká	56180000	Cabrobó	PE
Associação Grupo Cultural Indígena Fetxha	Posto Indígena Fulni-ô	Terra Indígena Fulni-ô	55340000	Águas Belas	PE
Associação Indígena Comunitária Fowa Pypny-Sô	Aldeamento Indígena Fulni-ô	-	55340000	Águas Belas	PE
Associação Indígena Comunitária Pau Ferro Grande dos Índios	Aldeia Travessa do Ouro	Terra Indígena Pipipã	56400000	Floresta	PE
Associação Indígena da Aldeia Serrote Dos Campos de Itacuruba-Pe	Est do Coite, S/N	Zona rural	56430000	Itacuruba	PE
Associação Indígena da Ilha da Tapera	-	-		Cabrobó	PE
Associação Indígena dos Produtores Agrícolas do Poço da Pedra	Aldeia Poço da Pedra	Distrito I	56000000	Salgueiro	PE
Associação Indígena Entre Serras Pankararu	Aldeia Mundo Novo	TI Entre Serras	56460000	Petrolândia	PE
Associação Indígena Feyntoasato Fulni-ô	Aldeia Indígena Fulni-ô	Centro	55340000	Águas Belas	PE
Associação Indígena Mandacaru	Aldeia Pereiros	Zona Rural	56580000	Ibimirim	PE
Associação Indígena Oyah Thwudia	-	Terra Indígena Fulni-ô		-	PE
Associação Indígena Pankararu	Aldeia Saco dos Barros - Brejo dos Padres	TI Pankararu	56480000	Tacaratu	PE
Associação Infotaba Indígena Fulni-ô	Posto Indígena Fulni-ô	Terra Indígena Fulni-ô	55340000	Águas Belas	PE

Association name	Village	Indigenous Land	CEP	Municipality	State
Associação Mista Cacique Procópio Sarapó	Posto Indígena Fulni-ô	Terra Indígena Fulni-ô	55340000	Águas Belas	PE
Associação Mista Comunaty	Posto Indígena Fulni-ô	Terra Indígena Fulni-ô	55340000	Águas Belas	PE
Associação Rural Comunitária Manoel Domingos de Farias	Faz Riacho Grande, s/n	Zona Rural	56420000	Carnaubeira da Penha	PE
Centro de Organização das Escolas Pankararu	Posto Indígena - Aldeia Pankararu	Terra Indígena Pankararu	56470000	Jatobá	PE
Comissão de Professores e Professoras Indígenas de Pernambuco	-	-		-	PE
Conselho de Professores Indígenas Xucuru de Ororubá	Rua Cel. Leonardo, 49	-	55200000	Pesqueira	PE
Cooperativa da Agricultura Familiar Indígena e Assentados do Nordeste Brasileiro	Sítio Picadas	Zona Rural	56780000	Tabira	PE
Organização Indígena Fulni-ô	Rua Santa Terezinha, 136	-	55340000	Águas Belas	PE
Organização Indígena Tronco Velho Pankararu	Aldeia Brejo dos Padres	TI Pankararu	56480000	Tacaratu	PE
Associação dos povos indígenas Tabajara e Tapuio Itamaraty da comunidade Nazaré	Est. Comunidade Nazaré	Zona Rural	64258000	Lagoa de São Francisco	PI
Associação Itacoatiara	Rua Antônio Alves, 1746	Itacoatiara	64260000	Piripiri	PI
Associação de jovens Apicultores Indígenas Xokó - AJAI-XOKO	Sítio Povoado Ilha de São Pedro	Zona Rural	49800000	Porto da Folha	SE
Associação Indígena das Mulheres Xokó da Comunidade Ilha de São Pedro	Comunidade Xokó	TI Caiçara/Ilha de São Pedro	49800000	Porto da Folha	SE

GRIEVANCE REDRESS MECHANISM (GRM)

35. The Project will establish a Grievance Redress Mechanism (GRM) to resolve eventual complaints and grievances in a timely and satisfactory manner. All potentially affected people will be informed of their rights and given clear information and instructions on the procedures involved in filing a complaint. If a complaint is raised during project implementation, the Project will consider it a priority for the implementing agencies and partners to resolve it as soon as possible. This should preferably be done at the local level, through a conciliation process using community systems and mechanisms, or, if this is not possible, the complaint will be taken outside the community for resolution, for example, to dedicated authorities. Based on IFAD's experience in drafting GRMs (GRIEVANCE REDRESS MECHANISM) with indigenous peoples, it should be anticipated that, in all cases, certain principles should be taken into consideration when defining the GRM with the communities involved:

- Consider the terms established in the FPIC.
- Good faith and goodwill to resolve the conflict, claim, complaint, or dispute should be considered an essential prerequisite for the process.
- A mediator may be mutually agreed to assist in resolving the conflict and/or complaint.
- The decision/resolution reached by mutual agreement should be considered final;
- Such a decision would be signed by both parties and witnessed and communicated as the final and binding decision - at whatever level, a decision or resolution of conflict or complaint is agreed.

36. If needed, the Project may establish one or more grievance mechanisms at the regional level where complaints, questions, concerns, and ideas can be forwarded. Contact information on the complaints process will be disseminated at meetings, workshops, and other related events throughout the Project. The Project will include information about the GRM in the training program and will organize consultations to determine the most appropriate way for beneficiaries and stakeholders to communicate their concerns and ideas.

37. For indigenous peoples, this consultation on the most appropriate way to address complaints should be dealt with at the FPIC. It is hoped that this will highlight the communities' internal conflict resolution processes from the perspective of each people's own sociocultural systems. It is worth noting that there are organizations and forums beyond the communities in which the indigenous people already participate, so the concept, even in the mold of our society, is not something intangible for them.

38. The Grievance Mechanism and guidelines will be developed for the Project, considering IFAD's and the Government Corporate Grievance Procedure to receive and facilitate the resolution of concerns and complaints regarding alleged non-compliance with mandatory aspects of its Social, Environmental, and Climate Assessment Procedures. The Project will also be responsible for documenting and reporting, as part of safeguards performance monitoring, any complaints received and how they were addressed.

39. How do you lodge a complaint at the project level?

40. Having established during FPIC how indigenous people would like to be heard in the event of complaints. It will be up to the PMU to first process the information to enter it into the Project's complaints system. Complaints must include the following information:

- Name, address, telephone number, and other contact information.
- All necessary steps will be taken to keep the identity of complainants confidential in the complaint's procedure when requested.
- Name, location, and nature of the Project How Complainants believe they have been, or are likely to be, adversely affected by the IFAD-supported Project or program.

41. The process at the local level

42. Submitted complaints will be sent to the Project Manager (PM) and the M&E officer to assess whether the complaint is eligible. As necessary, the PM will inform and incorporate the relevant senior safeguard, social, and/or environmental specialist. The PMU will handle eligible complaints. The PM and the relevant Senior Safeguards Specialist, will be responsible for recording the complaint and how it was handled if a resolution has been agreed. All complaints received, their responses, and resolutions must be duly recorded.

43. It is important to clarify that access to a complaint mechanism should represent the last resort since constant dialogue between these most vulnerable social groups and professionals trained to consider such demands and mediate conflicts (Traditional Peoples Specialist and Social Inclusion Specialist) will be cultivated through the Stakeholder Engagement strategy. This strategy can be seen as an act of prevention so that concerns can be channeled and expressed in due time and do not necessarily have to move to the next level, becoming complaints in their own right.

MONITORING AND EVALUATION

44. The Project's evaluation and monitoring mechanisms will align with the IPPI and the FPIC. The dynamic nature of these documents, which is premised on ensuring that indigenous peoples are heard before and during the implementation of the Project, makes it possible for the evaluation and monitoring parameters to be readjusted if necessary. The PMU will be responsible for ensuring the implementation of the PPI and what is agreed upon in the FPIC in close collaboration with other relevant project partners identified during the design phase. The recommended steps to be followed in the initial project implementation phase are:

- i. Conduct workshops to raise awareness about the FPIC process with project teams, ensuring understanding of FPIC principles and operational mechanisms, review of signed agreements, implementation arrangements, and timeline of project activities in indigenous communities;
- ii. Introduce the PMU and ensure that project teams are familiar with its procedures;
- iii. Identify knowledge gaps in the Project

DRAFT STRUCTURE OF AN INDIGENOUS PEOPLES PLAN

45. For investments in indigenous peoples, a brief Indigenous Peoples Plan is required. A suggested outline is presented below:

Executive summary of the Indigenous Peoples Plan

Concisely describes the critical facts, significant findings, and recommended actions

Description of the Project

General description of the Project, the project area, and components/activities that may lead to impacts on indigenous peoples

Description of Indigenous Peoples

A description of affected indigenous people(s) and their locations, including:

- i. Description of the community or communities constituting the affected peoples (e.g., names, ethnicities, dialects, estimated numbers, etc.);
- ii. Description of the resources, lands, and territories to be affected and the affected peoples' connections/relationship with those resources, lands, and territories; and
- iii. An identification of any vulnerable groups within the affected peoples (e.g., uncontacted and voluntarily isolated peoples, women and girls, the disabled and elderly, and others).

Summary of substantive rights and legal framework

A description of the substantive rights of indigenous peoples and the applicable legal framework, including:

- i. An analysis of applicable domestic and international laws affirming and protecting the rights of indigenous peoples (include a general assessment of government implementation of the same); and
- ii. Analysis of whether the Project involves activities contingent on establishing legally recognized rights to lands, resources, or territories that indigenous peoples have traditionally owned, occupied, or otherwise used or acquired. Where such contingency exists (see sections of standard 4, paragraph 8), include Identification of the steps and associated timetable for supporting legal recognition of such ownership, occupation, or usage, with the support of the relevant authority. This should include how delimitation, demarcation, and titling shall respect the customs, traditions, norms, values, land tenure systems, and effective and meaningful participation of the affected peoples, with legal recognition granted to titles with the full, free prior and informed consent of the affected peoples; and

Summary of social and environmental assessment and mitigation measures

(i) A summary of the findings and recommendations of the required prior social and environmental impact studies, specifically those related to indigenous peoples, their rights, lands, territories, resources, traditional livelihoods, and cultural heritage. This should include how the affected indigenous peoples participated in such studies and their views on the participation mechanisms, the findings, and recommendations.

Where potential risks and adverse impacts to indigenous peoples, their lands, resources, and territories are identified, the plan should provide details and associated timelines for the planned measures to avoid, minimize, mitigate, or compensate for these adverse effects. It should also identify special measures to promote and protect the rights and interests of the indigenous peoples, including compliance with the affected peoples' internal norms and customs.

Participation, consultation, and FPIC processes

- I. A summary of results of the culturally appropriate consultation and FPIC processes undertaken with the affected peoples, which led to the indigenous peoples' support for the Project.
- II. A description of the mechanisms to conduct iterative consultation and consent processes throughout the Project. Identify project activities and circumstances requiring consultation and FPIC.

Capacity support

Description of measures to support social, legal, and technical capabilities of indigenous people's organizations in the project area to enable them to better represent the affected indigenous peoples more effectively.

Grievance redress

A description of the procedures available to address grievances brought by the affected indigenous peoples arising from project implementation, including the remedies available, how the grievance mechanisms take into account indigenous peoples' customary laws and dispute resolution processes, as well as the effective capacity of indigenous peoples under national laws to denounce violations and secure remedies for the same in domestic courts and administrative processes.

Monitoring, reporting and evaluation:

- i. Mechanisms and benchmarks appropriate to the Project for transparent, participatory joint monitoring (including independent experts), evaluation, and reporting, including a description of how the affected indigenous peoples are involved.
- ii. Define the mechanisms put in place to allow for periodic review and revision of the IPP if new project circumstances warrant modifications developed through consultation and consent processes with the affected indigenous peoples.

Institutional arrangements

Describes institutional arrangement responsibilities and mechanisms for carrying out the measures contained in the IPP, including mechanisms for participation of affected indigenous peoples. Describes the role of independent, impartial entities to audit and conduct social and environmental assessments, as required, and/or to conduct oversight of the Project.

Budget and financing

Note: The IPP will be implemented as part of project implementation. However, in no case shall project activities that may adversely affect indigenous peoples occur before the corresponding IPP activities are implemented. Where other project documents have already been developed and address issues listed in the above sections, citation to the relevant document(s) shall suffice.

For an IPPF, the above outline would be modified to include the screening, assessment, and development procedures of specific IPP(s) once the project components, subprojects, and/or activities have been fully defined. The procedures would generally

replace section E above; however, the IPPF would still seek to identify types of anticipated potential adverse social and environmental impacts.

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex: B Ater Strategies Face To Face And Virtual

Mission Dates: 26/10/2023 - 03/11/2023

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Project No. 2000003598

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Latin America and the Caribbean
Programme Management Department

ANNEX B - FACE-TO-FACE ATER STRATEGIES AND VIRTUAL TECHNICAL ASSISTANCE (VTA)

1. CONTEXTUALIZATION

1.1. OVERVIEW IN BRAZIL AND EVOLUTION

Data from the 2017 Agricultural Census shows that Family Farming (FF) accounts for around **76% of agricultural establishments in the country and employs 10.1 million people** (67% of all people employed in agriculture nationally). Of the total number of family farming establishments, 18.7% are managed by women and 1.9% by young people under 25. In this context, family farming produces 48% of the value of coffee and banana production, 80% of the value of cassava production, 69% of pineapple, and 42% of beans. In addition, 31% of the number of cattle, 45.5% of poultry, 51.4% of pigs, 70.2% of goats and 64.2% of milk production come from family farming (IBGE, 2017). In 2017, **establishments classified as family farms accounted for 23% of the value of national agricultural production**, most destined for the domestic market.

From a historical point of view, the creation of the National Program to Strengthen Family Farming (PRONAF) in 1996 was an important milestone for this group - family farming began to be better legitimized by the state. However, even with the creation of public policies specifically aimed at the development of family farming, this group is heterogeneous. Still, it is characterized by profound social, cultural, and economic differences. There are also significant differences when it comes to incorporating innovations into production systems, with three major problems, among others: i) Difficulties in adopting new technologies; ii) Difficulties in supplying and accessing technologies adapted to the different segments and realities of family farming; iii) Marked differences between regions and groups of producers in terms of access to modern and more sustainable production techniques and; iv) Low application rates of the leading technologies, use of certain practices and inputs.

These obstacles demonstrate the need for progress to promote the development and strengthening of family farming. In addition to their role in food production, the central role that family farmers play in **promoting more sustainable, biodiverse, and inclusive agri-food chains, as well as guardians of natural resources, is increasingly recognized** (FAO & IFAD, 2019). Family farming systems that adopt sustainable production intensification practices can increase crop tolerance to abiotic stresses, diversify production, promote food and nutritional security, increase resilience to external shocks, and reduce environmental degradation and greenhouse gas (GHG) emissions (Angelotti & Giongo, 2019).

However, despite the great importance of family farming in food production, **this group is the one that faces the most problems of food insecurity in rural areas**. The survey conducted during the COVID-19 pandemic by the Brazilian Food and Nutrition Sovereignty and Security Research Network - PENSSAN (2022) indicated that **38% of family farmers faced more severe forms of food insecurity** (moderate or severe). The situation was even more worrying **in the North and Northeast regions, where 54.6% and 43.6% of family farmers faced moderate or severe food insecurity**. In the South and Southeast, the problem is less severe, although still very worrying, with 13.8% and 22.1% of family

farmers, respectively, facing moderate or severe food insecurity (Rede PESSAN, 2022).

The data on food insecurity in family farming also points to a striking characteristic of this group. Family farming in Brazil is extremely heterogeneous, with a wide variety of forms of organization, different socio-economic and historical conditions, cultivating different species, adopting different agricultural practices, having different access to credit and technical assistance, as well as being developed in different biomes, from the Amazon, through the Caatinga, Cerrado, Pantanal, Atlantic Forest, to the Pampa.

In this scenario, **Technical Assistance and Rural Extension (ATER)** services play a central role in overcoming poverty and food insecurity in rural areas, especially in family farming (Zambra et al., 2018). Providing family farmers with broad, continuous, and high-quality access to ATER is essential for the sustainable development of this group, with social inclusion, income generation, food and nutritional security promotion and improved quality of life. Data from the Census (2017) also shows that **family farmers who receive ATER have a considerably higher average income than those who do not have this service.**

Currently, ATER in Brazil is promoted by different actors. The federal government coordinates public policies at the national level and promotes activities through public calls, via the National Agency for Technical Assistance and Rural Extension (ANATER). In addition to the activities carried out at the federal level, ATER services are provided at the municipal level, by technicians linked to the municipal departments of agriculture, environment, and social assistance, as well as by official ATER institutions in the states, linked to the Brazilian Association of State Technical Assistance and Rural Extension Entities (ASBRAER). The S system¹, cooperatives, private technical assistance companies, and NGOs, among others, are also essential players in providing technical assistance in certain regions.

The official rural extension services in the states have an extremely low number of extension workers, estimated at only 12,766 in 2017 (ASBRAER, 2017). Furthermore, despite the importance of ATER for the development of Family Farming, a large part of this group does not have access to this service. According to data from the Agricultural Census, **only 18.2% of Brazilian family farmers have access to ATER services**, and access to this service varies considerably by region: 48.9% in the South, 24.5% in the Southeast, 16.4% in the Midwest, 8.8% in the North and 7.3% in the Northeast.

All these figures, combined with the reality of food and nutritional insecurity in the rural areas, have shown that providing services like traditional ATER, i.e., exclusively in person, has proved to be unfeasible, either due to the geographical distribution or the number of family farms. In this sense, regarding access to ATER services, new strategies and initiatives are gradually emerging, incorporating **information and**

¹ The term "S system" defines the set of organizations of corporate entities focused on professional training, social assistance, consultancy, research, and technical assistance, which, in addition to having their name beginning with the letter S, have common roots and similar organizational characteristics. The following are part of the S system: National Industrial Apprenticeship Service (SENAI), Commerce Social Service (SESC), Industry Social Service (SESI), and National Commerce Apprenticeship Service (SENAC). There are also the following: National Rural Learning Service (SENAR), National Cooperative Learning Service (SESCOOP), and Social Transportation Service (SEST).

communication technologies (ICTs) to increase the capillarity of this service and improve the quality of life of rural families.

Traditional on-site assistance is essential, but it can count on the support and reinforcement of other strategies and tools that help increase the number of family farms served in sustainably, effectively, and efficiently. Within the scope of ATER, the use of digital tools has certainly complemented and improved its activities toward producers, transcending geographical barriers, and mixing remote and face-to-face assistance. According to Zuin et al. (2022), this new inter-relational reality in the field reduces the cost of the ATER service, in addition to all the benefits linked to improved production and food security.

However, it is important to point out that using ICTs in rural ATER activities is complementary, in other words, they facilitate face-to-face activities. **Personal contact between the extension worker and family farmers is considered fundamental in activities that require experience and the building of relationships of trust; in participatory methodologies that value the exchange of knowledge and experiences in situ, considering traditional knowledge and practices in the process of co-constructing knowledge; as well as in activities of a collective nature, including those focused on themes that go beyond agricultural practice: gender, generation and ethnic-racial inclusion, citizenship and access to public policies, among others.**

Another aspect to be considered when incorporating ICTs into ATER activities is the historical and persistent digital exclusion in rural areas, especially among people who have historically been excluded from access to public policies, such as families living in extreme poverty and traditional peoples and communities. Recognizing the socio-economic and ethnic-racial inequalities in rural areas, and the cultural specificities of the different segments of family farming, is fundamental if we are to prevent the expansion of the use of ICTs in ATER activities from contributing to widening inequalities and exclusions.

In this sense, there is an urgent need to establish strategies that incorporate ICTs to facilitate, scale and improve the efficiency of extension workers' work, always considering the diversity of family farming, as well as promoting investments in digital infrastructure and quality internet access to promote the sustainable and inclusive development of the agricultural sector, without this implying a replacement of face-to-face ATER. These activities are considered within the scope of this new Dom Hélder Câmara Project phase.

1.2. ATER AND FAMILY FARMING: LEGAL FRAMEWORK - MAIN AND ASSOCIATED LEGISLATION

The public policies of ATER, Productive Rural Development, Rural Credit, Access to Markets and activities related to Technological Innovation are strongly related to the activities of PDHC III, to promote agroecology, the production of healthy food, income generation and to improve the quality of life of family farmers in the region. Below are the main institutional/regulatory norms that support ATER's activities within this Project's scope.

Table 1 - Institutional and regulatory norms

Standards	
Law No. 11.326 of 24/07/2006	Establishes the guidelines for formulating the National Policy for Family Farming and Rural Family Enterprises.
Law No. 12.188 of 11/01/2010	Establishes the National Policy for Technical Assistance and Rural Extension for Family Farming and Agrarian Reform - PNATER and the National Program for Technical Assistance and Rural Extension in Family Farming and Agrarian Reform - PRONATER, amends Law ^o 8.666, of June 21, 1993, and makes other provisions.
Law No. 12.512 of 14/10/2011	Establishes the Environmental Conservation Support Program and the Rural Productive Activities Promotion Program; amends Laws No. 10.696, of July 2, 2003, No. 10.836, of January 9, 2004, and No. 11.326, of July 24, 2006.
Law No. 12.897 of 18/12/2013	Authorizes the Federal Executive Branch to establish an autonomous social service called the National Agency for Technical Assistance and Rural Extension - ANATER and makes other provisions.
Decree No. 7.215 of 15/06/2010	Regulates Law n ^o 12.188, of January 11, 2010, to provide for the National Program for Technical Assistance and Rural Extension in Family Farming and Agrarian Reform - PRONATER.
Decree No. 8.252 of 26/05/2014	Establishes the autonomous social service called the National Agency for Technical Assistance and Rural Extension - ANATER.
Ordinance No. 292 of 03/05/2017 - (ANATER)	Establishes the National Pact for Strengthening Technical Assistance and Rural Extension.
Ordinance No. 287 of 16/08/2022 - (MAPA)	It establishes the Family Farming Hubtech Project, which deals with the development of institutional arrangements - Virtual Hubs to provide relevant agricultural information and content for extension workers, farmers, and other related audiences, converging the activities of various Brazilian agricultural institutions.

2. THEORETICAL FRAMEWORK

By offering technical support and access to information and fostering the co-construction of knowledge, the Technical Assistance and Rural Extension (ATER) service contributes directly to rural communities' social and economic inclusion. As a public policy, ATER plays a multifaceted role in promoting sustainable rural development, acting not only as a facilitator of technical knowledge, but also as a catalyst for economic, social, and environmental growth in rural areas, contributing significantly to overcoming poverty and food insecurity.

In the current context, multiple tools of Information and Communication Technologies, which have been becoming popular since the late 1990s, have emerged as a viable and innovative solution to overcome some of the challenges, despite the persistent digital exclusion of part of the rural population. While digital communication between people has permeated practically every area of life, the COVID-19 pandemic has also accelerated the digital transformations that were already taking place in the world through ICTs.

This is no different for ATER. The growing availability of internet connections, the advancement of digital platforms and access to mobile devices have opened new possibilities for offering the service virtually and remotely. During the Covid-19 pandemic, the work plan of the ATER institutions and their extension workers, which previously took place mainly in person, had to adapt to the remote and virtual

modality, making use of digital technologies such as social networks, videoconferences, and conversations via messaging applications (Lopes, 2021), as well as analog media such as radio (Branco, 2021). The use of these technologies has made it possible to transfer knowledge, technical assistance and exchange information quickly, affordably, and accessibly.

This experience has brought more opportunities for extension services, even after the pandemic. Thus, the use and application of digital resources in rural extension service activities to meet the social, economic, and environmental demands of farmers, which has been called "digital ATER" in some institutional, political and academic spheres, has enabled farmers to expand their ways of accessing information and technical guidance, and is also a complementary means to the face-to-face ATER service (Lopes, Zuin, Oliveira, 2022).

One of the great prospects of using digital resources and being able to support rural producers virtually and remotely is their potential to help expand the coverage of services and interaction with beneficiaries, thus improving the performance of production systems and increasing the productivity and income of families (Junior et al., 2021; Lopes, 2021).

Despite the advantages of ICTs in ATER, some challenges remain. Connectivity infrastructure is only sometimes available in remote rural areas, limiting farmers' access to these technologies. In addition, issues related to digital literacy involving familiarity with digital devices and technical training to use these tools can also represent significant obstacles.

On the other hand, data from the Regional Center for Studies on the Development of the Information Society (CETIC) showed that, while in 2019, 51% of rural households had access to the World Wide Web, by 2021 this figure had risen to 71%. This was also observed regarding the use of cell phones and smartphones, which were 85% in 2019 and by 2021 were already in 91% of rural households (CETIC, 2020, 2022).

Thus, understanding and analyzing the current panorama of digital ATER reveals its transformative advantages and the challenges to overcome. This innovative approach offers a promising way to expand access to technical assistance and provide more comprehensive and effective support to farmers in a way that complements the irreplaceable dynamics of face-to-face, individual, and collective training processes, enabling considerable progress in sustainable agriculture and improving living conditions in rural communities.

2.1. ATER CONCEPTS AND PRACTICES

The terms "remote ATER", "digital ATER", "virtual ATER" and "virtual technical assistance services" are becoming increasingly common to refer to rural extension activities carried out using digital media or ICTs (Lopes; Zuin; Oliveira, 2022). However, one must wonder to what extent an ICT (Information and Communications Technology) constitutes digital, virtual and/or remote ATER. According to Lopes, Zuin and Oliveira (2022), **digital ATER** activities can be carried out in person, where electronic, telephone, and computer tools are used to meet farmers' needs, or remotely, where there is no physical presence or face-to-face interaction between producers and technicians, but through virtual means and the Internet.

At the same time, for these authors, **virtual ATER** refers to the interaction between extension workers and farmers, regardless of their physical location, through

communication platforms, applications, and online tools. This interaction can involve the sharing of technical/didactic content, such as texts, images, audio, and videos, both in real time (synchronous) and recorded and made available later (asynchronous) to promote rural extension practices. In short, "virtual ATER" allows extension workers and farmers to communicate and share knowledge over the Internet.

Remote ATER activities occur exclusively when the actors are physically distant, which can happen digitally, with ICT resources, in online conversations and meetings, or in analog format. In this way, rural extension workers use remote means of communication to meet beneficiary farmers' demands (Lopes; Zuin; Oliveira, 2022).

In short, the term digital ATER can be used more broadly because it includes the concepts of remote ATER and virtual ATER in its understanding. By uniting these ideas, it becomes possible to carry out hybrid ATER, alternating remote and face-to-face moments in rural assistance and extension, using digital and analog resources, in synchronous and/or asynchronous activities. In this document, the term "**Virtual Technical Assistance**" (VTA) is used as a synonym for "Digital ATER".

In this sense, it is worth pointing out which ICTs can be used as digital tools applicable to ATER. According to EMATER (2020), some digital tools have been relevant, such as: multi-platform instant messaging and audio and video calls; digital tools for virtual marketing; lives; videoconferencing, informational video; and webinars. Table 2 below describes some of the tools, their objectives and the resources needed to implement them.

Table 2 - Tools for Digital ATER.

Tool	Description	Objective	Equipment and resources
WhatsApp or Telegram	Groups of technicians, farmers, and consumers; virtual assistant; audio and video calls.	Facilitating monitoring and access to resources through notices, messages and answering questions; bringing farmers and consumers closer together through virtual fairs.	Cell phone and internet access.
Social networks	Posts on Facebook and other social networks.	Debate and reflections on ATER.	Cell phone, computer or tablet and internet access.
Live	Video broadcasts are made by social networks such as YouTube.	Establish a direct connection channel with the target audience.	Cell phone, computer, or tablet with camera, audio and microphone, and internet access.
Video conferencing	Synchronous meetings with dialogues between extension workers and farmers.	Sharing information, technical materials and working documents.	Cell phone, computer, or tablet with camera, audio, microphone, and internet access.
Information video	Asynchronous audiovisual content can be accessed at any time.	Sharing information on a topic or content.	Cell phone, computer or tablet with camera, microphone, and internet access.
Applications and websites	Sending messages, exchanging experiences, and/or distance learning courses.	Maintaining contact with families and providing online training.	Cell phone, computer or tablet, and internet access.

Radio and podcast	Short programs are made available on blogs, social networks, and community and commercial radio stations.	Maintaining communication with families and producing information on various subjects.	Cell phone, computer or tablet, and internet access; access to radio programs.
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Source: based on Branco (2021), Andrade and Santos (2015), EMATER (2020), Carvalho (2021), Lopes, Zuin and Oliveira (2022), Silva and Zuin (2023).

According to the literature, the content formats used for interaction can significantly influence the performance of the practices adopted by producers. Abate et al. (2023), for example, observed that producers who had access to videos achieved better results in cultivation indicating higher levels of understanding and absorption of technologies compared to those who were informed by other types of material, such as audio.

Along the same lines, Van Campenhout et al. (2021) investigated the effectiveness of audiovisual messages (video) for providing information on agricultural inputs and best practices to families of corn farmers. They also analyzed the additional impact of complementing these videos with an interactive voice response (IVR) service. Finally, they estimated the incremental effect of SMS messages aimed at reminding these farmers to apply key practices at specific times during their production. It was observed that farming families who were shown short videos performed significantly better on a knowledge test and were more likely to apply fertilizers and adopt recommended practices than those who were not. These families also had maize yields that were around 10.5% higher. Another relevant result is that there was little evidence of an incremental effect of the IVR service or SMS reminders.

2.2. CONTENT FORMATS AND TYPES OF SERVICE

Digital communication is a great ally in disseminating information to rural producers. Within the digital ATER spectrum, it is important to note that many ATER companies now have communication professionals to help them meet the demands of rural producers, using a range of valid content formats to interact with beneficiaries.

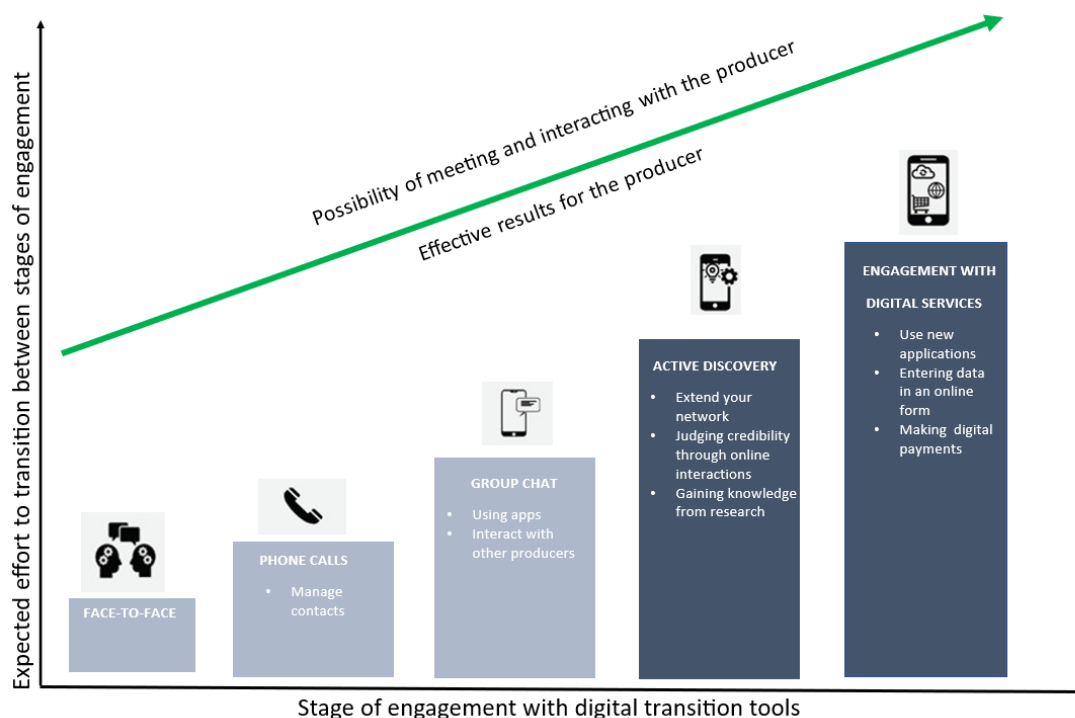
Various initiatives such as the Dom Hélder Câmara Project and the Paulo Freire Project, among others, have explored these remote and hybrid ATER approaches. In these projects, the service is carried out by public and private Technical Assistance companies, which are selected via a public call and contracted by the state (Paulo Freire Project) or ANATER under the existing management contract with the Ministry of Agrarian Development and Family Farming (MDA) (PDHC). In general, the calls provide for individual and collective activities, with the adoption of participatory methodologies, aimed at implementing sustainable practices. However, in the calls launched so far, there are no robust strategies involving remote ATER activities for working with beneficiaries.

Combining the two forms of ATER can optimize assistance, making it more dynamic and economical. For quality ATER, it is essential to identify how the different profiles of farmers demand and adapt to the forms of connectivity and it is also necessary to adapt the content, as well as the preparation of extension workers and ATER institutions for remote assistance. In this way, it is important that remote ATER tools, as well as face-to-face tools, are constantly improved, making the process increasingly comprehensive (Reiner and Dourado Neto, 2021).

Thus, in addition to the format and type of channel, the socio-economic characteristics of producers are another element that influences the efficiency of ATER activities. In this sense, Reiner and Dourado Neto (2021) reiterate the importance of the use of ICTs by ATER actors adapted to the local realities of language, schooling, and degree of access to technology by those assisted. This last aspect requires special attention as it determines the producer's "digital stage" and will determine the effectiveness of remote ATER.

Voutier (2019) found that people living in rural areas tend to follow a similar sequence of digital technology adoption characterized by five stages (Figure 1). At first, interaction takes place solely through personal, face-to-face communication, then through voice calls by telephone, i.e., communication progresses through interaction. This is followed by text messages, audio messages, interaction in WhatsApp groups and even social networks. In the fourth stage, connectivity is more active and forward-looking and no longer just passive as in the other stages. In the final stage, connectivity is adopted, and access to digital services via apps or platforms becomes part of the routine of productive activities.

Figure 1. Relationship between the stages of engagement with digital tools, the effort to scale different levels of tool use, and the possibilities of service in ATER. Source: Adapted from Voutier (2019).



It is important to stress that the time it takes to adopt (through the five stages) varies for each producer, but is closely related to the effort made, as well as the educational background and assimilation capacity of the person being assisted. In short, adopting digital tools is strongly linked to the content and method used, making them essential in the process of adopting digital ATER.

Regarding the design of the ATER service, another relevant aspect is that the efficiency of its adoption varies depending on the type of content and service offered. A greater effect has been observed in cases aimed at solving specific problems in

production chains and clearly defined producer profiles (e.g., technical assistance for pest control). In addition, they tend to be more efficient, when aimed at facilitating the process of a marketing product. As to the use technologies in rural areas, Bolfe et al. (2021) observed that among the purposes of adoption, the main purpose would be to obtain information and plan activities on the property, which represents 62% in areas of 0 to 20 hectares analyzed, 65% from 20 to 100 hectares, and 80% in properties of more than 100 hectares.

Table 3 below shows some activities that can be carried out through digital ATER, segmented by theme - and which could be carried out within the scope of the Project. It is important to note that these activities were obtained from consultations with ATER entities, field technicians and farmers (Branco, T., 2021).

Table 3 - Main potential activities for Remote ATER.

Themes	Main potential activities (distance)
Increasing farmers' capacities	<ul style="list-style-type: none"> - Distance learning (classes, courses, etc.) - Video lectures - Presentation of social technologies - Podcasts - Special radio and TV programs
Specialized technical support	<ul style="list-style-type: none"> - Pest and disease control support - Question and answer service with specialized technicians - Support in resolving pending documents (such as DAP - PRONAF Aptitude Document)
Knowledge exchange between farmers	<ul style="list-style-type: none"> - Virtual Exchanges - Farmers' WhatsApp groups
Increasing young people's involvement in agriculture	<ul style="list-style-type: none"> - Recording and sharing good practices - Expansion of technical knowledge and implementation of innovations in their culture. - Involvement of young people in marketing activities and their consequent participation in managing f the income generated.
Expansion of the public served	<ul style="list-style-type: none"> - Via training and specialized technical support
Sustainability of activities in the field	<ul style="list-style-type: none"> - Ongoing specialized technical support - Further training
Providing virtual access to markets	<ul style="list-style-type: none"> - Virtual Fairs - Delivery for small businesses
Implement participatory monitoring methodologies	<ul style="list-style-type: none"> - Agroecological Notebooks - Recording and sharing good practices

2.3. DIGITAL ATER PRACTICES AND SUCCESSFUL EXPERIENCES

Among the institutions that promote ATER, we found some experiences using digital tools for remote and hybrid use. *EMATER Goiás*, for example, provides producers with a direct communication channel between the producer and the technical team, through remote consultation on the Mobi app. Mobi aims to reduce the distance between EMATER and rural producers, so that they can clarify their doubts and receive technical assistance. Producers register on Mobi and can talk to the technicians about their crops, send photos and videos to show the problems on their property, request a technical visit, and even do Rural Credit simulations. In 2023, *EMATER Goiás* provided 57,100 services to 18,800 farmers.

Gente e Gestão, a company based in Juazeiro, Bahia, serves avocado growers in Petrolina in the state of Pernambuco remotely, at a significantly lower cost than face-to-face services. As part of its methodology, the company provides online service via

WhatsApp, in which the grower can talk to the technician via video call about their doubts and questions, in relation to some planting processes or possible pests in the plantation, for example, as well as guidance on the purchase of inputs. During this service, the technician provides solutions to the farmer's needs. In addition, the company carries out diagnostics and properly planning online. Thematic workshops and meetings with students and farmers to exchange experiences also take place online.

In addition to the fully remote service format, the company also operates in hybrid formats, with face-to-face and remote moments, and fully face-to-face. The costs and methodologies vary according to each modality, over 12 months. The exclusively remote service for low-income family farmers in the semiarid region of the Northeast, for example, costs the producer R\$331 per month, with follow-up every 15 days via WhatsApp, lasting an average of 20 minutes. The hybrid modality costs twice as much, R\$657, and face-to-face technical visits occur once a month, in addition to a monthly remote service with the same methodologies as the exclusively remote service. The cost of exclusively face-to-face service is R\$842 and includes one visit per month plus the constant presence of technicians for unforeseen problems.

The company *Maneje Bem*, based in Florianópolis, seeks to foster sustainable progress in vulnerable rural areas, promoting their empowerment and accessibility to digital transformation, for the social, economic, and environmental development of communities. The first step in the company's work plan is a diagnosis done using the Sustainability Scale, developed by *Maneje Bem*, based on collected and external data. After this, the artificial intelligence of the company's system draws up a Development Plan for the community involving rural extension activities, agricultural technical assistance, targeted training, and capacity building.

Maneje Bem's work proposals include digital ATER and hybrid ATER. In a digital ATER proposal, for 1,000 producers over two years, the community's investment is R\$246,000, which includes two development plans per year, service per producer via chat (at least every 15 days when the content is sent, i.e., 24 per year, totaling 24,000 calls per year) and agronomic duty available daily, with a response time of 24 hours. As for the hybrid service, the cost is R\$1,422,216.52, including digital ATER services plus a face-to-face technical visit for 100 producers, carrying out a two-hour training course and a thematic workshop per year.

The Sustainable Rural Project, run by the Brazilian Institute for Development and Sustainability (IABS), together with the Ministry of Agriculture and Livestock (MAPA), operates in 101 municipalities in the states of Goiás, Minas Gerais, Mato Grosso and Mato Grosso do Sul, encouraging landowners to reduce their use of inputs with high carbon emissions, by integrating animal and plant management. Its aim is to mitigate greenhouse gas emissions and increase the income of the producers served in the Cerrado biome. This program serves 4,600 farmers and each state has a ATER company that coordinates the services, all of which use ICTs to achieve the technical assistance objectives. The Project has implemented the interleaving of face-to-face and remote activities over 16 months. In the remote system, the extension worker will answer questions and supplement information via WhatsApp, telephone, or remote synchronous meetings. Among the public served, the Project's actors have observed different profiles of farmers in terms of their familiarity with ICTs, from small farmers who try to stay connected, to medium-sized producers who have difficulty or do not like using cell phone equipment and messaging apps.

Senar MG is another example of activities that can fit into the hybrid ATER concept. In addition to traditional face-to-face assistance, *SENAR* has a methodology with one visit per month, lasting between two and four hours, depending on the size of the property. Throughout the period attended, it promotes courses for the producer and offers online teaching material.

EMATER Minas Gerais works in different fields of digital and remote ATER to achieve rural development. One example is the television program *Minas Rural*, which has been on the air since 1994, showing content on various topics, such as tips and technical films. In addition, during the COVID-19 pandemic, EMATER MG provided smartphones, notebooks, and tablets for technicians to continue their work and adopted a virtual bulletin, in the format of a WhatsApp group, disseminating information relevant to ATER. Thinking about the continuity of digital ATER services, EMATER MG plans to implement a chatbot, called *Ema*, which will work as a virtual channel to answer farmers' questions, leading them to contact the extensionist at the end of the conversation, if necessary.

Within the framework of PDHC II and other projects in Pernambuco, the NGO *Caatinga* stood out as an agent for disseminating relevant information and knowledge to rural communities. In partnership with *Angola Comunicação*, *Caatinga* offered an innovative approach to social communication. Through monthly planning meetings, key topics were chosen to be discussed on the radio program, ensuring that the voices of farmers and experts in the field were widely heard.

Also, in relation to PDHC II, EMATER-PI and IPA stood out by producing content for TV and other remote communication platforms to disseminate information relevant to ATER services at the time of the COVID-19 pandemic.

SASOP worked in the context of the Pro-Semiarid Project (PSA) in Bahia, adopting an approach focused on the production of short audios based on the objectives and goals of the Program as a Remote ATER strategy. The content was produced by the ATER organizations and disseminated via their WhatsApp lists. By adopting this tactic, SASOP ensured access to information and community engagement remained robust, even during social distancing.

CETRA - Paulo Freire Project in Ceará structured a robust strategy for using remote communication tools to communicate with farmers through the following activities: 1) Creation of WhatsApp groups divided by communities and municipalities, allowing the exchange of information between farmers - through text messages, audios, images and the video call function 2) Carrying out live broadcasts and lives with the participation of farmers 3) Organization of virtual meetings with the leaders of the associations and the procurement teams, with the aim of offering assistance in procurement and also as suppliers, in order to discuss the logistics of delivering materials for the projects 4) Creating and broadcasting radio content, covering topics selected by farmers and their families, including through podcasts.

Considering the success of the cases reported above, the importance of incorporating Digital ATER and Hybrid ATER initiatives into the Project is evident, whether because of their effectiveness, cost reduction or even because they increase the capillarity of ATER activities in the field. In this phase of the PDHC, new success stories and references in the field of ATER activities will be identified during the implementation of the Project and can be disseminated at regional, national, and international levels to incorporate them into public policies.

3. PROJECT IMPLEMENTATION

3.1. STRATEGY

With increasing access to computers, smartphones, and the Internet in rural areas, encouraging the development of digital products, services, and markets to respond to family farming opportunities is imperative in the design of new IFAD projects in Brazil. ICTs not only play a crucial role in the expansion and modernization of ATER services but are also driving digitalization in rural areas. This process is reconfiguring the various segments of production chains, changing the paradigm of rural development.

PDHC III is structured into three components, the first of which concentrates most of the ATER activities and other forms of technical assistance to be developed. In addition to face-to-face ATER activities, the Project will work by incorporating strategies that use tools based on ICTs.

The aim is to improve families' income and food security by strengthening farmers' productive capacity. It also aims to strengthen family farming organizations to absorb surplus production, transform it, and market it with added value. These objectives will be achieved through an integrated territorial approach, with an agroecological approach to living in the semiarid region. ATER, other forms of face-to-face technical assistance and Virtual Technical Assistance (VTA) will act as a means of interaction and knowledge exchange, and as the main inducer of technological innovations in the rural areas.

The operational strategy will be based on the sustainable use of biodiversity by strengthening the productive capacities of family farmers living in poverty and extreme poverty. Through the provision of ATER and other forms of technical assistance, in person and virtually, the component will focus on production for self-consumption and the generation of surpluses for marketing, as well as access to public policies.

The association of ATER activities with MDS Productive Development resources will develop more resilient production systems, which should contribute to mitigating the effects of climate change and also consider the reduction or mitigation of CO₂.

In subcomponent **1.1 Resilient and diversified agroecological production**, the aim is to use digital media to exchange knowledge in the field, especially for farmers to communicate with ATER services, as a complementary and innovative form of face-to-face ATER. This subcomponent aims to provide ATER services and other forms of technical assistance aiming at strengthening agroecological production systems. The ATER services will follow the principles of coexistence with the semiarid region and adaptation to climate change, through the implementation of agroecological systems for the production of healthy food, with sustainable technologies, enhancing traditional knowledge and innovative good practices, activities for the sustainable management of natural resources, recovery of degraded areas and access to water, the introduction of diversified agroforestry systems and other polycultures, as well as activities aimed at knowledge and access to the main public policies aimed at Family Farming.

For some of the beneficiary families, ATER services will be provided via a decentralized process monitored by the PMU (Project's Management Unit), through public and private entities contracted by ANATER. There will be specific contracts for the provision of ATER for priority groups such as women, young people and PCTs. In

addition, in conjunction with these services, non-reimbursable financial resources will be made available for productive investments, via the MDS Rural Productive Development, and, in some cases, with the receipt of cisterns for collecting and storing water (human consumption and productive use), also financed by MDS public policies.

The ATER services will consist of individual and collective visits, thematic workshops, courses, and exchanges, and will take place over at least a year and a half, both in person and hybrid. Participatory methodologies that promote experiential learning, co-creation, and the sharing of knowledge, combining farmers' traditional knowledge with scientific innovation, as detailed in Table 4, will be adopted. Among other criteria, the methodologies must meet the specific needs of the Project's priority groups (women, young people and PCTs). Priority will be given to strategies that use Information and Communication Technologies (ICTs) and tools whenever possible.

Table 4 – Possible ATER activities and their corresponding character and modality.

Activities ²	Character		Modality	
	Individual	Collective	In person	Virtual
1. Coordination meetings with partner organizations		X		X
2. Meeting to mobilize and select beneficiaries		X	X	
3. Diagnostic visit and characterization of families and plots	X		X	
4. Meeting to socialize the diagnosis and plan activities		X	X	
5. Planning individual activities	X		X	
6. Workshops / training courses		X	X	X
7. Seminars		X	X	
8. Meetings		X	X	
9. Collective activities specific to the technical proposal*		X	X	
10. Exchanges		X	X	X
11. One-to-one support	X		X	X
12. Collective landfill activities by proximity		X	X	
13. Remote landfill activities**		X		X

*talks, systematization workshops, field days

**The activities not carried out must be converted into individual ATER consultations.

Access to the main public policies aimed at family farming will be promoted through ATER services, such as the National Program for Strengthening Family Farming (PRONAF), the Food Acquisition Program (PAA), the National School Feeding Program

² References for activities based on TARE notices prepared by DATER/ANATER

(PNAE), the National Land Credit Program (PNCF) and the Crop Guarantee. To this end, information workshops will be held on the rules and procedures and support will be provided to meet the requirements of each policy. These activities, which are considered fundamental in the light of the sustainability and expansion of the Project's activities, will be aimed at families, groups of families and their organizations.

For another group of families, there will be specific activities to implement agroecological systems for producing healthy food (such as productive backyards and agroforestry systems), as well as the implementation of social technologies for sanitation and water reuse (bio-water, SARA, among others). In these contracting modalities, specific technical assistance will also be offered via a public call for tenders conducted by the PMU.

In addition, strategic partnerships will be established with research institutions and civil society organizations, in dialogue with traditional knowledge and practices, to implement social and technological innovations adapted to the beneficiary public, such as the SARA system, the use, and conservation of creole seeds, mechanization for small-scale family farming, etc.

Given the characteristics of the public (predominantly the Single Registry profile), it was decided to work mostly with face-to-face ATER activities - enhanced with remote ATER activities. According to the observations made by the startup *ManejeBem*, the use of technological tools to provide ATER service can increase the efficiency of rural extensionists' work in the field by up to 400%. The content made available and the establishment of an online channel for direct communication with the producer help to resolve problems quickly.

Still within the scope of the Project's ATER activities, subcomponent **1.2. Strengthening market access capacities**, the aim will be to strengthen the capacities of family farmers' organizations to add value to their products and services, accessing the market under better conditions. The aim will be to promote the collective organization, strengthen their capacities, as well as make investments so that the organizations can add value to their products and services, enabling them to access the market under better conditions.

It will be implemented by encouraging the diversification of markets and establishing short marketing chains for the local market, as well as national and international markets, considering the potential that family farming products from the Caatinga biome represent. Facilitating access to the main public policies aimed at marketing will also be promoted and training groups and organizations on the rules and procedures for participating in the PNAE and PAA. Mechanisms will be created and implemented to increase the participation of family farming products, preferably from cooperatives and associations and traditional communities, in public food procurement programs. Obtaining distinctive health, quality, identification, and origin labels will be a line of activity to seek recognition and reach specific markets that value these identifications.

Two complementary lines of activities will be implemented. The first will focus on strengthening the capacities of the organizations' teams through qualified technical assistance on topics such as financial and administrative management, modernization of processes, access to financing and in particular working capital, diversified

marketing strategies and access to different types of market (institutional, private, etc.), development of new products, dissemination, and use of digital technologies.

The second line of activities will focus on purchasing goods and equipment to adapt or complete the organization's physical facilities. The investments made in this way should make it possible, among other things, to improve value-added processes, implement certification processes, structure local fairs, or improve internet access. These two lines of activities will be implemented through calls for tender conducted by the PMU to: i) hire qualified technical assistance services to strengthen capacities; and ii) acquire the goods and equipment needed to improve production processes.

All the activities in this subcomponent will also strengthen the PDHC III's priority cross-cutting themes, such as increasing the participation of women and young people in management processes and positions, improving the quality of food from in terms of food and nutritional security, and introducing good practices, technologies and innovations for the environment and adapting to climate change, such as installing solar panels to generate electricity.

Aiming at an integrated implementation strategy at the Project level, priority will be given to complementarity between the organizations benefiting from the marketing and the families supported in the context of structuring sustainable production under subcomponent 1.1. For example, by ensuring that some part of the families are or can join these organizations.

Subcomponent 1.3 Virtual Technical Assistance (VTA) aims to design and implement a VTA pilot to complement the ATER provided by PDHC III.

To prepare for the VTA pilot, studies on existing tools, methods, potential, limits, and innovations on the subject are planned to allow the definition of which methodology will be applied to the PDHC III. At the same time, specific studies will be carried out on the quality of the tool's application, to adapt it and prove its scope and effectiveness. It is worth mentioning that since 2020, IFAD has been conducting a series of studies with partners³ on the themes of rural connectivity, remote ATER, and digital inclusion.

It is also worth noting that there is ample knowledge and work references regarding face-to-face ATER activities, with costs and activities well delimited by region and target audience. Analyzing the latest calls for proposals launched by ANATER (2022), the average cost per family is close to R\$2,500.00/year. As for the number of families served per technician, in general, these same calls for proposals show values close to 80 families per technician in face-to-face ATER, which can vary between 60 and 100 families.

However, this reality contrasts with the situation of digital ATER, which still does not have equivalent observations. Only in ANATER's most recent calls for proposals (2023) are some Remote ATER activities succinctly described as virtual collective activities, but still with a very low workload and frequency. Therefore, the references for this type of service today are isolated activities by different institutions, which has made it difficult to design and establish macro strategies for action at a national level.

³ Federal University of Viçosa (AKSAAM Project); USP - Esalq Public Policy Group; CAATINGA (Advisory Center for Workers and Non-Governmental and Alternative Institutions) a Civil Society Organization.

Initially, the VTA is expected to make relevant information available to beneficiaries, such as meteorological data, market prices, soil conditions, information on public policies, agroecological pest management, etc. This enables farmers to better adapt to climate change, obtain higher prices and improve the quality of their products.

The digital services in the scope of these remote activities to be provided include: a) Digital technical assistance: education, training and access to healthy food production tools, such as plant and insect identification and recommendations for fertilization or agroecological management of weeds or pests; They also include b) Support in accessing information services: prices, logistics, soil conditions, weather information and early warning systems, etc. c) Financial services: financial management tools and access to credit and insurance d) Digitization of the supply chain: recording information, planning tools, sharing implements, shared transport of products and inputs, etc. e) Access to markets and e-commerce: selling family farm products, buying inputs, etc.

The possibility of including a direct communication channel with ATER technicians will also be evaluated, allowing personalized and timely assistance, and supporting more urgent queries, such as pests and/or diseases present on the farm.

These VTA activities could guarantee a greater "presence" of the PDHC III in the field, complementing the irreplaceable dynamics of face-to-face, individual, and collective training processes, extending the technical monitoring of production activities, the development of skills and the exchange of knowledge, the dissemination of social technologies and the incorporation of new tools.

Digital media will be used to strengthen the knowledge exchange in the field. The virtual activities will focus on developing and adopting communication and information methodologies and tools to be used directly by rural producers. In addition, the aim is to use digital media to exchange knowledge with the Family Training Centers by Alternance (CEFFAs), as a complementary and innovative form of classroom activity.

With a view to an integrated implementation strategy at the Project level, priority will be given to complementarity between the application of the VTA pilot with the families that will receive ATER and other forms of technical assistance under subcomponent 1.1 and with students from CEFFAs and similar institutions under subcomponent 2.2.

It was decided to focus the VTA pilots on CEFFAs and similar institutions, given the greater ease with which the younger population can work with digital technologies and methodologies. In addition, there are several integrated government activities for the development and implementation of public policies for internet access in schools in rural areas to serve family farming. The digital methodology was also chosen because it allows students to be involved without interfering with their school calendar.

The aim, therefore, will be to reach 5,000 families with VTA activities, providing not only technical support for their productive activities, but also capacity building, the dissemination of social technologies and the incorporation of new tools, and greater integration into the virtual world.

These VTA activities will be implemented by ATER companies specializing in these types of services. The PMU will contract the ATER services via a public tender process.

Technical content (publications, videos, booklets, etc.) for providing the service, when not available from the contracted ATER companies, can be obtained via the Family Farming Hubtech project⁴, Zap Rural, and other similar programs. The Hubtech project, implemented by the Department of Technical Assistance and Rural Extension (DATER) of the Ministry of Agrarian Development and Family Farming (MDA), aims to develop various communication channels, and make technical information available to the target audience, family farmers.

Finally, an effectiveness and impact study will also evaluate these VTA activities. As they are structured and tested in PDHC 3, these activities can be adapted and disseminated to other family farmers in the Project by the MDA, ANATER, and state secretariats, given their respective responsibilities in implementing PNATER throughout the country.

In summary, in parallel to the VTA activities, it is planned that 42,500 families from the Single Registry profile and 8,000 families from collective family farming organizations will receive technical assistance, training and ATER services, considering the specificities of each public, as shown in table 5 below:

Table 5 – Number of beneficiaries that receive technical assistance

Target audience	Public served	Service method	Resp.	Budget available	Subcomponent
Single Registry profile families	42,500	Face-to-face + Remote	PMU via ANATER	R\$ 120.000.000,00	1.1
Families in collective organizations	8,000	Face-to-face + Remote	PMU via civil society organizations	R\$ 12.500.000,00	1.2
Producer families and students	5,000	VTA	PMU via government and civil society partners	R\$ 7.500.000,00	1.3

⁴ One of the main channels established by the Project is an online portal, which serves as a platform for sharing information and knowledge in selected agricultural areas. On the portal, there are specific pages are dedicated to both production chains and topics of interest to family farming. These pages bring together up-to-date knowledge, links and technical materials obtained from the portals of research institutions and universities, public TARE entities, agricultural magazines and other relevant resources. The portal also advertises digital services and events, such as fairs, virtual field days and training opportunities. Through its portal, the Project offers information on an ongoing basis, ranging from courses to educational and informational materials, links to other websites, services and information activities, such as webinars and lives, among others. This information is intended to support technical assistance services, both face-to-face and remote, broadening the reach of ATER actions.

3.2. IMPLEMENTATION PARTNERS

To carry out these activities, the Project will establish partnerships with research and innovation centers such as EMBRAPA, INSA, SEBRAE and universities; and also with civil society organizations to, in dialogue with traditional knowledge and practices, implement and develop social and technological innovations adapted to the beneficiary public and oriented towards agroecological and low-carbon practices, to preserving biodiversity and increasing the resilience of production systems in the face of climate change.

Empresa Brasileira de Pesquisa Agropecuária (EMBRAPA) - The institution is a strategic partner with a reach throughout the Project's target region. It has a great deal of accumulated knowledge and experience. Its research agenda in technological innovations includes a series of projects with a direct link to the theme, structured in different portfolios, such as: a) Food: safety, nutrition, and health; b) Coexistence with Drought in the Semiarid; c) Forestry; d) Social Innovation in Agriculture and Livestock; e) Crop, Livestock, and Forest Integration; f) Climate Change; g) Environmental Services; and h) Ecologically-Based Production Systems.

In this Project, the company will mainly support 1) the training of ATER agents; 2) the implementation of technological reference units in its units as a mechanism for technological innovation; 3) the training of technicians, family farmers and their collective organizations, students and people linked to the rural sector in the Distance Learning (DL) modality; 4) support in the operationalization of remote ATER activities, through the work of the Hubtech Family Farming Project and other initiatives - producing videos, audios and other media to disseminate good practices and technological innovation.

Network of Family Training Centers by Alternance (Rede CEFFAs) - participation in the Project's activities linked to rural education. Thus, 1) it will support the technical and educational program in the Agricultural Family Schools, Rural Family Houses and communities; 2) it will support meetings, exchanges and learning routes between young students and teachers from the CEFFAs with researchers/teachers/teachers from Universities, Federal Teaching Institutes and PDHC partner institutions; 3) it will implement Reference/Demonstration Units in some CEFFAs, to co-constructing and disseminating new practices, seedlings, seeds and social technologies to family farming in their regions.

National Agency for Technical Assistance and Rural Extension (ANATER) - 1) conducting the contracting process for part of the technical assistance and rural extension services carried out within the scope of the Project; 2) training ATER agents; 3) promoting and implementing policies for the development of Technical Assistance and Rural Extension; 4) supporting the evaluation of the performance and efficiency of the ATER companies contracted in terms of the results achieved in relation to the object contracted.

Ministry of Development and Social Assistance, Family and Fight against Hunger (MDS) - management of public policies to overcome rural poverty, such as Rural Productive Development and access to water for consumption and production, with the Cisterns Program.

Civil society organizations that work in processes of co-construction of knowledge, training, and dissemination of innovations - offering different types

of technical assistance and investment in collective family farming organizations to promote agroecological transition, social participation in territorial collegiate bodies, gender, generation and ethnic-racial inclusion and access to markets.

Instituto Nacional do Semiárido (INSA/MCTI) - developing and promoting access to technologies adapted to the semi-arid region, with an emphasis on fodder species, such as palm resistant to carmine cochineal, and water reuse.

The institutions presented in section 2.3. are also considered potential Project partners.

3.3. ESTIMATED COSTS

Virtual Technical Assistance (VTA) activities can replace some of the costs of exclusively face-to-face ATER, such as travel costs. However, the literature mentions that there is an entry cost for farmers, such as internet access. This section presents the main elements in executing VTA, targeting 1,000 families, and their costs.

According to the average number of producers that a technician can serve, 100 families were stipulated for each technician, resulting in a team of 10 technicians with 1 supervisor. Table 6 below shows estimates of VTA costs for 1,000 families, 10 technicians, and 1 supervisor over 2 years.

Table 6 – VTA cost estimation: 1,000 families, 10 technicians, and 1 supervisor over 2 years

Virtual Technical Assistance (VTA) - 1000 producers, 10 technicians, 1 coordinator - 2 years					
Activities¹	Details	Unit	Quantity	Unit value (R\$)	Total (R\$)
Courses, Workshops, and Exchanges	zoom meetings	signature	annual	R\$ 680,99	R\$ 1,361.98
Subtotal					R\$ 1.361,98

Producer investment					
Item	Details	Unit	Quantity	Unit value (R\$)	Total (R\$)
Internet mobile data	monthly plan	family/month	1000	R\$ 100,00	R\$ 2.400.000
Internet at headquarters	wi-fi in the association	month	24	R\$ 200,00	R\$ 172.800
Subtotal					R\$ 2.515.200

Other Investments					
Item	Details	Unit	Quantity	Unit value (R\$)	Total (R\$)
Technician's salary	gross monthly salary	10	26	R\$ 7.000	R\$ 1.820.000
Coordinator's salary	gross monthly salary	1	26	R\$ 10.500	R\$ 273.000
Subtotal					R\$ 2.093.000

TOTAL					R\$ 4.612.285,94
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¹ The content to be used in the workshops will be taken from existing virtual libraries.

Activities such as courses, workshops and exchanges can be offered synchronously, using the Zoom Meeting online meeting platform, with an annual subscription of R\$ 680, or asynchronously, with ready-made content sent, certified and available in virtual libraries. These materials, for example, can be consulted by the producer whenever they wish.

Considering the low level of internet access for many farmers, the cost of a monthly internet package for all the families over two years was stipulated. In addition, the cost of setting up a Wi-Fi network at the association's headquarters for 24 months was also calculated.

It should be noted that the producer's investments in equipment, such as smartphones or tablets, should be borne by the producer, since donating these items does not produce positive returns and has not worked in practice, as will be seen in the experiences reported in section 3.4. It is more relevant to collectively invest in network infrastructure, such as wi-fi in the association, so that farmers can meet and hold meetings, exchanging experiences and knowledge.

Finally, the gross salaries of the technician and supervisor are in line with the average for the Southeast region of Brazil. In this sense, they are responsible for the costs of their equipment costs and internet access. It should be noted that in other locations, salaries are lower; however, they do not include equipment and internet costs.

VTA can increase the number of families served without affecting costs. However, it is worth noting that quality must always be considered ahead of numbers, so that the objectives of VTA are met.

3.4. EXPERIENCE IN SUPPLYING THE MOST COMMONLY USED EQUIPMENT AND TOOLS

Among the information collected, WhatsApp has been the most used method for remote digital ATER. Through WhatsApp, technicians can answer questions, diagnose and guide producers. It should be noted that from the collected experiences, the services provided through this medium are short, lasting up to 10 minutes. In addition, it is easier for producers and technicians to access and use than other tools.

On the other hand, when it came to donating equipment to producers, such as smartphones, tablets and notebooks, the institutions' experiences were negative, since the equipment was being used for other purposes and not for interaction between the technician and the farmer and was even being lent to other family

members to use for games and other entertainment. In addition, a lot of the equipment was broken by users.

Finally, it is essential to note that, according to the literature, the tools for the remote ATER service need to be adapted to the context of the farmer, their demand, and their infrastructure, since many rural families do not have access to the Internet or a cell phone, in addition to the barriers posed by the illiteracy rate and difficulties in handling digital platforms. These three points are the main challenges listed in the literature for the implementation of Digital ATER and should be considered in its design (Branco, 2021; Carvalho, 2021; Lopes; Zuin; Oliveira, 2022; Silva; Zuin, 2023).

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Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex: C Rural Education

Mission Dates: 26/10/2023 - 03/11/2023

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Project No. 2000003598

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Latin America and the Caribbean
Programme Management Department

ANNEX C - RURAL EDUCATION AND RURAL YOUTH

1. CONTEXTUALIZATION

1.1 OVERVIEW IN BRAZIL, EVOLUTION AND LEGAL FRAMEWORKS

The mobilizations around the Constituent Assembly process for the country's democratization and the affirmation of a culture of civil, political, social, economic and cultural rights, resulted in important popular achievements and spaces for participation in public policies - culminating in the Constitution of 1988. In this context, rural education has gained strength as a fundamental concept, considering the immediate need to adapt the educational offer to the particularities of rural areas and the unique challenges people living in these regions face. These include geographical isolation, lack of infrastructure, a predominantly agricultural economy, cultural traditions and ways of life that differ substantially from urban areas.

The consolidation of this process gained greater strength with the approval of the LDB, the Law of Guidelines and Bases of National Education (Law No. 9.394 of December 1996), which through its articles 22, 23, 24, and 28, establishes specific measures for adapting the school system to the reality of rural areas. Previously, this perspective had not been properly contemplated.

Article 22 - The purpose of basic education is to develop the student, to provide them with the common education essential for the exercise of citizenship and to provide them with the means to progress at work and in further studies.

Article 23 - Basic education may be organized in annual series, semester periods, cycles, regular alternation of study periods, non-serial groups, based on age, competence and other criteria, or by a different form of organization, whenever the interests of the learning process recommends.

§ 1º - ...

§ Paragraph 2 - The school calendar must be adapted to local particularities, including climatic and economic conditions, at the discretion of the respective education system, without reducing the number of teaching hours provided for in this Law.

Article 24 - Basic education, at the primary and secondary levels, shall be organized according to the following standard rules:

I - the minimum annual workload will be eight hundred hours, distributed over a minimum of two hundred days of effective schoolwork, excluding the time reserved for final exams, if any;

Article 28 - In the provision of basic education for the rural population, education systems will promote the necessary adaptations to suit the particularities of rural life and of each region, especially:

I - curricular content and methodologies appropriate to the real needs and interests of students in rural areas;

II - proper school organization, including adapting the school calendar to the phases of the agricultural cycle and climatic conditions;

III - suitability for the nature of work in rural areas.

These legal frameworks and other guidelines and resolutions (detailed below), which govern rural education, have reinforced the importance of the educational process as a collective construction, guaranteeing its right for an entire population.

In this sense, Opinion No. 36 of December 4, 2001, which deals with the Operational Guidelines for Basic Education in Rural Schools, emphasizes the identity of rural schools, anchored in their temporal reality, local knowledge, collective memory, available science and technology, and in the social movements that seek solutions aligned with the quality of collective life in the country.

The Operational Guidelines for Basic Education in rural areas, CNE/CEB Resolution No. 01/2002, aim to strengthen educational policies in rural areas to guarantee access to quality education, encourage young people to remain in rural areas and reduce the rate of the rural exodus of young people.

In Decree No. 7.352 of November 4, 2010, the principles of rural education are highlighted, recognizing the need for an educational approach that values rural characteristics and promotes social inclusion, justice, environmental sustainability, and cultural diversity. Article 2 points out principles that serve as a basis for the development of educational policies that seek to meet the specific needs of rural communities:

(...)

I - Respect for the diversity of rural areas in its social, cultural, environmental, political, economic, gender, generational and racial and ethnic aspects;

II - Encouraging the formulation of specific political-pedagogical projects for rural schools, stimulating the development of school units as public spaces for research and articulation of experiences and studies aimed at social, economically fair and environmentally sustainable development, in conjunction with the working sphere;

III - Development of training policies for education professionals to meet the specific needs of rural schools, considering the concrete conditions of production and social reproduction of life in rural areas;

IV - Valuing the identity of rural schools through pedagogical projects with curricular content and methodologies suited to the real needs of rural students, as well as flexibility in school organization, including adapting the school calendar to the phases of the agricultural cycle and climatic conditions; and

V - Social control of the quality of school education, through the effective participation of the community and social movements in rural areas.

Also noteworthy are the regulations related to the alternance pedagogy, which represents a rupture with the "traditional" education models in rural areas that merely import the references, methodologies and pedagogical policies of urban schools and do not integrate with social, economic and cultural realities of rural areas. The alternance between cycles of permanence at school and in the family/community, and the use of adapted methodologies enables students to have a unique experience of the teaching-learning process. It is characterized by the integral formation of the students through dialogue and exchange with their families and communities and with the practical dimension in the territories as a fundamental part.

- CNE/CEB Opinion No. 1/2006, approved on February 1, 2006 - School days for the application of the Family Training Centers by Alternance (CEFFA).
- CNE/CP Opinion No. 22/2020, approved on December 8, 2020 - Curriculum Guidelines for the Alternance Pedagogy in Basic Education and Higher Education.

- CNE/CP Resolution No. 1, of August 16, 2023 - Provides the Curricular Guidelines for the Alternance Pedagogy in Basic Education and Higher Education.

More recently, Law No. 14.767, of December 22, 2023, amended the LDB to allow the use of the alternance pedagogy in rural schools:

(...)

Art. 1 Item I of art. 28 of Law no. 9.394, of December 20, 1996, which "establishes the guidelines and bases of national education", shall come into force with the following wording:

"Art.28. I - curricular content and methodologies appropriate to the real needs and interests of students in rural schools, with the possibility of using, among others, the alternance pedagogy;

(...)

In summary, we can see that the recent history of rural education in Brazil is marked by significant advances, not only in terms of legal frameworks, but also in terms of recognizing the particularities and needs of rural communities. The issue is not just a matter of curriculum and infrastructure, but also an expression of appreciation for these regions' cultural, social and environmental diversity. Present in various formats and modalities, it recognizes that rural populations play a fundamental role in food production and sustainable development, as well as enabling the advancement of the country's rural areas themselves.

It is important to stress that, in addition to policies, the ongoing commitment of governments, educators, public higher education institutions, communities, civil society, and international organizations such as IFAD has been fundamental in ensuring that these guidelines are effectively implemented.

1.2 FORMS OF RURAL EDUCATION

Rural education in Brazil has various formats and modalities - playing a fundamental role in developing the country's rural areas. The main ones are highlighted in Chart 1, with more detail on the Family Training Centers by Alternance (in Portuguese: *Centro Familiar de Formação por Alternância*, CEFFAs) and the Federal Institutes of Education, Science and Technology.

Institution	Description
Family Training Centers by Alternance (CEFFAs)	These schools are geared towards basic education, but with a specific educational approach aimed at students who live in rural areas and are involved in agricultural and family activities. They are strategically located in rural regions, where agriculture and practices related to rural areas are a fundamental part of families' routines.
Technical Agricultural Schools	These schools offer technical and vocational training courses geared towards the needs of rural activities. Students acquire practical and theoretical knowledge in areas such as agronomy, farming, agroindustry, among others.
Federal Institutes of Education, Science and Technology (IFs)	The institutes, present throughout Brazil, play a fundamental role in promoting rural education. They offer technical and higher education courses, as well as extension, research and technical assistance programs targeting the demands of rural communities.

Institution	Description
Agrotechnical Schools	These institutions combine basic education with technical and vocational training in agriculture, livestock and agroindustry areas. They are structured to meet the needs of rural areas.
Rural Education Programs	Many governmental and non-governmental initiatives offer education programs explicitly aimed at rural populations. These programs can include literacy courses, youth and adult education, and agricultural skills training, among others.
Rural Universities	Some universities have campuses located in rural regions, offering higher education courses related to agriculture, rural development and related areas. They play an important role in training professionals and researchers dedicated to sustainable rural development.
Popular Education Projects	Many organizations and social movements promote popular education projects in rural areas to empower rural communities, strengthen citizenship and promote access to information relevant to life in rural areas.

Family Training Centers by Alternance (CEFFAs):

Family Training Centers by Alternance (CEFFAs) are known by different names, among them: Rural Community Schools (ECORs); Agricultural Family Schools (EFAs); Rural Family Houses (CFRs) and Family Houses of the Sea (CFMs). These centers are vital in promoting rural education and offering a wide range of educational programs. They generally operate on a community basis or in partnership with state and municipal authorities.

The CEFFA was created in Brazil in 1969 in Espírito Santo, inspired by the French model (EFAs) and the Italian model (CFRs) of teaching, both using the alternance pedagogy, combining technical learning with knowledge of everyday community life. This pedagogical proposal enables students to integrate the theoretical knowledge acquired at school with the practical experience of agricultural and family activities, making education more relevant and applicable to life in rural areas.

According to data from the National Union of Agricultural Family Schools of Brazil (UNEFAB), EFAs are currently present in almost every Brazilian state, broken down as follows: São Paulo (1), Rio de Janeiro (4), Minas Gerais (14), Espírito Santo (23), Bahia (33), Sergipe (01), Ceará (1), Piauí (8), Maranhão (10), Pará (2), Amapá (4), Amazonas (1).¹ Data from the same institution also indicates a significant concentration in the Northeast region, with 47% of the total (113). In addition, these institutions serve approximately 13,000 students and support around 70,000 farmers with the help of 850 supervisors. All these figures clearly show the impact of these schools, which have already trained over 50,000 students. Of this total, more than 65% remain in rural areas.² As for the Rural Family Houses (CFRs), they are distributed as follows (according to the Regional Association of Rural Family Houses of Rio Grande do Sul): Rio Grande do Sul (4), Santa Catarina (11), Paraná (19), Maranhão (19), Amazonas (6), Bahia (3) and Pará (22), totaling 84 CFRs. These CFRs

¹ [efaidnbmnnnibpcajpcgiclfindmkaj/http://www.enecult.ufba.br/modulos/submissao/Upload-484/112389.pdf](http://www.enecult.ufba.br/modulos/submissao/Upload-484/112389.pdf)

² <https://www.redebrasilatual.com.br/educacao/em-todo-o-pais-uma-pedagogia-que-resiste-para-emancipar/>

serve approximately 7,000 students. In summary, these different CEFFAs operate as follows:

- **Functioning:** alternating between periods of study at school and periods of practice on farms or in agriculture-related activities.
- **Education:** the curriculum is designed to integrate theoretical knowledge with the needs and challenges of the rural environment. Students are not only trained in conventional academic subjects such as mathematics and science, but also acquire specific skills for agriculture and related areas such as farming, agroindustry, animal husbandry, among others.
- **Community:** these centers usually have strong ties with the local communities and the agricultural sector, allowing students to work closely with local farmers and gain practical experience.
- **Residence:** Students often spend periods in boarding schools, where they receive theoretical and practical lessons. During these periods, they live and study at the school, creating an immersive learning environment.

At the regional level, the Semiarid Family Agricultural Schools Network (REFAISA) was formalized in 1997 in close collaboration with UNEFAB, given the increasing number of institutions dealing with this issue. The affiliated schools' original principle of autonomy is maintained within the network and responsible participation is encouraged. REFAISA was formed uniting all the EFAs located in Bahia and Sergipe.

Given the different types of CEFFAs, it is important to highlight their particularities.

The **Agricultural Family Schools** (EFAs) are community organizations of families, former students and related entities, aiming to boost the education of farmers' children, other young people and rural workers, focusing on local sustainable development. They offer education at primary I and II levels, secondary education, youth and adult education, and technical professional education at the secondary level in various areas, such as farming, agriculture, administration, agroindustry, agroecology, zootechnics, and rural tourism, among others.

Similarly, the **Rural Family Houses** (CFRs) are run by the community or in partnership with state and municipal authorities. These institutions offer education at the levels of elementary school II, youth and adult education, secondary education, and technical professional education at the secondary level, and courses like those offered by the EFAs. They are present in three regions of Brazil (North, Northeast and South) and in six states, running around 100 school units. Finally, Brazil's Southeastern region, specifically in the state of Espírito Santo, is also home to **Rural Community Schools** (ECORs) which cater for elementary school segments.

Federal Institutes of Education, Science and Technology

The Federal Network for Professional, Scientific and Technological Education was established as an essential milestone in Brazil's expansion, internalization and diversification of professional and technological education. This educational network is widely recognized for the variety of courses available and for its significant role in promoting free, high quality professional and technological education. It works to enhance the characteristics of each region in terms of work, culture, and leisure.

This network is an integral part of the federal education system and is linked to the Ministry of Education. It consists of various institutions, including: Federal Institutes of Education, Science and Technology (IFs); Federal Technological Education Centers (CEFETs); Federal Technological University of Paraná (UTFPR); Linked Technical Schools; and Colégio Pedro II. Currently, approximately 660 education units throughout the country are linked to these institutions.

For the year 2022, data from the Nilo Peçanha Platform indicated 757,006 new students, of which 113,597 come from the Northeast region³, both in institutions located in urban and rural areas.

1.3 RURAL EDUCATION - HISTORY OF PROJECTS AND RESULTS

One of the distinguishing features of this new phase of the Dom Hélder Câmara Project is a strong component aimed at strengthening rural education and rural youth services. These actions have been gradually incorporated into IFAD projects over the last few years, including the PDHC itself.

It is worth noting that in Brazil, especially in the Northeast, there are several initiatives aimed at training young people, many of whom are historically associated with social movements and religious institutions. The following are some recent experiences in Vocational and Leadership Training for Rural Youth. Some of these successful cases will be enhanced and/or incorporated into the scope of this new phase of the Project.

AKSAAM: PROGRAM Adapting Knowledge for Sustainable Agriculture and Market Access

Project: SAF EDU EFA

This Project was developed under the AKSAAM program and implemented by UFV (Federal University of Viçosa) in partnership with IFAD. It aimed to develop a technical and educational program to create Agroforestry Systems (AFSs) in Agricultural Family Schools and Communities, to foster innovative experiments through the alternance pedagogy. The ASF was chosen as the productive system because it is a regenerative and pesticide-free agricultural model that combines the cultivation of food, trees, orchards, and respect for the environment, proving to be an effective and sustainable approach.

Overall, 5 Family Agricultural Schools participated in the Project, with an estimated 500 people benefited, including 300 young people, 200 women, 200 from traditional communities, and 10 technicians. The involvement of students as scholarship holders in the Project directly impacted their education and training.

The Project has contributed to sustainable rural development by systematizing and disseminating knowledge, experiences, and good practices, guaranteeing socio-environmental sustainability and technological innovations that promote the resilience of the Caatinga biome to climate change.

³<https://app.powerbi.com/view?r=eyJrIjoizDhkNGNiYzqtMjQ0My00OGVILWJjNzYtZWQwYjI2OThhYWVM1IiwidCI6IjllNjgyMzU5LWQxMjgtNGVhYy11YjU4LTgyYjJhMTUzNDZiZjQ>

Training Program in Climate Resilient Agriculture: DAKI - Semiárido Vivo

DAKI - Semiárido Vivo is another IFAD-funded activity that addresses rural education. This Project aims to highlight relevant experiences and train multipliers to promote climate-resilient agriculture, based on the principles of agroecology and coexistence with the semiarid regions. Developed by the Brazilian Semiarid Articulation (ASA) in partnership with the Semiarid Platform of Latin America, it has worked in three semiarid regions of Latin America: the Central American Dry Corridor (CSC), the Great American Chaco (GCA) and the Brazilian Semiarid (SAB). In the scope of its activities, young people were prioritized at different stages, whether through specific training programs or activities with EFAs in Argentina.

PROCASE: Cariri, Seridó and Curimataú Sustainable Development Project

The result of investments by the Paraíba State Government and IFAD, PROCASE's main goal was to promote sustainable rural development in 56 municipalities to reduce levels of rural poverty, and strengthen initiatives to prevent and mitigate desertification in the semiarid region of Paraíba.

The Project involved the participation of young people who carried out activities in the communities where PROCASE was implemented, either directly or indirectly. These activities involved supporting the management of associations, collaborating on projects agreed with PROCASE, and participating in training offered by the Project. During this period, young people participated in training modules covering topics such as activity planning, communication skills, educational communication, and agroecology. Face-to-face meetings focused on topics such as peasant identity, gender, and generation. In addition, there were virtual meetings to guide the planning of priority activities in the communities supported by the scholarship holders, covering topics such as agroecology, forest nurseries, forage management, and plant health management.

Agricultural Professional Residency Program - AgroResidency

Aimed at qualifying young students and recent graduates from agricultural science and related courses, AgroResidency supported residency projects designed and coordinated by educational institutions. The Program aimed to bring together and strengthen the relationship between the academic world and the reality of Brazilian agriculture, contributing to the training of professionals.

The Program, as established in Ordinance No. 193 of June 16, 2020, was implemented through partnerships between the former Ministry of Agriculture, Livestock and Supply (MAPA); and through the Secretariat for Family Farming and Cooperatives (SAF) - currently incorporated into the MDA as the Secretariat for Family Farming and Agroecology - and technical secondary and higher education institutions, whether public or private non-profit. These partnerships were established through agreements, transfer contracts, decentralized execution terms, fostering or collaboration terms, technical cooperation agreements and other similar instruments.

The Program was aimed at young people between the ages of 15 and 29, high school or college students, and graduates of courses in agricultural sciences and related areas. Graduates who had completed their courses in the last 12 months were also eligible. The Program provided grants for different categories of beneficiaries,

including students, supervising teachers, and those responsible for the technical and administrative coordination of the program. These grants were to provide financial support to the participants during the program.

The program's funds were also earmarked to cover costs related to the participation of resident students, supervising teachers, supervising technicians and occasional collaborators in activities such as meetings, workshops, seminars, congresses and other activities relevant to the training and improvement of the participants.

National Program for Education in Agrarian Reform (PRONERA)

PRONERA is a program coordinated by the National Institute for Colonization and Agrarian Reform (INCRA) and the Ministry of Education (MEC), with partnerships established with educational institutions, including universities, and technical schools. These partnerships provide educational infrastructure, teachers, curricula and resources needed to meet the specific needs of rural communities.

The Program's target audience includes young people and adults living in agrarian reform areas, residents of settlements recognized by INCRA, quilombola communities, and teachers who work in educational activities aimed at beneficiary families, as well as people assisted by the National Land Credit Program (PNCF).

Classes are held in the communities, often in rural schools or suitable locations, with teachers hired by the partner institutions. PRONERA is not limited to formal education, but also includes training in sustainable agricultural practices, rural entrepreneurship, and access to health and social services.

Started in 1998, PRONERA has already served 191,234 students in 531 courses in all Brazilian states. The Program stands out for demonstrating that it is possible to provide formal education to populations in rural and remote areas, overcoming the challenges of access to schooling; and for being an effective strategy for promoting equality, especially in quilombola communities, combating historical inequalities and discrimination through education.

Alternative Technology Service (Serta)

Serta is a Civil Society Organization of Public Interest (OSCIP). It aims to train agents of transformation in the economic, social, environmental, cultural, and political spheres, focusing on rural areas. Affiliated to the Network of Transformative Schools, Serta stands out as an institution that offers technical education and professional training in agroecology, having already trained around 2,000 students in the Zona da Mata and Sertão do Moxotó regions of Pernambuco.

2. PROJECT IMPLEMENTATION

2.1. STRATEGIES

Within the scope of PDHC III, rural education is a priority, including a set of specific activities. The Project seeks to strengthen the knowledge and practices of the alternance pedagogy of high school students in the Family Training Centers by Alternance (CEFFAs) and similar institutions, by providing teaching grants for students and teachers, and organizing awards, learning routes, and exchanges.

With the support of the Project, the schools will strengthen their pedagogical program for the emancipatory formation of young people based on the territorial diagnosis, as well as their institutional capacities.

The Project will support students and teachers from these institutions to strengthen their role as multipliers of knowledge of agroecology and good practices, as well as productive inclusion and the generation of work and income for rural youth, contributing to their retention and succession in rural areas. The activities of the sub-components are structured around three axes: 1. Training, 2. Agroecological production and 3. Processing and market access. They are detailed below:

Axis 1. Training: the aim is to support students and teachers from CEFFAs and similar institutions by awarding grants for projects related to the themes covered by the PDHC III. The grants should enhance the impact of these actors on the school community and rural territories, always seeking integration with the other subcomponents of the Project. The successful work carried out by the SAF EDU EFA pilot project under the AKSAAM Program will be used as a reference. It aimed to develop a technical and educational program for Agroforestry Systems (AFSs) in the Agricultural Family Schools and Communities supported by REFAISA. In PDHC III, this experience will be expanded both in terms of geographical coverage, the number of teachers and students, and the topics covered. In addition to AFSs, other topics to be added include: agroecological production, participatory guarantee systems, good food and nutritional security practices, conservation and use of creole seeds, access to public policies, such as the new line of credit for young people under the National Land Credit Program, as well as topics that expand young students' capacity for political participation by strengthening rural youth groups and associations in the territories where the Project operates. These fellows and other students from the institutions will also participate in the pilot VTA project under subcomponent 1.3.

In addition, the aim is to strengthen education in and of rural areas through partnerships with other local research and educational institutions - creating specific activities for rural youth that emphasize agroecology, sustainability and entrepreneurship. Meetings, exchanges, and learning routes will be held between young students and teachers from the CEFFAs with researchers/teachers/faculty from universities, federal institutes, and other partner institutions (EMBRAPA, INSA, civil society organizations, etc.) to promote the exchange of knowledge about agroecological practices adapted to the semiarid region, as well as encouraging continuing education and research among students.

The Project will also i) contribute with lectures and specific courses on topics of interest through its team, contracted ATER entities, partner civil society organizations, or the mobilization of specialists from EMBRAPA, universities, SEBRAE or other organizations; ii) support the production of specific materials for distribution in rural schools, as pedagogical support and implementation of innovation in the field of youth training and; iii) organization of events to exchange knowledge, innovations and best practices.

The activities will be structured based on a broad dialogue with the CEFFAs' representative organizations and with the schools themselves, considering their demands, knowledge, and current pedagogical practices. In addition, professors from

universities and federal institutes who work in rural education will co-coordinate the activities, establishing a link with the CEFFAs that will make it possible to grant scholarships, exchange knowledge, research, and innovation.

Overall, 300 integrative pedagogical projects will be developed with the offer of scholarships⁴ for students, CEFFA teachers and teachers from Federal Universities/Institutes. At the same time, over the course of the Project's six years, 50 youth exchanges will occur, 50 learning routes, and six awards will be organized. Table 2 below summarizes these elements.

Capacity building for young people	Quantity per year							
		1	2	3	4	5	6	Total
Activity Group 1 - Developing integrative pedagogical projects								
Scholarship for CEFFAs teachers	Scholarship		20	20	30	20	10	100
Scholarship for students	Scholarship		40	40	50	40	30	200
Scholarship for teachers at universities / federal institutes	Scholarship		60	60	80	60	40	300
Activity Group 2 - Offering training processes with young people								
Awards	Events				2	2	2	6
Youth exchanges	Events			10	20	10	10	50
Learning routes	Events			10	10	20	10	50

In axes 2 and 3, the CEFFAs themselves will benefit from the Project's activities, in addition to their teaching staff and students, as mentioned above. After carrying out a specific diagnosis (curriculum, and physical and productive structure) of the situation of each CEFFA supported by the Project, priority activities that could be supported by PDHC III will be defined in dialogue with the schools and the CEFFAs' representative organizations, as detailed below:

Axis 2. Agroecological production: productive areas can be developed in the CEFFAs, seeking to introduce new practices supported by the Project. For example, the implementation of agroforestry systems, nurseries for seedling production of native forest and fruit species, creole seed banks, the installation of animal husbandry systems, etc.; and

Axis 3. Processing and access to the market: Small processing units could be set up in CEFFAs, according to local specificities, to supply the demand of each school, and allow the sale of production surplus. Processing innovations could be introduced, always seeking to contribute to the schools' pedagogical practices.

These structures will be implemented in an integrated way with the pedagogical projects of Axis 1, serving both as experimental units to be potentially replicated by the students in their communities and for training processes that could involve other actors in the territory, family farmers and their collective organizations. With this,

⁴ Scholarship for students: R\$ 450,00; for CEFFA teachers; R\$ 700,00; to teachers at universities / federal institutes: R\$ 1,400.00. We used as a reference the grant amounts offered by the CNPq.

the Project will seek to contribute to enhancing the transformative and knowledge-multiplying role of the CEFFAs in the territory.

Given the diversity of types of schools in rural areas, it was decided to work primarily with CEFFAs because they have a greater connection with rural communities, i.e., because they use the alternance pedagogy as an educational model, they allow dialogue not only with the young people in training, but also involve their families and the rural communities in which they live. As for the distribution of these institutions in the Project area, the systematization of information from the Professions Monitor (MONP) of the Ministry of Labor and Social Security, through the Secretariat of Labor (STRAB), identifies 66 EFAS or CFA in the Northeast, offering technical courses (farming, agriculture, agribusiness, aquaculture, and zootechnics), with a total of 4,439 students enrolled, especially in the states of Bahia, Piauí, and Maranhão, as shown in Table 3.

State	No. of institutions	No. of Enrolments	Course	No. of Enrolments
Bahia	23	2323	Agriculture (crop production)	115
Ceará	3	141	Agribusiness	109
Maranhão	23	848	Agriculture (crop & livestock)	4054
Piauí	16	1068	Aquaculture	28
Sergipe	1	59	Zootechnics	133
Total	66	4439	General	4439

2.2. IMPLEMENTING PARTNERS

To carry out these activities, the Project will establish partnerships with Universities and Federal Institutes and with organizations representing CEFFAs in the Project's areas of operation; research and innovation centers such as EMBRAPA, INSA, SEBRAE; and also, with civil society organizations. In dialogue with traditional knowledge and practices, the partnerships will develop and implement social and technological innovations, adapted to the beneficiaries for agroecological and low-carbon practices, preserving biodiversity and increasing the resilience of production systems in the face of climate change.

REFAISA, for all its outreach and role in mobilizing local educational institutions, will be a strategic partner. The institution has experience working with IFAD and other actors in the Project, such as EMBRAPA and others. The aim is to strengthen the connection between research, extension and teaching in the processes of creating and sharing knowledge in the training promoted by the CEFFAs.

It is worth noting that the methodology to be used is also innovative because it combines the development of a technical and educational program, with the offer of scholarships for students and mentoring teachers aimed at building Agroforestry Systems - AFS, agroecological production, participatory guarantee systems; conservation and use of creole seeds and good food safety practices. In this way, rural youth are encouraged to become rural leaders and multipliers, developing new skills, disseminating social technologies and incorporating new technologies, acting to complement the supply of technical assistance and rural extension in the Northeast.

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex: D Grievance Redress Mechanism Grm

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Latin America and the Caribbean
Programme Management Department

Brazil

**Climate Resilience, Food Nutrition and Security in the Northeast Semiarid
of Brazil Project (Dom Hélder Câmara - PDHC III)**

ANNEX D - GRIEVANCE AND REDRESS MECHANISM (GRM)

Key terms definition

Affected party (ies): Stakeholders affected by the Project, both positively and negatively. Within this group, it is possible to distinguish between those who are directly and indirectly affected by the Project.

Environmental and Social Impact Assessment: Process of evaluating and addressing potential social and environmental adverse impacts resulting from MDA/Project Management Unit - PMU's Project and identifying any mitigation or corrective measures that will enable the Project to meet the requirements of the IFAD Social and Environmental Procedures (SECAP) and Brazilian laws and regulations.

Grievance: An issue, concern, problem, or claim (perceived or actual) that an individual or community group wants the IFAD, Project executing agency, or contractor to address and resolve.

Grievance Database System: A database for logging and monitoring all grievances received, including any records of communication/consultation and details of grievance settlement.

Communication/consultation Records may include key e-mails, letters, newsletters, memorandums, complaints, opportunities for improvement, records of distribution/attendance, records of formal and informal meetings, and records of commitments.

Stakeholder: Persons or groups that are directly or indirectly affected by a project, as well as those that may have interests in a Project and/or the ability to influence its outcome, either positively or negatively. This can refer to shareholders, lenders, employees, communities, industry, governments, and international third parties.

Stakeholder engagement: An umbrella term encompassing a range of activities and interactions between MDA/PMU and stakeholders (two-way communication) over the life of a Project that is designated to promote transparent, accountable, positive, and mutually beneficial working relationships.

Vulnerable Groups Individuals or groups: Within the Project area of influence, those who could experience adverse impacts more severely than others based on their vulnerable or disadvantaged status. This vulnerability may be due to an individual's or group's ethnicity, gender, language, religion, political views, dependence on natural resources, sickness or disability, or other factors.

Introduction

1. The Climate Resilience, Food Nutrition and Security in the Northeast Semi-arid of Brazil Project - Dom Helder Câmara Project - Phase III (PDHC III) - goal is to help reduce rural poverty and food and nutritional insecurity in family farming in the semi-arid of the Northeast and Minas Gerais. Its development objective is generating more sustainable, biodiverse food systems and strengthening family farmers' resilience to climate change. The Project will be implemented by the Secretariat for Land Governance, Territorial, and Socio-Environmental Development (SFDT) of the Ministry of Agrarian Development and Family Farming (MDA).

2. The Project will take advantage of the MDA's existing system for receiving and handling complaints and denunciations, adopting the existing Ombudsman channel (<http://sistemas.mda.gov.br/ouvidoria/>). The Project should promote an ongoing program to disseminate integrity policies, training, and guidance on tools to report irregular practices to the communities and beneficiaries of PDHC III. All people potentially affected by the Project's activities will be informed and given clear instructions on what procedures should be followed for registering reports and complaints. This information will be made available in simple language. Grievance redress will be part of the review questions of IFAD's annual supervision missions.

3. Complaints can also be submitted through IFAD's Complaints Procedure, which allows individuals and communities to contact IFAD directly and make a complaint if they believe they are or may be adversely affected by an IFAD-funded project/program that does not comply with IFAD's Social and Environmental Policies and their mandatory aspects.

4. In line with IFAD's Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse (2020), as well as federal legislation and regulations related to the issue, including the Penal Code's definition of sexual harassment and the Code of Professional Ethics for Civil Servants of the Federal Executive Government, IFAD and MDA will have zero tolerance. PDHC III will ensure that adequate safeguard measures are in place for a safe and harassment-free work environment, including sexual harassment and free from sexual exploitation and abuse in its activities and operations. The Project must record reported cases and report them to IFAD so that it can take appropriate action based on the evidence, including sexual harassment, sexual exploitation, and sexual abuse in its activities and operations.

5. The Project will cover the semi-arid area of all 9 states of the Northeast region and the semi-arid of the state of Minas Gerais, totaling 10 states.¹ PDHC III will have a geographically targeted territorial approach to avoid the dispersion of interventions and enhance the coherence and integrity of operations (see map below). Between 1 and 3 priority territories (set of municipalities with shared conditions) will be defined per state. They will be selected based on the following technical criteria: i) incidence of poverty (high percentage of those enrolled in the Single Registry); ii) climate impact risk index (MCTI's Adapta Brasil); iii) concentration of rural family farming establishments; iv) concentration of traditional peoples and communities (PCTs); v) concentration of agrarian reform settlements; vi) food and nutrition insecurity index

¹ The criteria used to delimit the semi-arid region will be those approved by SUDENE's Deliberative Council Resolutions No. 107 of July 27, 2017, and No. 115 of November 23, 2017: Average annual rainfall equal to or less than 800 mm; Thornthwaite Aridity Index equal to or less than 0.50; Daily percentage of water deficit equal to or greater than 60%, considering all days of the year. PL nº 2492 of 2019 will also be considered, by which 44 municipalities in MA were included in the area considered to be semi-arid.

(MDS); vii) ensure potential synergy and avoid overlap with other relevant IFAD, MDS and MDA projects and programs.

6. In addition, it was agreed that no state should have more than 15% of the families benefiting from the Project and no state should have less than 5%, and that a minimum number of families per territory should be established.

7. The Project will directly benefit approximately 90,000 families within the family farming, comprising approximately 315,000 persons. The Project's main social targeting criterion will be that at least 60% of the beneficiary families must have the Single Registry (indicating poverty and extreme poverty). The remaining 40% must be family farmers as defined by Federal Law No. 11.326, of July 24, 2006. Of the total Project beneficiaries, at least 50% must be women, 30% young people, and 7% traditional peoples and communities (PCTs).

8. The present report describes the Project's Grievance and Redress Mechanism (GRM) required to address the issues, concerns, problems, or claims (perceived or actual) resulting from Project implementation that an individual or community group wants the IFAD, Project executing agency, or contractor to address and resolve. The report presents the GRM's requirements, objectives, and operating procedures. It outlines the forms and database minimal requirements to receive, record, and monitor the requests and claims submitted by affected parties. Finally, it outlines the grievance database system's minimal information requirements to allow MDA/PMU and the IFAD to monitor the proper functioning of the GRM and the resolution of eventual claims and complaints during Project supervision.

The Grievance and Redress Mechanism (GRM)

9. IFAD requires that all borrowers/recipients/partners adopt an easily accessible grievance and redress mechanism (GRM) at Project-level to receive and resolve concerns and complaints of stakeholders and interest parties who may be adversely affected or potentially harmed by IFAD-supported projects that fail to meet the SECAP Standards and related IFAD policies.

10. Furthermore, IFAD requires borrowers/recipients/partners to inform Project-affected people about the existence and functioning of this GRM in an easily understandable form and language and to integrate it into the overall community engagement and Project communication strategies. Project-affected parties may use the grievance mechanism without fear of retribution or reprisal, and the grievance mechanism should not impede access to other judicial or administrative remedies available under national law or through existing arbitration procedures or other accountability mechanisms. Project staff should inform Project-affected people about the GRM resources and judicial and administrative remedies available to them. These include IFAD's enhanced complaints procedures mentioned below.

11. The IFAD has established a complaints procedure to receive and facilitate the resolution of concerns and complaints regarding alleged non-compliance with its environmental and social policies, as well as the mandatory aspects of SECAP in the context of IFAD-supported projects.

12. For all projects, IFAD requires borrowers/recipients/partners to inform all affected people about the IFAD complaints procedure in a form and language understandable to them. Complaints can also be submitted through IFAD's Complaints Procedure, which allows individuals and communities to contact IFAD

directly and make a complaint if they believe they are or may be adversely affected by an IFAD-funded project that does not comply with IFAD's Social and Environmental Policies and their mandatory aspects. The procedure enables complainants' concerns to be resolved in a fair and timely manner through an independent process via e-mail at SECAPcomplaints@ifad.org, IFAD's Website, or by post.

13. In accordance with IFAD's environmental and social policies, a public and accessible complaints and redress mechanism (GRM) must be made available to the Project's target groups for individuals or community representatives affected by the Project implementation. Therefore, the PDHC III Project will use a system for receiving and handling complaints and denunciations with the adoption of an Ombudsman channel already in use by MDA/PMU.

14. MDA/PMU must promote an ongoing program of dissemination of integrity policies, as well as training and guidance on the use of whistleblowing tools for the communities and beneficiaries of the Project. All people potentially affected by the Project's activities will be informed and given clear instructions on what procedures should be followed for registering reports and complaints. This information will be made available in a simple and accessible language through adequate communication channels.

15. In line with IFAD's Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation, and Abuse (2020), as well as federal legislation and regulations related to the issue, including the Penal Code's definition of sexual harassment and the Code of Professional Ethics for Civil Servants of the Federal Executive Branch, the Project will ensure that adequate safeguard measures are in place for a safe and harassment-free working environment, including sexual harassment and free from sexual exploitation and abuse in its activities and operations. Any complaints of sexual harassment, sexual exploitation, or abuse received through the complaint's procedure will be forwarded immediately to IFAD's Ethics Office for further action through the channels below:

**Grievances, requests for information, compliments, suggestions, or reports
- Federal Government**

- Fala BR. - Integrated Platform for Ombudsman and Access to Information: <https://falabr.cgu.gov.br/web/home>
- Citizen Information Service (SIC) - https://www.gov.br/mda/pt-br/aceso-a-informacao/copy_of_servico-de-informacao-ao-cidadao-sic-1
- MDA Ombudsman - https://www.gov.br/mda/pt-br/canais_atendimento/canais-de-atendimento.
- Esplanada dos Ministérios - Block D, 4th floor, room 437
- Brasília/DF - CEP: 70.043-900
- Phone: (61) 3276-4361
- E-mail: ouvidoria@mda.gov.br

To report misconduct -IFAD

Direct helpline: +39 06 5459 2525

Mobile phone number (WhatsApp-enabled): +39 338 738 0924

<https://www.ifad.org/en/ethics>

Anonymous Formal Complaint - IFAD

You may also file an anonymous complaint using the form in English, French, or Spanish. You may also scan the below QR codes and access the forms (<https://www.ifad.org/en/ethics>). IFAD may be limited in its ability to act upon an anonymous complaint. If the complainant chooses to do so, it must be informed to make sure to include as many details and evidence as possible.

PURPOSE

16. The purpose of this Grievance Redress Mechanism is to outline the MDA/PMU's approach to accepting, assessing, resolving, and monitoring grievances from those affected by MDA/PMU's and its Contractors' activities concerning the PDHC III Project. The aim is to identify and manage grievances from individual stakeholders or stakeholder groups. Timely redress or resolution of such grievances is vital to ensure the successful Project implementation. If well handled, an effective grievance redress mechanism can help foster positive relationships and build stakeholder trust.

17. Grievances can encompass minor concerns as well as serious or long-term issues. They might be felt and expressed by a variety of parties, including individuals, groups, communities, entities, or other parties affected or likely to be affected by the social or environmental impacts of the Project. It is essential to have a robust and credible mechanism to systematically handle and resolve any complaints that might arise so that they do not escalate and present a risk to operations or the reputation of the IFAD (nationally or internationally) and of the Federal Government.

SCOPE

18. This Grievance Redress Mechanism will be applied to stakeholder complaints and grievances, perceived or actual, which relate to the activities of the MDA/PMU and its Contractors undertaken in relation to the Project. A complaint or grievance is an issue, concern, problem, or claim (perceived or actual) that an individual stakeholder or community group has related to MDA/PMU and its contractors' operations and activities. The mechanism does not impede access to judicial or administrative resolutions. An issue, concern, problem, or claim (perceived or actual) that an individual stakeholder or community group has but deemed unrelated to MDA/PMU and its contractors' operations and activities is not considered eligible for GRM processing. In such cases, the complainant must be informed on why the claim is not considered eligible and what the eventual channels and public policies that are applicable to the situation are.

VALUES

19. This Grievance Redress Mechanism provides guidance to all MDA/PMU employees and Contractors on receiving, registering, assessing, and resolving community complaints or grievances emanating from MDA/PMU's operations and activities related to the PDHC III. The fundamental objective of this mechanism is to:

- Provide a predictable, transparent, and credible process to all parties for resolving grievances, resulting in outcomes that are seen as fair, effective, and lasting.
- Build trust as an integral component of broader community relations activities; and

- Enable more systematic identification of emerging issues and trends, facilitating corrective action and pre-emptive engagement.
20. To maximize the effectiveness of the Grievance Redress Mechanism, the MDA/PMU shall uphold the following values during the system’s implementation and operation, in accordance with the Law on Access to Information (LAI) - and the Law on the Protection and Defense of Users of Public Services:
- Transparency.
 - Full documentation of all procedures.
 - Commitment to fairness in both process and outcomes.
 - Freedom from reprisal for all involved parties – within MDA/PMU and in the external stakeholder group.
 - Clear operating rules and accountability.
 - Presumption of validity of all complaints submitted.
 - Provision of culturally adequate and readily accessible information.
 - Assurance of accessibility to vulnerable groups of stakeholders; and
 - Confidentiality if requested.
21. The following resources will also need to be in place:
- An auditable system for receipt, recording, and tracking of the process (for example, a grievance log and database at minimum) shall be in place.
 - Dedicated budget and staffing for Grievance Redress Mechanism and addressing grievances through financial or in-kind compensation as and when needed.

PROCEDURES

22. A Grievance Redress Mechanism must be a straightforward process whereby stakeholders can submit their complaints free of charge and, if necessary, anonymously or via third parties. It should allow complaints to be submitted in more than one format. The following steps outline the process that may be followed to resolve a grievance. This process is presented in the table below, and all (suggested) grievance forms are presented in the Appendix.

23. The process of reporting a grievance should be easily accessible and unintimidating to any stakeholder. The preferable channels for reporting grievances (e.g., through the heads of associations or cooperatives) can be discussed with the community as part of community engagement. Following the establishment of the channels above, the method for addressing grievances is systematic and is divided into six key steps. These are as follows:

- **Step 1: Receive and log grievances:** this may be done orally or through any communication channels available (instant messaging, e-mail, telephone, letter, etc.). Upon receipt, a claim number must be assigned to the claim;
- **Step 2: Acknowledge grievance:** upon receipt of the claim, MDA/PMU must acknowledge to the complainant that it has received and acknowledged the claim, assigning a number to it, and indicating the procedures and time limit for addressing it;
- **Step 3: Assess and Investigate:** MDA/PMU will assess the eligibility (whether the claim is related to the Project) severity and take the necessary measures for a fair investigation of the reported issue;

- **Step 4: Grievance Resolution:** following the investigation step, MDA/PMU will agree with the complainant on the remedies to address the problem. MDA/PMU will inform the complainant about the period of the solution and about the alternatives if a mutually agreeable solution to both parties (MDA/PMU and complainant) is not achieved;
- **Step 5: Sign-off on grievance:** if a mutually agreeable settlement is reached, both parties will sign-off on the grievance. The date and sign-off will be stored in the GRM database; and
- **Step 6: Monitor:** using the GRM database, MDA/PMU will monitor the settlement of the present issue to assess the compliance with all the eventual agreements between the parties and to identify whether the issue is recurrent, therefore taking the necessary corrective measure to ensure a smooth Project implementation.

24. The periodic Project implementation reports must document and report all the above steps.

Process	Description	Lead time (max)
Step 1: Receive and log the grievance.	<ul style="list-style-type: none"> • Face-to-face meeting with stakeholders. • Phones, fax, letter, e-mail, or SMS. • Recorded by <u>MDA/PMU</u> staff. • Completion and submission of the grievance form. • Record grievances in the Grievance Form and log onto the Grievance Database. 	1 day
Step 2: Acknowledge grievance.	Receipt of grievance acknowledged through an appropriate communication medium to be recorded in writing.	5 days
Step 3: Assess and investigate.	<ul style="list-style-type: none"> • MDA/PMU officer will assess and assign the significance of the grievance. • Consult with relevant parties. • It may require site visits and discussions with other stakeholders! 	20 weeks
Step 4: Grievance Resolution.	<ul style="list-style-type: none"> • Identify further actions required. • Response provided to complainant including, if necessary, an indication of additional time and resources required to resolve the grievance 	
Step 5: Sign off on grievance.	<ul style="list-style-type: none"> • Determine with the complainant If the grievance is to be closed. • If the grievance is to be closed, a grievance sign-off is required. 	30 days
Step 6: Monitor.	<ul style="list-style-type: none"> • Record final sign-off of grievance. • If the grievance cannot be closed, return to step 2, and reassess or recommend whether third-party arbitration is necessary. 	Ongoing.

Step 1: Receive and Log Grievance Grievances can be submitted in writing, telephonically, or presented verbally to the MDA/PMU person in charge of the GRM using the following details:

- Name: MDA/PMU Project coordinator/specialist name.
- Date:
- Complaint:

25. The grievance is received by the MDA/PMU or a Contractor representative and forwarded to the MDA/PMU specialist in charge of handling the GRM. All grievances shall be logged using the Stakeholder Grievance Form (as shown in the Appendix). MDA/PMU will log, document, and track all grievances received within the secure MDA/PMU grievance database system (refer to Appendix for an example of a grievance database). Grievances shall be assigned a case number, and records of communication/consultation shall all be attached to the relevant entry and filed. The database shall be monitored regularly for recurring grievances so that appropriate mitigation can be developed. As a minimum, the following information shall be recorded:

- Case number;
- Complainant's name and contact details;
- Date of complaint;
- Details of complaint;
- History of other complaints/queries/questions (if known);
- Resolutions discussed and agreed with the party(ies) in question;
- Actions implemented (including dates); and
- Outcome of the actions implemented.

Step 2: Acknowledging Receipt of a Grievance

26. MDA/PMU shall acknowledge receipt of any grievance as soon as possible, but up to seven days from the date it was submitted and shall inform the complainant about the time limit in which a response can be expected. A Grievance Receipt Form (Appendix A) shall be signed, and a copy provided to the complainant.

Step 3: Assess and Investigate Grievance The following steps shall be performed in a timely manner to avoid delaying resolution of a grievance:

1. Obtain as much information as possible from the person who received the complaint and the complainant to gain a first-hand understanding of the grievance.
2. Undertake a site visit, if required, to clarify the parties and issues involved. Gather the views of other stakeholders, including MDA/PMU employees, if necessary, and identify initial options for settlement that parties have considered.
3. Determine whether the grievance is eligible.
 - Eligible grievances include all those that are directly or indirectly related to MDA/PMU's Project and that fall within the scope of the Grievance Redress Mechanism as outlined above.

- Ineligible Complaints may include those that are clearly not related to MDA/PMU's Project or its contractors' activities, whose issues fall outside the scope of the Grievance Redress Mechanism procedure, or where other MDA/PMU or community procedures would be more appropriate to address the grievance.
4. If the grievance is deemed ineligible, it can be rejected; however, a full and documented explanation as to the reasons for this must be given to the complainant and recorded in the Grievance Database.

Step 4: Grievance Resolution.

1. If the grievance is eligible, MDA/PMU will determine whether the grievance can be resolved immediately or requires further investigation or channeling to other judicial or administrative instances (e.g., IFAD Ethics Office or IFAD Enhance Procedures).
 2. If the grievance concerns physical damage (e.g., crops, house, community asset), take a photograph of the damage and record the exact location as accurately as possible.
 3. Inform the complainant of the expected time limit for resolution of the grievance.
 4. Enter the findings of the investigation in the Grievance Database. MDA/PMU will aim to resolve any grievances within 30 days of receiving it. This period can be extended to 60 days for more complex grievances if required.
27. If needed, an incident investigation MDA/PMU team may be tasked with seeking a resolution to the grievance. This may entail a dialogue or series of dialogues between affected parties to find a solution to the grievance. Alternatively, it may entail investigating the underlying cause of the grievance and taking action required to internal systems to prevent a recurrence of a similar grievance.
28. An Incident Investigation report will be completed within 28 days (considered good practice). During the 28 days (about 4 weeks) of dialogue or investigation, the person in charge of the GRM will coordinate conflict resolution activities necessary to contain and resolve any actual or potential conflicts arising from the reported grievance. If the case is complex and the stated resolution timeframe cannot be met, an interim response will be provided (oral or written) that informs the stakeholder of the delay, explains the reasons, and offers a revised date for the next steps. All procedures must be documented.
29. When possible, grievances will be addressed directly by MDA/PMU. The resolution proposal shall be respectful and considered, including the rationale for the decision and any data used in reaching it. If more comprehensive consultation is necessary, grievances will be forwarded to a mutually agreed third party. This third party should be neutral, well-respected, and agreed upon by both MDA/PMU and the affected parties. These may include public defenders, legal advisors, local or international NGOs, or technical experts. In cases where further arbitration is necessary, appropriate government involvement will be requested. As a last resort, aggrieved parties have a right to take legal action. This more formal rights-based approach shall only be taken if all other approaches have failed or when there are serious conflicts about facts and data. The final decision will be made by the arbitrator

or courts based on compliance with laws, policies, standards, rules, regulations, procedures, past agreements, or customary practice.

Step 5: Sign-off on Grievance

30. The person in charge of the GRM will seek sign-off from the complainant(s) that the grievance has been resolved. In instances where the stakeholder is not satisfied with actions taken, the grievance will either:

Be escalated to superior administrative or judicial instances, and a decision will be made either to implement supplementary actions or to consider initiating an appeal process.

OR

The person in charge of the GRM will approach a neutral or third party to assist in mediating and resolving the grievance.

OR

The person in charge of the GRM will approach the host country's judiciary to address the grievance further.

31. Following this process, the person in charge of the GRM in MDA/PMU will again approach the stakeholder to obtain sign-off on actions implemented. The staff member who signs the complaint should have sufficient knowledge about the topic to provide assurance. Once sign-off has occurred, this should be recorded in the Grievance Log. The same form used to receive the complaint will be used for the sign-off.

Step 6: Monitoring and Reporting

32. MDA/PMU management will monitor grievances routinely as part of the broader management of the Project. This entails good record-keeping of complaints raised throughout the life of the Project. On receipt of grievances, electronic notification to management must be distributed. Grievance records must be available to IFAD. Periodic internal reports will be compiled by the person in charge of the GRM and distributed to the Project management team. These grievance reports will include, minimally:

- The number of grievances logged in the proceeding period by level and type.
- The number of stakeholders that have come back after 30 days stating they are not satisfied with the resolution.
- The number of grievances unresolved after 60 days (about 2 months) by level and type.
- The number of grievances resolved between MDA/PMU and complainant without accessing legal or third-party mediators.
- The number of grievances of the same or similar issue.
- MDA/PMUs' responses to the concerns raised by the various stakeholders.
- The measures taken to incorporate these responses into Project design and implementation. These reports and other records will be available for external review if required. An appropriate grievance report should be part of MDA/PMU's annual reporting.

33. Annual reports will be made available to the public. A hard copy will be at the MDA/PMU offices, and an electronic copy will be available online.

Enhanced Complaints Procedure for alleged Non-Compliance with IFAD's Social, Environmental, and Climate Assessment Procedures (SECAP).

34. IFAD projects must comply with its environmental, social, and climate policies and safeguards. Projects should also promote the sustainable use of natural resources, build resilience to climate change, and be led by rural people themselves. IFAD's Complaints Procedure and the Enhanced Complaints Procedure ensure that appropriate mechanisms make it possible to file a complaint with IFAD if a person or persons believe(s) they are, or might be, adversely affected by an IFAD-funded program or Project that is not complying with IFAD's Social, Environmental and Climate Assessment Procedures (SECAP). Every individual or group has the right to voice their complaints about IFAD's work without threats to their safety or fear of retaliation.

35. The procedures do not apply to complaints related to sexual harassment, exploitation, and abuse. These complaints should be reported to IFAD's Ethics Office. Complaints related to fraud, corruption, or financial and administrative matters should be reported to IFAD's Office of Oversight and Audit.

By e-mail:

Download the Complaints (Word) for IFAD Complaints Procedure and the Enhanced Complaints Procedure (<https://www.ifad.org/documents/38711624/40169860/IFAD+Complaints+Submission+Form+Final+Draft+%28Downloadable%29.docx/52c75cad-439f-4e4a-8a70-45056ebde826>).

Send the completed form by e-mail to SECAPcomplaints@ifad.org

By mail to:

IFAD
SECAP Complaints
Program Management Department
Operational, Results, and Policy Division
Via Paolo di Dono, 44
00142 Roma, RM, Italy

Please include the following information in the e-mail or mail:

- Name, address, telephone number, and other contact information.
- Whether the complainants wish to keep their identity confidential, and if so, why.
- Name, location, and nature of the IFAD project/program (if known).
- How the Complainants believe they have been, or are likely to be, adversely affected by the IFAD-supported Project or program.

Appendices

GRIEVANCE RECEIPT FORM – TO BE USED TO ACKNOWLEDGE GRIEVANCES SUBMITTED AND GRIEVANCE SIGN-OFF. A COPY SHOULD BE HANDLED TO THE COMPLAINT(S).

Grievance Number:		
Date Submitted:	Target date for an initial meeting to address grievance:	Target date for the final meeting to address grievance:
DD/MM/YR	DD/MM/YR	DD/MM/YR
Name of complainant:		
Anonymous: (inform how the claim was submitted)		
Contact Details		
Telephone:		
E-mail:		
Address:		
What would you like to see happening to resolve the problem?		
Additional Comments:		
Grievance Received by:		
Person in charge of addressing the claim:		
Project Coordinator sign-off:		
Complainant sign-off (date and sign at closure of grievance)		

GRIEVANCE RECORD – TO BE USED AS PART OF THE DATABASE. OF INTERNAL USE.

Reference No: (for official use)			
Full Name:			
Contact details:			
Anonymous: (inform how the claim was submitted)	Yes		No
Please mark how the complainant wishes to be contacted (letter, telephone, e-mail).			
Grievance Received by:			
Person in charge of addressing the claim:			
Date Submitted:	Target date for an initial meeting to address grievance:	Target date for the final meeting to address grievance:	
DD/MM/YR	DD/MM/YR	DD/MM/YR	
Description of Incident or Grievance: What happened? Where did it happen? Who did it happen to? What is the result of the problem? Date of Incident/Grievance			
What would you like to see happening to resolve the problem?			
One-time incident/grievance (date _____)			
Happened more than once (How many times? _____)			
Ongoing (currently experiencing problem)			
Additional Comments:			

GRIEVANCE RECORD – TO BE USED AS PART OF THE DATABASE

Grievance Record			
Grievance number:	Date submitted:	Target closing date:	
Name of complainant:			
Contact details:			
Received by:			
Description of grievance:			
Actions to resolve grievance			
Person in charge of resolving grievance			
Action	Who?	Due date?	Comments
(...)			
Complainant response			
Strategy to communicate resolution			
Grievance resolution			
Is the complainant satisfied?			
Grievance Closed?			
Sign-off date			
Grievance Resubmitted?			

GMR DATABASE (PROPOSAL FOR FURTHER REFINEMENT)

TABLE 1 – record of grievances

Case number	Date of complaint	Target Resolution Date	Summary of complaint	Person in Charge	Actual resolution date	Sign-off date	

TABLE 2 – CASE FOLLOW UP

Case number	Complainant's name and contact details	Details of complaint	Resolutions discussed and agreed with the party (ies) in question	Actions implemented (including dates)	Outcome of the actions implemented.	Sign-off date	History of other complaints/queries/questions (if known)

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semi-arid of Brazil Project Project Design Report

Annex: E Environmental Social And Climate Management Plan Escmp

Mission Dates: 26/10/2023 - 03/11/2023

Document Date: 03/06/2024

Project No. 2000003598

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Latin America and the Caribbean
Programme Management Department

Brazil

Climate Resilience, Food Nutrition and Security in the Northeast Semiarid of Brazil Project (Dom Helder Câmara - PDHC III)

ANNEX E: ENVIRONMENTAL, SOCIAL AND CLIMATE MANAGEMENT PLAN (ESCMP)

ACRONYMS

ANATER	National Agency for Technical Assistance and Rural Extension
ASA	Semi-arid Articulation [<i>Articulação do Semiárido</i>]
ATER	Technical Assistance and Rural Extension
ESMF	Environmental and Social Management Framework
FPIC	Free, Prior, and Informed Consent
HDI	Human Development Index
IFAD	International Fund for Agricultural Development
ILO	International Labor Organization
MDA	Ministry of Agrarian Development and Family Farming
MPI	Multidimensional Poverty Index
NEB	Northeast of Brazil
NTFP	Non-timber Forest Products
PAP	Project Affected Persons
PCT	Traditional Peoples and Communities
PDHC III	Dom Hélder Câmara III Project
PDRL	Local Regional Development Plan
PMU	Project Management Unit
PNAP	National Strategic Plan for Protected Areas
PNMA	National Environmental Policy
PNPCT	National Policy for the Sustainable Development of Traditional Peoples and Communities
SEP	Stakeholder Engagement Plan
SICAR	Rural- Environmental Registry
SSTC	South-South and Triangular Cooperation

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1. Introduction

1. This Environmental, Social and Climate Management Plan (ESCMP) has been developed for the Climate Resilience, Food Nutrition and Security in the Northeast Semiarid of Brazil Project (PDHC III) as required by the SECAP 2021 procedures of IFAD for projects with moderate environmental and social risks.

2. **The purpose of this project-level Environmental, Social and Climate Management Plan (ESCMP)** is to guide the protagonists and teams responsible for carrying out the PDHC III in fulfilling their duties regarding the management of any adverse social and environmental impacts resulting from the implementation of the Project. This “living” document can be revised according to the needs of the project to make improvements or fill any gaps. The document presents a description of the Project and addresses its socio-environmental and climatic context. Next, the legal framework supporting the project's socio-environmental impact management measures is presented in an indicative but non-exhaustive manner. This framework also includes IFAD's safeguard policies. The possible impacts and measures to identify and manage them are presented - avoiding where possible or adopting measures to mitigate them.

2. Project description and context

3. The PDHC III aims to help reduce rural poverty and food and nutritional insecurity in family farming. To achieve these goals, the project will promote access to public policies, technological innovations, and resources to support the adoption of biodiverse and climate-resilient production systems. The project aims to benefit 90,000 families (around 315,000 people) in the family farming sector. The project's main target groups are: i) family farmers living in poverty and extreme poverty; ii) rural women; iii) rural youth; iv) traditional peoples and communities¹ (PCT, in its Portuguese acronym); v) agrarian reform settlers; and vi) LGBTQIAPN+ community. The project will be structured into three components:

- **Component 1: Promoting food and nutritional security from an agroecological perspective.** This component Aims to improve families' income and food security by strengthening farmers' productive capacity and strengthening family farming organizations so that they can absorb surplus production, process it, and market it with added value. Through the provision of in-person and virtual technical assistance, the component highlights production for self-consumption, surpluses for marketing, and access to public policies. It is structured around three axes: 1) C1.1 - Resilient and diversified agroecological assistance; 2) C1.2 - Strengthening market access capacities; and C1.3 - Virtual Technical Assistance (VTA).
- **Component 2: Capacity Building, Innovation, and Dissemination.** This component aims to create an environment conducive to improving and updating the knowledge and skills of the project's teams of professionals, especially extension and technical assistance advisors, civil society actors who work in training processes in the territories, leaders of collective family farming organizations, including associations and cooperatives, and teachers from rural educational institutions, as well as

¹ "Traditional Peoples and Communities" are defined by Decree 6.040/2007 as "culturally differentiated groups who recognize themselves as such, who have their own forms of social organization, who occupy and use territories and natural resources as a condition for their cultural, social, religious, ancestral and economic reproduction, using knowledge, innovations and practices generated and transmitted by tradition". These groups include indigenous peoples, quilombolas, Afrodescendants, riverine communities, artisanal fishers, shellfish gatherers, caboclos, among other groups.

some of the beneficiaries, to promote agroecological transition and sustainable and nutritious agri-food systems. It also includes the design of a set of communication tools, studies, and workshops to discuss and validate methodologies, processes, and results to scale up and disseminate innovations and the best experiences and good practices identified at regional, national, and international levels (and their impact on public policies). This component is subdivided into three subcomponents: C2.1 - Innovation and Capacity building; C2.2 - Capacity building for young people; and C2.3 - Knowledge Management, SSTC and policy dialogue.

- **Component 3: Project Management and Monitoring and Evaluation (M&E).** This component aims to establish the Project Management Unit (PMU) for technical coordination, management of agreements, procurement, finance, audits, safeguards, monitoring, and evaluation. The PMU's key team will comprise MDA officials and IICA consultants. The component also includes financial resources for evaluation studies and monitoring actions. It has two sub-components: C3.1 - Project Management and C3.2 - Monitoring and Evaluation (M&E).

4. The environmental and social risk category is "moderate". The justification for this classification stems from the possible risks associated with habitat conversion, the introduction of invasive species and investments in small-scale livestock systems activities planned under component 1. Mitigation measures (e.g., exclusion of any habitat conversion from potential sub-projects, negative list of exotic invasive species to be acquired by the project, adoption of best practices for pasture management and effluent treatment) for all the risks mentioned are well known and should not be a challenge for the project implementation teams.

5. Geographical targeting. PDHC III will take a territorial approach to geographic targeting to avoid the interventions' dispersion. From 1 to a maximum of 3 priority territories (set of municipalities) will be defined per state. Preferably, they will be contiguous within the state, based on the following criteria: i) incidence of poverty measured by the percentage of those enrolled in the Unified Registry (CadÚnico), regarding the total number of resident families; ii) climate impact risk index (MCTI's Adapta Brasil indicator); iii) food insecurity index (as defined by MDS); iv) concentration of rural establishments owned by family farmers; v) concentration of Traditional Peoples and Communities (PCT); vi) concentration of agrarian reform settlements; and vi) ensuring potential synergy and avoiding overlap with other relevant IFAD, MDS and MDA projects and programs. In addition, it was agreed that no state should have more than 15% of the Project's beneficiary families and no state should have less than 5% and that a minimum number of families per territory should be established.

6. Social context. There is an inherent moderate and low residual risk that employment conditions in the project area are not fully compliant with national regulations. This can lead to risks of payment below the minimum wage, child labor, unsafe conditions, or excessive hours, among others. To mitigate this risk, the Project will ensure that: i) all contracts with contractors, suppliers, and third parties to be financed with IFAD resources will include provisions prohibiting child labor and promoting decent working conditions; ii) the PMU will establish a mechanism to supervise and follow up on the Project actions, considering working condition issues; iii) through the Project's complaints and grievances mechanism, stakeholders or society in general will be able to submit anonymous complaints regarding abusive labor practices (e.g., forced or child labor), cases of gender-based violence, discriminatory working conditions

and unsafe/unhealthy working conditions, which will be addressed and resolved as indicated in the mechanism.

7. **Environmental context.** Regarding the Project's vulnerability to environmental conditions, there is a substantial inherent risk and a high residual risk. In the Project area, farmers face adverse soil conditions (shallow soils with typically low organic matter content and prone to erosion) and restrictions on water availability that can affect the productive activities supported by the project. Some traditional practices of clear-cutting, the use of fire to clear pastures and overgrazing are accentuating the negative effects of possible environmental restrictions on the Project's activities. To mitigate this risk, PDHC III will mainstream measures to adapt to environmental conditions, within the paradigm of "Coexistence with the Semiarid" within the proposed agroecological approach. These measures consist of: i) promoting polyculture (biodiverse) production systems with plant and animal species that are better adapted or resilient to climatic extremes; ii) promoting management practices that promote soil and water conservation; and iii) training producers to implement and manage these agroecological systems.

8. **Climate context.** Regarding the vulnerability of the Project to the impacts of climate change, the Project has a substantial inherent risk and a moderate residual risk. The project area is very vulnerable to climate change and its impacts could cause several negative shocks for the population, including reduced water and food security, as well as causing significant productivity losses in key crops for family farmers. Production activities for self-consumption and commercialization associated with the conservation and restoration of natural resources in an agroecological approach (polyculture systems with plants and animals adapted to the social and environmental conditions of the Caatinga, together with training for producers and extension workers) are a practical measure for mitigating the climate risks that could affect these agro-sylvo-pastoral activities. Investing in cisterns will also increase the capacity to store water for production, creating a buffer against droughts. A Targeted Adaptation Assessment was prepared to orient adaptation measures and the work of extension agents.

3. Project beneficiaries/stakeholders

9. The project’s beneficiaries and stakeholders – their characteristics, needs and project responses are described in the table below. A *Stakeholder Engagement Plan (SEP)* was prepared for the Project.

Table 1: Project's beneficiaries and stakeholders

Target group	Challenges	Needs	Project Responses
Family farmers in poverty and extreme poverty	<p>High rates of poverty, extreme poverty and food and nutrition insecurity</p> <p>They mainly cultivate in mixed crop-livestock systems, for self-consumption, with some value addition through processing and selling surpluses</p> <p>Limited access to technical assistance</p> <p>Many do not have secure land titles</p> <p>Poor or limited access to water and basic sanitation</p> <p>Limited decision-making power</p>	<p>Creating sustainable work and income opportunities</p> <p>Increasing productivity</p> <p>Increased diversification of healthy food production</p> <p>Adding value</p> <p>Access to markets</p> <p>Collective organization</p> <p>Technical training</p> <p>Access to sanitation and water for human consumption and production</p> <p>Social and economic empowerment</p> <p>Greater access to and ability to dispose of assets such as land/territories, bio-inputs, creole seeds, adapted technologies and credit</p> <p>Access to land regularization</p>	<p>Ensuring regular and diversified income streams for families to support economic empowerment</p> <p>Activities to adapt and improve production practices, from the perspective of coexistence with the semiarid region, to promote agroecological transition, increase productivity, diversification, and income generation</p> <p>Support for the implementation of Agroforestry Systems (AFSs) and agroecological production yards</p> <p>Promoting access to various public policies, such as PRONAF, Garantia Safra and cisterns</p> <p>Support for access to institutional markets, such as the PNAE and PAA, and local non-governmental markets, such as fairs</p> <p>Training on issues related to gender, generation, and ethnic-racial inclusion</p> <p>Providing ongoing technical assistance for agroecological transition</p>

			<p>Strengthening rural family farming collective organizations</p> <p>Installation of cisterns and other social technologies for water access</p> <p>Participation of representative family farming organizations in all stages of the project</p>
Rural women	<p>Restricted access to land, credit, technology, natural and productive resources</p> <p>Obstacles to marketing their production</p> <p>Double working hours</p> <p>Violence against women</p> <p>Decision-making power limited by the patriarchal and macho structure</p> <p>Lack of access to basic services such as education, health, and social assistance</p> <p>Higher incidence of food and nutrition insecurity</p> <p>Water insecurity</p>	<p>Access to and ability to dispose of assets such as bio-inputs, land, adapted technologies and credit</p> <p>Access to markets</p> <p>Reduction of working hours and division of domestic and care work</p> <p>Increasing gender equity</p> <p>Combating all forms of violence against women</p> <p>Training in fair division of labor/sexual division of labor and equal participation in mixed collective organizations</p> <p>Empowerment in domestic relations and rural institutions</p> <p>Training opportunities</p> <p>Productive diversification</p> <p>Access to social technologies for accessing, storing, and treating water</p> <p>Encouragement of rural women's collective organizations/groups</p>	<p>Technical advice provided by a team, preferably made up of women, with specific experience in working with women</p> <p>Support for access to the PNAE, PAA and local non-governmental markets, such as fairs</p> <p>Drawing up a gender strategy and action plan</p> <p>Increased participation and decision-making power in socio-economic planning (with specific diagnosis of women's demands)</p> <p>Promote rural women's autonomy, income generation and productive organization.</p> <p>Emphasize the importance of attending to rural women at all stages of the project</p> <p>Training processes on feminism, women's rights, and ways of accessing public policies for rural women</p> <p>Training in associations to give women an equal voice and influence in ROs</p>

			<p>Installation of cisterns and other social technologies for water access</p> <p>Support for the implementation of SAFs and agroecological backyards</p> <p>Rural workers' documentation drives</p> <p>ATER calls specifically for women</p> <p>Participation of organizations representing rural women in all stages of the project</p>
Rural youth	<p>Higher incidence of poverty</p> <p>Lack of decent job opportunities and income generation</p> <p>Migration to cities due to lack of opportunities in the countryside</p> <p>Restricted access to land, bio-inputs, credit, adapted technologies, natural and productive resources</p> <p>Limited access to education, culture, and leisure</p> <p>Limited decision-making power due to patriarchal and sexist structures (young women)</p>	<p>Generation of work and income; in attractive and income-generating activities for young people</p> <p>Access to and ability to dispose of assets such as land/territory, bio-inputs, adapted technologies, credit and natural resources</p> <p>Opportunities for emancipatory education and training in agroecological production</p> <p>Greater voice, participation, and influence in collective family farming organizations</p>	<p>Promoting the socio-economic empowerment of young people</p> <p>Supporting youth entrepreneurship and innovation</p> <p>Promote meetings, exchanges, and learning routes for the exchange of agroecological knowledge</p> <p>Agroecological Youth Award</p> <p>Support for the implementation of SAFs and agroecological backyards</p> <p>Strengthening education in and from the countryside</p> <p>Specific calls for technical assistance for young people</p> <p>Training in topics such as associations and cooperatives</p> <p>Greater participation and voice in collective organizations</p> <p>Participation of organizations representing rural youth in all stages of the project</p>

<p>Traditional Peoples and Communities (PCTs)</p>	<p>Higher incidence of poverty and extreme poverty and food and nutrition insecurity</p> <p>Restricted access to bio-inputs, credit, adapted technologies, natural and productive resources</p> <p>Traditional knowledge and practices of production, food management and natural resources are not properly recognized and valued</p> <p>Land insecurity and vulnerability to land conflicts</p> <p>Lack of access to services such as health and education</p> <p>Decision-making power limited by structural racism</p>	<p>Creation of opportunities for decent work and income generation</p> <p>Access to and capacity for bio-inputs, credits, adapted technologies, natural and productive resources</p> <p>Respect and appreciation of traditional knowledge, practices, and ways of life</p> <p>Security of land tenure</p> <p>Access to indigenous and quilombola education and nutrition</p> <p>Contextualized technical training and social empowerment</p> <p>Combating racism</p>	<p>Promote socio-economic empowerment while respecting cultural specificities</p> <p>Promote ethno-development and access to adapted public policies</p> <p>Promoting socio-economic empowerment</p> <p>Expanding access to public policies and productive development</p> <p>Mapping the particularities of traditional communities</p> <p>Use of the free, prior, and informed consent form (CLPITCLE)</p> <p>Training processes for technical teams on the specificities of working with PCTs.</p> <p>Support for access to the PNAE, PAA and local non-governmental markets, such as fairs</p> <p>Training processes on ethno-development and the rights of the PCTs</p> <p>Specific calls for technical assistance for PCTs</p> <p>Participation of PCT representative organizations in all stages of the project</p>
<p>LGBTQIAPN+ Community</p>	<p>High rates of gender-based violence</p> <p>Lack of a focused social assistance policy</p> <p>Rural exodus of the LGBTQIAPN+ population to urban centers</p> <p>Limited access to income</p>	<p>Combating LGBTphobia and gender-based violence</p> <p>Creating sustainable work and income opportunities in the countryside</p> <p>Technical capacity building and training opportunities</p>	<p>Awareness campaigns on the rights of the LGBTQIAPN+ community</p> <p>Implementation of IFAD's Diversity, Equity, and Inclusion Strategy (2021)</p>

	<p>Low employability in the countryside</p> <p>School dropouts</p>	<p>Access to and control over inputs, credits, technologies, and natural and productive resources</p>	<p>Diagnostics with the LGBTQIAPN+ movements of the socio-economic and political barriers to inclusion for this group</p> <p>Elaborating a strategy and action plan for LGBTQIAPN+ inclusion</p>
<p>Agrarian Reform Settlers</p>	<p>Higher incidence of poverty</p> <p>Limited access to technical assistance</p> <p>Many do not have secure land titles</p> <p>Poor or limited access to water and basic sanitation</p> <p>Lack of access to services such as health and education</p> <p>Restricted access to bio-inputs, credit, adapted technologies, natural and productive resources</p>	<p>Creation of sustainable job and income opportunities</p> <p>Increased productivity</p> <p>Increased diversification of healthy food production</p> <p>Adding value</p> <p>Access to markets</p> <p>Collective organization</p> <p>Technical training</p> <p>Access to water for human consumption and production</p> <p>Social and economic training</p> <p>Greater access to and ability to dispose of assets such as bio-inputs, creole seeds, adapted technologies and credit</p>	<p>Ensuring regular and diversified income streams for families to support economic empowerment</p> <p>Activities to adapt and improve production practices, from the perspective of coexistence with the semiarid region, to promote agroecological transition, increase productivity, diversification, and income generation</p> <p>Support for the implementation of Agroforestry Systems (SAFs) and agroecological backyards</p> <p>Promoting access to various public policies, such as PRONAF, Credit, Garantia Safra and cisterns</p> <p>Support for access to institutional markets, such as the PNAE and PAA, and local non-governmental markets, such as fairs</p> <p>Training on issues related to gender, generation, and ethnic-racial inclusion</p> <p>Providing ongoing technical assistance for agroecological transition</p> <p>Strengthening collective family farming organizations</p>

			Installation of cisterns and other social technologies for water access Participation of representative family farming organizations in all stages of the project
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4. Institutional and legal framework

4.1. IFAD Safeguard Policies

10. Targeting commitments: IFAD is committed to rural transformation through equitable, sustainable, and inclusive development. To improve its contribution to the 2030 Poverty Eradication Agenda in all its forms and leave no one behind, the Fund aims to improve the livelihoods of the poorest and most vulnerable people in rural areas through its country strategies and investment projects.

11. All projects undergo an environmental, social, and climate assessment to help IFAD determine whether a project or component should be supported. If IFAD authorizes a project, the assessment determines how to address potential risks and impacts (both those affecting design and those caused by the project implementation). The risk level is determined in the case-by-case assessment, with mitigation measures appropriate to the nature and scale of the project and to its environmental, social, and climatic risk level. If unforeseen environmental and social risks or impacts arise during the project's implementation, the project team, in collaboration with national authorities, shall adjust the project plan or introduce appropriate mitigation measures. For all IFAD-supported projects, relevant standards - and how they will be applied throughout the project lifecycle - are identified during the project preparation and evaluation process.

12. Recognizing the importance of addressing the causes and consequences of climate change in the countries where IFAD operates, the fund evaluates the importance of climate risks, and supports its partners in the development of climate adaptation and mitigation measures aligned with the national climate-related plans and commitments themselves. IFAD also identifies opportunities to prevent, minimize, or reduce greenhouse gas (GHG) emissions in the projects it supports.

13. Minimizing adverse social and environmental impacts: IFAD will prevent or mitigate potential adverse impacts on the environment (including biodiversity and ecosystems), health and safety, working conditions (including the prevention of all forms of harmful or exploitative forced labor and child labor), and welfare and livelihoods of project workers and local communities. IFAD will avoid any potential unintended consequences imposed by an IFAD-supported operation in areas beyond project boundaries.

14. Tackling gender-based violence and discrimination and promoting gender equality are within the fund's mandate. IFAD-supported projects will identify any gender-specific and disproportionately adverse potential impacts and develop mitigation measures to reduce them. IFAD will require its partners to take steps to prevent and deal with any form of gender-based violence, including sexual harassment, exploitation and abuse, discrimination, bullying, and intimidation.

15. Improving the livelihoods of indigenous peoples and other marginalized groups. Projects supported by IFAD (i) ensure ownership and access to the ancestral lands and territories of indigenous peoples; (ii) strengthen their institutions; (iii) ensure free, prior, and informed consent (FPIC); (iv) value indigenous knowledge systems; and (v) document and report the results of consultations with indigenous peoples and other marginalized groups. The FPIC will also apply to communities of non-indigenous peoples when the project's activities affect their access and land use rights.

16. Promoting appropriate agricultural and manufacturing processes. Agricultural processes will be based on agroecological principles, the basis of sustainable agriculture, including traditional, indigenous, and climate-resilient technologies, as well as social technologies already involved in food production, integrated pest management, and using alternative and biological controls. This includes traditional, indigenous, and climate-resilient technologies, integrated pest management, and the use of biological controls. When the use of agrochemicals is necessary, projects will ensure (for example, through increased environmental awareness, farmer training, and better field extension services) that their selection, application, storage, and disposal are in accordance with international standards. IFAD will require customers to apply international standards, including those for safe and healthy working conditions, and establish and maintain a sound environment and social management systems.

17. IFAD’s Environmental and Social Standards comprise key requirements for project’s environmental and social sustainability. The Standards are for the design and implementation of the project and the partners, who have the final responsibility for the implementation of the project. The Countries are based on the best practices of the United Nations, international financial institutions, and multilateral development banks. They should be consulted in full and cross-referenced as needed. The complete list of patterns is as follows ² (the project triggers the patterns highlighted in blue):

Table 2: IFAD socio-environmental standards triggered by the project and its objectives

	Pattern	Objectives
<input checked="" type="checkbox"/>	Standard 1: Biodiversity conservation	<ul style="list-style-type: none"> ● Maintaining and conserving biodiversity. ● ensure the fair and equitable distribution of the benefits of the use of genetic resources. ● Respect, preserve, maintain, and encourage the knowledge, innovations, and practices of indigenous peoples and local communities for the conservation and sustainable use of biodiversity and their habitual use of biological resources. ● Adopt a preventive approach to the conservation and management of natural resources to ensure opportunities for environmental and sustainable development.
<input checked="" type="checkbox"/>	Standard 2: resource efficiency and pollution prevention	<ul style="list-style-type: none"> ● Avoid, minimize, and manage the risks and impacts associated with hazardous substances and materials, including pesticides; ● Avoid or minimize project-related emissions of short- and long-lived climate pollutants;³⁶ ● Promote more sustainable use of resources, including energy, land, and water; and ● Identify opportunities for improving resource efficiency.
<input type="checkbox"/>	Standard 3: cultural heritage	The activities supported by the project are not expected to negatively affect cultural heritage (material or immaterial) especially those related to indigenous peoples and traditional communities. Furthermore, the procedures established for Free, Prior and Informed Consent will ensure that all project investments are screened by the

² https://www.ifad.org/documents/38711624/43547646/secap2021_01.pdf/31edfeff-f70c-67b0-994a-d0ec4630dd81?t=1635770346986.

		communities at their inception ensuring that this type of impact is identified early and avoided.
<input checked="" type="checkbox"/>	Standard 4: indigenous peoples	<ul style="list-style-type: none"> • Support indigenous peoples in defining priorities and strategies for the exercise of their right to development. • Ensure that each project is developed in partnership with indigenous peoples and with their full, effective, and meaningful consultation, leading to FPIC. • Ensure that indigenous peoples obtain fair and equitable benefits and opportunities from project-supported activities in a culturally appropriate and inclusive manner. • Recognize and respect the rights of indigenous peoples to the lands, territories, waters, and other resources they have traditionally owned, used, or trusted.
<input checked="" type="checkbox"/>	Standard 5: Labor and working conditions	<ul style="list-style-type: none"> • Promote direct actions to foster decent rural employment. • Promoting, respecting, and realizing fundamental principles and rights⁶⁰: - Preventing discrimination and promoting equal opportunities for workers; - Support freedom of association and the right to collective bargaining; e - Prevent the use of child labor and forced labor. • Protect and promote the safety and health of workers. • Ensure that projects comply with national labor and employment laws and international commitments. • Leave no one behind protecting and supporting workers in disadvantaged and vulnerable situations, including women (e.g., maternity protection), young workers, migrant workers, informal economy workers, and workers with disabilities.
<input checked="" type="checkbox"/>	Standard 6: Community health and safety	<ul style="list-style-type: none"> • Ensure quality and safety in the design and construction of infrastructure related to programming, preventing, and minimizing potential safety risks and accidents. • Avoid or minimize community exposure to risks of disasters, diseases, and hazardous materials associated with project activities. • Ensuring that the protection of personnel and property minimizes risks to communities and is conducted in accordance with international human rights standards and principles. • Implement effective measures to deal with emergency events, whether of human or natural origin.
<input type="checkbox"/>	Standard 7: physical and economic resettlement	The project activities are not expected to lead to physical or economic resettlement. The forest restoration activities that may eventually lead to the replacement of unsustainable agricultural activities, specially within legally protected areas as per the Brazilian Forest Code, for forestry, agroforestry, or silvo-agro-pastoral systems they will be designed to ensure that the flow of rents to landholders are sustained

		and improved through biodiversity friendly and climate-smart practices.
<input type="checkbox"/>	Standard 8: Financial intermediaries and direct investments	The project will not use financial intermediaries, nor will it provide direct investments to beneficiaries.
<input checked="" type="checkbox"/>	Standard 9: Climate change	<ul style="list-style-type: none"> ● Ensure the alignment of IFAD-supported projects with nationally determined contributions from countries and the objectives of the Paris Agreement and other international structures. ● Ensure that the proposed activities are selected and evaluated for climate change and risks and impacts of disasters, including and impacts of projects and on them. ● Apply the mitigation hierarchy in the design of the project. ● Strengthen the resilience of communities to address the risk of climate change impacts and climate-related disasters. ● Increase the ability of communities to adapt to the adverse impacts of climate change and promote climate resilience and low GHG projects that do not emanate the production of food.

18. All projects undergo an environmental, social, and climate assessment to help IFAD determine whether a project or component should be supported. If the project is approved, the assessment determines how risks and impacts (those affecting the project and those caused by the project) should be addressed. The degree of risk is determined in the case-by-case assessment, with mitigation measures appropriate to the nature and scale of the project and its level of environmental, social, and climatic risk. The evaluation also assesses the partner’s ability and commitment to implement the project according to the NAS. If unforeseen environmental and social risks or impacts arise during the implementation of the project, the project team, in collaboration with the national authorities, shall adjust the project plan or introduce appropriate mitigation measures.

19. In general, vulnerable groups face barriers to participating in public consultation meetings. They may not understand the impacts of this project due to the language barrier (or feel inhibited due to their status in the community) and therefore may not always be able to freely understand and express their concerns and interests about PDHC III. Some people, especially those with low literacy, as well as members of indigenous communities that do not dominate Portuguese, face communication challenges and may hinder their participation. To avoid this potential exclusion, in the FPIC process, indigenous peoples will need to be consulted in their own language whenever possible. The project should consider the limitations identified and ensure that all mapped interest groups, especially Project Affected Persons (PAP), are included and supported to overcome the limitations they face and participate in consultation processes.

4.2. Relevant Brazilian Legal Framework

20. Brazil has a comprehensive legal framework regarding the environment and social issues. The relevant legal framework is listed below, non-exhaustively, and shall be observed in all project activities.

Table 3: Relevant Brazilian Legal Framework

Legal Framework	Description
<p>Federal Constitution (1988)</p>	<p>In the FEDERAL CONSTITUTION OF BRAZIL, the participation of society in defense of the environment has gained importance, as provided for in its art. 225: Art. 225. Everyone has the right to an ecologically balanced environment, good for common use by the people and essential to a healthy quality of life, imposing on the public authorities and the community the duty to defend and preserve it for present and future generations.</p> <p>Due to its relevance to the themes dealt with here, I think we should also include:</p> <p>Art. 5. Everyone is equal before the law, without distinction of any kind, guaranteeing Brazilians and foreigners residing in the country the inviolability of the right to life, liberty, equality, security, and property:</p> <p>XXII - the property right is guaranteed.</p> <p>XXXIII - everyone has the right to receive from public bodies information of their private interest, or of collective or general interest, which will be provided within the term of the law, under penalty of liability, except for those whose secrecy is essential to the security of society and the State.</p>
<p>National Environmental Policy (1981)</p>	<p>It is a principle of the National Environmental Policy (PNMA) to educate the community, aiming to enable it to actively participate in defense of the environment (Law No. 6,938/81, art. 2, X).</p> <p>The PNMA created the largest participatory collegiate on the environment, in which different sectors of society and government interact to regulate environmental policy, the National Environment Council, CONAMA. The PNMA created the largest participatory collegiate on the environment, in which different sectors of society and government interact to regulate environmental policy, the National Environment Council, CONAMA. and ii) to deliberate, within the scope of its competence, on norms and standards compatible with the environment and with a healthy quality of life.</p>
<p>National Environmental Education Policy (1999)</p>	<p>Art. 4 - Principles: I - the humanist, holistic, democratic, and participatory approach; II - the conception of the environment in its entirety, considering the interdependence between the natural, socio-economic, and cultural environment, from the standpoint of sustainability.</p> <p>Art. 5 - Objectives: II - ensuring the democratization of environmental information; III - the encouragement and strengthening of a critical awareness of environmental and social issues; IV - the encouragement of individual and collective participation, permanent and responsible, in preserving the balance of the environment, understanding the defense of environmental quality as an inseparable value from the exercise of citizenship.</p>

<p>National System of Conservation Units - SNUC (2000)</p> <p>Law No. 9,985/2000 and Decree No. 4,340/2002</p>	<p>The Law establishing the SNUC establishes several guidelines for participatory management in Conservation Units, among which we highlight the following guidelines: Art. 5° III - ensure the effective participation of local populations in the creation, implementation, and management of Conservation Units. IV - seek the support and cooperation of non-governmental organizations, private organizations, and individuals for the development of studies, scientific research, environmental education practices, leisure activities and ecological tourism, monitoring, maintenance, and other management activities of the Units Conservation. V- encourage local populations and private organizations to establish and manage Protected Areas.</p>
<p>National Strategic Plan for Protected Areas (2006)</p> <p>PNAP (Decree No. 5,758/2006)</p>	<p>The PNAP is an important strategy to implement the SNUC and expand society's participation in the management of protected areas. It is possible to see the participation evidenced in several parts of the decree, among which the following stand out: Principle - Promote participation, social inclusion, and the exercise of citizenship in the management of protected areas, permanently seeking social development, especially for the populations of the interior and around protected areas. Guidelines - Strengthen existing instruments for participation and social control, and those for monitoring and controlling the State. Special subjects entitled to participation and representation in the Councils - Indigenous Peoples, Quilombolas, and local communities in the management of Conservation Units and other protected areas. Cultural diversity - Establish and strengthen mechanisms and participation instruments that can expand the inclusion of sociocultural diversity in the management of Protected Areas. Environmental Education - Establish and implement the national strategy for environmental education, training, and qualification for participation and social control in the management of Conservation Units. Innovation - Promote SNUC's diversified, participatory, democratic, and transparent governance and strengthen innovative governance systems.</p>
<p>National Policy for the Sustainable Development of Traditional Peoples and Communities (PNPCT) – Decree No. 6,040/2007</p>	<p>The PNPCT's main objective is to promote the sustainable development of Traditional Peoples and Communities, with an emphasis on recognizing, strengthening, and guaranteeing their territorial, social, environmental, economic, and cultural rights, with respect and appreciation for their identity, their forms of organization and its institutions.</p>
<p>Convention No. 169 of the International Labor Organization - ILO on Indigenous and Tribal Peoples.</p>	<p>It establishes free, prior, and informed consultation as a right of peoples and as a principle of their political relationship with national states. Article 6 defines the general clause of the consultation, which succinctly describes its main elements: 1) the events in which the consultation must be carried out (administrative and legislative measures that directly affect indigenous and tribal peoples); 2) the opportunity for its realization (before any decision is taken); 3) the legitimate interlocutors for carrying out the consultation (the institutions representing the peoples concerned); 4) the qualification of the consultative process (through procedures appropriate to the circumstances and in good faith); and 5) the ultimate objective of the consultation (reaching an agreement).</p>

<p>Decree No. 7,747, June 5, 2012</p>	<p>Establishes the National Policy for Territorial and Environmental Management of Indigenous Lands - PNGATI, with the objective of guaranteeing and promoting the protection, recovery, conservation, and sustainable use of natural resources of indigenous lands and territories, ensuring the integrity of indigenous heritage, the improvement of the quality of life and full conditions of physical and cultural reproduction of current and future generations of indigenous peoples, respecting their sociocultural autonomy, under the terms of current legislation (in view of the Constitution and Convention No. 169 of the International Labor Organization - ILO, promulgated by Decree No. 5,051, of April 19, 2004).</p>
<p>National Policy for Social Participation (2014) - Decree No. 8,243/2014</p>	<p>The social participation policy aims to strengthen and articulate mechanisms and democratic instances for dialogue and joint action between the federal public administration and civil society. This decree recognizes social participation as a citizen's right and an expression of their autonomy. This law aims to consolidate social participation as a method of government.</p>
<p>The Maria da Penha Law (Law No. 11,340/2006)</p>	<p>The Maria da Penha Law (Law no. 11,340/2006) creates mechanisms to prevent and curb domestic and family violence against women in its 46. According to article 5, "domestic and family violence against women is any action or omission based on gender that causes death, injury, physical, sexual or psychological suffering and moral or property damage". This norm is in accordance with the Federal Constitution (art. 226, § 8) and the international treaties ratified by the Brazilian State (Convention of Belém do Pará, Pact of San José in Costa Rica, American Declaration of the Rights and Duties of Man, and the Convention on the Elimination of All Forms of Discrimination against Women).³</p>
<p>Law No. 12,015/2009 of the Criminal Code</p>	<p>Law No. 12,015/2009 of the Penal Code, which in article 216-A considers it a crime to constrain someone with the intention of obtaining sexual advantage or favor, the agent is prevailing in his/her position as superior or inherently in the exercise of employment, position, or occupation.</p>
<p>Law No. 13,718/2018 of the Criminal Code</p>	<p>Law No. 13,718/2018 of the Criminal Code, which typifies crimes of sexual harassment and the disclosure of a rape scene, makes publicly the nature of the criminal action of crimes against sexual freedom and sexual crimes against the vulnerable, establishes causes of the increase in the penalty for these crimes and defines gang rape and corrective rape as causes of increased punishment.</p>
<p>Law No. 12,651 -May 25, 2012</p>	<p>The Law establishes general rules on the protection of vegetation, Permanent Preservation areas, and Legal Reserve areas; forestry exploitation, the supply of forestry raw material, control of the origin of forest products, and the control and prevention of forest fires and provides economic and financial instruments to achieve its objectives.</p>

³ [Maria da Penha Institute \(IMP\). Summary of the Law.](#)

5. Procedure for ESC risk management for sub-projects

21. Preparing Environmental, Social and Climate Management Plans (ESCMP) for sub-projects will occur concomitantly with the PDRLs. The PMU will monitor such plans, and there will be social control by civil society. The monitoring results are included in the project progress reports indicating any non-conformities found and the respective corrective measures agreed upon and complied with. It will be prepared from a specific/individual Environmental and Social Management Plan for each ATER, which should be prepared and attached to the ATER.

5.1. Social and environmental verification form for preparing environmental, social and climate management plans (ESCMP)

22. The form in Appendix 1 will be completed by the bodies responsible for preparing the ATER before their implementation. Completing the form is a requirement for the implementation of activities of components 1 that could trigger the safeguards. The application of this form serves as a filter for the activities of the project, such as the implementation of good practices in productive areas, to verify and trigger or not the safeguards for (i) Biodiversity Conservation; (ii) Resource Efficiency and Pollution Prevention; (iii) Indigenous Peoples; (iv) Labor conditions and safety; (v) Health and safety of the community; and (vi) Climate change.

5.2. Items to be observed in the analysis of social and environmental impacts during the preparation of sub-projects and their activities

23. The technical assistance teams in charge of working with farmers and communities shall observe the following items in the preparation of extension activities and investments and shall prepare a simplified Environmental Management Plan for each intervention to allow a robust monitoring of environmental and social safeguard implementation:

BIODIVERSITY CONSERVATION POLICY OBJECTIVES

- Protect and conserve biodiversity
- Ensure fair and equitable sharing of benefits from the use of genetic resources
- Respect, preserve, maintain, and encourage the knowledge, innovations, and practices of indigenous peoples and local communities relevant to the conservation and sustainable use of biodiversity, and their customary use of biological resources
- Adopt a preventive approach to the conservation and management of natural resources to ensure opportunities for environmentally sustainable development

ASPECTS TO BE OBSERVED IN THE IMPACT ANALYSIS

- Vegetation suppression
- Collection of forest products
- Integrated Fire Management
- RL and/or APP restoration
- Risk of degradation of arable land
- Use of pesticides
- Production and treatment of waste and effluents

- Soil erosion
- Production of noise, smoke, bad smell.

RESOURCE EFFICIENCY AND POLLUTION PREVENTION

- Avoid, minimize and manage the risks and impacts associated with hazardous substances and materials, including pesticides;
- Avoid or minimize project-related emissions of short- and long-lived climate pollutants;³⁶
- Promote more sustainable use of resources, including energy, land and water; and
- Identify opportunities for improving resource efficiency.

ASPECTS TO BE OBSERVED IN THE IMPACT ANALYSIS

- Confirm whether activities will consume or cause significant consumption of water, energy or other resources vis-à-vis their local availability and stocks;
- Ensure the promotion of measures to improve existing waste-management practices (adequate disposal, recycling, etc.);
- Confirm whether project supported activities will generate or cause generation of solid, liquid or gaseous waste or emissions and ensure their proper treatment and disposal; or
- Assess the use, storage or disposal of hazardous materials and chemicals, including pesticides and fertilizers and ensure that there are adequate measures for their handling and disposal.

INDIGENOUS PEOPLES POLICY OBJECTIVES

- Support indigenous peoples in defining priorities and strategies for exercising their right to development
- Ensure that each project is designed in partnership with indigenous peoples and with their full, effective, and meaningful consultation, leading to the Free, Prior and Informed Consent - FPIC
- Ensure that indigenous peoples derive fair and equitable benefits and opportunities from project-supported activities in a culturally appropriate and inclusive manner
- Recognize and respect the rights of indigenous peoples to the lands, territories, waters, and other resources they traditionally owned, used, or trusted.

ASPECTS TO OBSERVE IN THE IMPACT ANALYSIS

- Free, Prior, and Informed Consent (FPIC) - Community consent.
- Adaptation of activities to the community's culture and organization

LABOR AND WORKING CONDITIONS POLICY OBJECTIVES

- Promote direct actions to foster decent rural employment
- Promote, respect, and fulfill fundamental principles and rights: - Preventing discrimination and promoting equal opportunities for workers
- Support freedom of association and the right to collective bargaining
- Prevent the use of child labor and forced labor
- Protect and promote the safety and health of workers
- Ensure that projects comply with national labor and employment laws and international commitments

- Leave no one behind to protect and support workers in disadvantaged and vulnerable situations, including women (e.g., maternity protection), young workers, migrant workers, informal economy workers, and workers with disabilities.

ASPECTS TO BE OBSERVED IN THE IMPACT ANALYSIS

- Hiring labor from outside the community (existence of protocols to prevent sexual exploitation, the transmission of STDs, sanitary conditions at construction sites)
- Use of PPE
- Obtaining works licenses
- Observing labor legislation
- Prohibition of child labor

COMMUNITY HEALTH AND SECURITY POLICY OBJECTIVES

- Ensure quality and safety in the design and construction of infrastructure related to programming, preventing, and minimizing potential safety risks and accidents.
- Avoid or minimize community exposure to disaster, disease, and hazardous material risks associated with project activities.
- Ensure that the protection of personnel and property minimizes risks to communities and is carried out in accordance with international human rights standards and principles.
- Implement effective measures to deal with emergency events, whether human-caused or natural.

ASPECTS TO BE OBSERVED IN THE IMPACT ASSESSMENT

- Obtaining building permits
- Compliance with construction standards and norms and environmental management of construction sites.
- Compliance with labor and work safety regulations.
- Ensure the use of PPE (personal protection equipment)
- Ensure quality and safety in the design and construction of infrastructure related to programming, preventing, and minimizing potential safety risks and accidents.
- Ensure that the protection of personnel and property minimizes risks to communities and is carried out in accordance with international human rights standards and principles.
- Implement effective measures to deal with emergency events, whether human-caused or natural.

CLIMATE CHANGE POLICY OBJECTIVES

- • Ensure the alignment of IFAD-supported projects with the countries' nationally determined contributions and the objectives of the Paris Agreement and other international structures;
- Ensure that proposed activities are selected and assessed for climate change and disaster risks and impacts, including impacts of and on projects;
- Apply the mitigation hierarchy in project design;
- • Strengthen the resilience of communities to deal with the risk of impacts from climate change and climate-related disasters;
- • Increase the capacity of communities to adapt to the adverse impacts of climate change and promote climate resilience and low-GHG projects that do not threaten food production.

ASPECTS TO BE OBSERVED IN THE IMPACT ASSESSMENT

- Reports of lack of water in the project area
- Reports of irregularity or lack of rain at the Project area
- Reports of dry periods (regular or irregular) at the project area
- Reports of an increase in diseases such as dengue or malaria at the project area
- Location of infrastructure or other project investments in areas
- Location of infrastructure or other project investments in areas subject to forest fires/arson.
- Location of infrastructure or other project investments in areas subject to landslides (slopes, ravines).

6. Project-level Environmental, Social and Climate Management Plan

6.1. Environmental Impact Assessment

24. The semiarid region of the Northeast is part of the Caatinga biome. With 862,818 km²⁴ the exclusively Brazilian Caatinga biome located in Northeast of Brazil (NEB) is the largest seasonally dry tropical forest in South America⁵ - occupying 10.1% of Brazil's territory⁶ (see map below) and the most species-rich dry forest in the world⁷. The dominant vegetation ranges from open scrubland to tall dry forests and is home to a wide variety of endemic plant and animal species adapted to the region's soil and climate conditions. The Caatinga provides essential ecosystem services for urban and rural communities, including:

- a. Services to provide food and nutritional security: in the Caatinga, the socio-economic importance of forest products lies in the fact that it provides important sources of food and income through the harvesting of firewood and non-timber forest products (NTFPs), such as fruit and medicinal plants;
- b. Supporting and regulating services: the Caatinga comprises around 3,150 plant species that maintain carbon stocks, control soil erosion, conserve hydrological cycles, maintain soil fertility and enable pollination⁸. It is also home to around 386 species of fish, 98 amphibians, 79 reptiles, 548 birds and 183 mammals. Endemicity ranges from 6% in mammals to 53% in fish⁹.

25. With 27 million inhabitants¹⁰, the Caatinga is also the most densely populated semiarid region and is among the priority ecosystems for restoration¹¹ and categorized as critically endangered by the IUCN ecosystem typology due to its high level of degradation and desertification, exacerbated by current and future climate change^{12,13}. This biome has suffered from deforestation and intensification of land use associated with increasing population density, poverty, and lack of natural resource management. Its semiarid climate and soil conditions (shallow soils with low organic matter content) make the biome especially vulnerable to soil erosion and desertification when deforested¹⁴. The main causes of soil erosion and desertification in the semiarid Northeast of Brazil (NEB) are: 1) deforestation to produce firewood

⁴ <https://www.gov.br/mma/pt-br/assuntos/ecossistemas-1/biomas/caatinga>.

⁵ Representing 45% of STFP in South America.

⁶ MMA. Caatinga. Available at: <https://www.gov.br/mma/pt-br/assuntos/ecossistemas-1/biomas/caatinga>

⁷ Silva José Maria Cardoso da (2017). *Caatinga: the largest tropical dry forest region in South America*. Springer.

⁸ Brito Moraes, Ygor Cristiano et al. Analysis of Carbon Sequestration in Caatinga Areas of the Semiarid Region of Pernambuco. *Rev. bras. meteorol.* [online]. 2017, vol.32, n.4, pp.585-599. ISSN 0102-7786. <https://doi.org/10.1590/0102-7786324007>.

⁹ Silva José Maria Cardoso da (2017). *Caatinga: the largest tropical dry forest region in South America*. Springer.

¹⁰ IBGE. Demographic Census, 2010.

¹¹ Strassburg et al. 2020. Global Priority Areas for Ecosystem Restoration. *Nature* 586, 724-729

¹² Segan, D. B., Murray, K. A., & Watson, J. E. M. (2016). A global assessment of current and future biodiversity vulnerability to habitat loss-climate change interactions. *Global Ecology and Conservation*, 5, 12-21. <https://doi.org/10.1016/j.gecco.2015.11.002>

¹³ <https://mapbiomas.org/desmatamento-queimadas-e-retracao-da-superficie-da-agua-aumentam-o-risco-de-desertificacao-da-caatinga>

¹⁴ Ferrer-Paris JR, Zagerl, Keith DA, et al. An ecosystem risk assessment of temperate and tropical forests of the Americas with an outlook on future conservation strategies. *Conservation Letters*. 2018. <https://doi.org/10.1111/conl.12623>

and exploit clay deposits; 2) intensive land use employing inappropriate agricultural methods, such as slash and burn, for harvesting and land clearing; 3) salinization; and 4) extensive grazing and overgrazing¹⁵.

26. With the highest rates of poverty and malnutrition in Brazil, rural populations in the Caatinga are highly dependent on natural resources for their livelihoods. Unsustainable farming and ranching practices, especially deforestation, overgrazing, and the use of fire are the main causes of the loss of native vegetation and biodiversity, with more than 100,000 km² of savannas and forests in the region converted between 1985 and 2020¹⁶. This is accompanied by the overexploitation of the biome for firewood, hunting, fishing, and the introduction of exotic species of plants and animals.^{17,18}

27. Water is a significant limiting factor for food production. The relative scarcity of water results from temporally concentrated low rainfall (800-1500 mm/year), recurrent droughts, overexploitation and groundwater pollution, and the challenges of salinity in some areas. According to the Semiarid Articulation (ASA - responsible for implementing the Cisterns Program, P1MC), in 2023, in the semiarid region of the NEB, there are approximately 350,000 families who need cisterns to collect water for human consumption and another 800,000 families who require cisterns for production.

28. As for specific project related risks and potential adverse impacts, the project is deemed to be mostly benign from an environmental perspective and all eventual impacts are small, localized and adequate mitigation measures exist and do not represent an implementation challenge for the executing agency. All mitigation measures can be mainstreamed in the design of project activities and do not entail additional costs of goods, works or technical/consultancy services. The following potential environmental impacts were identified: i) conversion or degradation of biodiversity (moderate); ii) engagement in forestry activities (minor); iii) over extraction of water resources; iv) soil degradation and salinization; v) introduction of invasive alien species, and vi) deforestation, pasture degradation and effluent production resulting from support of livestock production.

6.2. Social Impact Assessment

29. The Northeast has the worst socio-economic indicators compared to the rest of the country. In 2019, the region's contribution to GDP was only 13% and the unemployment rate was higher than all the other regions: 16%. The region had the highest concentration of income with the highest Gini index - 0.52 - in 2019. In the same year, in terms of education, 56% of the rural population in the Northeast had incomplete primary education. The income poverty rate exceeds 92% in the Northeast. The multidimensional poverty index (MPI) for the region is 47%, while for the rural areas of the Northeast it is 66%: 29 percentage points higher than the population of urban areas (UFV, 2023). For the semiarid Northeast, 50% of the population is in multidimensional poverty.

¹⁵ Vieira, R. D. S. P., Tomasella, J., Alvalá, R. C. S., Sestini, M. F., Affonso, A. G., Rodriguez, D. A., De Oliveira, S. B. P. (2015). Identification of areas susceptible to desertification in the Brazilian Northeast. *Solid Earth*, 6(1), 347-360.

¹⁶ <https://mapbiomas.org/desmatamento-queimadas-e-retracao-da-superficie-da-agua-aumentam-o-risco-de-desertificacao-da-caatinga>

¹⁷ IPBES (2018): IPBES regional assessment report on biodiversity and ecosystem services for the Americas. Rice, J., Seixas, C. S., Zaccagnini, M. E., Bedoya-Gaitán, M., and Valderrama N. (eds.). Secretariat of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services, Bonn, Germany. 656 pages.

¹⁸ <http://aksaam.ufv.br/ToolSys/Download/Publicacao/41/36>

30. The project area will cover the semiarid region of the Northeast and the semiarid the state of Minas Gerais, one of the poorest regions in the country, with more than 82% of municipalities with an HDI considered low (UNDP, 2010). The proportion of the population living in poverty and extreme poverty in the project area is high: while in Brazil 26.2% of the population is poor or extremely poor, in the project area this proportion exceeds 45,7% (Cadúnico, 2023 and IBGE, 2022b). In absolute terms, among the population of the project area registered in the Unified Registry (2023), 14.129.614 are in poverty or extreme poverty.

31. There are 1,833,657 rural landholdings in the project area, of which 1.446.842 (or 78.9%) are family farms. Of the total family farms, 346.096 (or 23.9%) are run by women and 156.500 (or 10.8%) by young people under the age of 35. Most of the landholdings owned by family farmers in the region are smaller than 20 hectares. Despite some variations, they generally combine rain-fed agriculture (mainly corn, beans and manioc - for home consumption and sale) with small animal husbandry (mostly sheep and goats). Families usually have vegetable gardens in their backyards, some fruit trees, and poultry.

32. In the northeastern and the Minas Gerais' semiarid regions, there is a clear correlation between poverty rates, environmental restrictions (temperature, soils, and water availability) and food and nutritional insecurity. Severe and recurrent droughts and water shortages threaten the food and nutritional security of family farmers who already live in poverty and extreme poverty.

33. As for specific project related risks and potential adverse impacts, the project is deemed to be mostly benign from a social perspective and all eventual impacts are small, localized and adequate mitigation measures exist and do not represent an implementation challenge for the executing agency. All mitigation measures can be mainstreamed in the design of project activities and do not entail additional costs of goods, works or technical/consultancy services. The following potential social impacts were identified: i) labor and working conditions (including child labor), ii) limitation on family farmers access to services, technologies and resources provided by the project, iii) gaps in the inclusion of rural women, iv) gaps in the inclusion of rural youth, and v) gaps for traditional peoples and communities.

6.3. Proposed mitigation measures

34. Based on the above list of potential environmental and social impacts the following mitigation measures are proposed for the project:

Environmental impacts

35. Potential impact the project may potentially involve or lead to conversion or degradation of biodiversity, habitats and/or ecosystems and ecosystem services. Definition of an eligibility criterion for sub-projects forbidding any conversion of biodiversity, habitats and/or ecosystems and ecosystem services. An Exclusion of list of alien invasive species (including Apis sp. in areas included in the buffer zones of strict protection areas) will be prepared and ATER providers will ensure that only allowed species are supported by the project.

36. Potential impact: The project may involve or lead to engagement in areas of forestry, including the harvesting of natural forests, plantation development, and/or reforestation. The mitigation for this risk is that the project will support only forest restoration activities using only native species adopting well-known best practices of forest restoration in accordance with Brazilian Law and technical standards.

37. Lack of water for production and risk of droughts and other extreme weather events. The project will promote partnerships with the MDS cistern program and others to improve access to water for production. Additionally the project will promote water efficient diversified production systems that are resilient to the semiarid context and climate change. The Promoting crops and animals adapted to semiarid conditions and thus require less water for production. Finally the project will ensure that supported activities are licensed by state/municipal water authorities.

38. Soil degradation and salinization: the mitigation measures will include promoting agroecological soil conservation practices (soil analyses, conservation or enhancement of soil organic matter content, no-tillage or minimum tillage practices, contour planting, prohibition of fire use, . Ensure reasonable irrigation to avoid soil salinization. Provision of training for farmers and ATER providers for regular soil evaluations using low-cost and accessible methods

39. Introduction of invasive alien species: Negative list of species for project procurement. Awareness raising for farmers and ATER agents to identify and respect the lists of invasive alien species of state environmental institutions or research centers.

40. Livestock moderate Definition of scale threshold to ensure that only small-scale animal husbandry systems and animal products processing units are supported.

Social impacts

41. Risks related to labor and working conditions (including child labor) will be addressed by : i) raising awareness about the issue with the PMU, partner institutions and beneficiaries, ii) ensuring that oversight by local institutions of compliance with national labor norms, and iii) establishing a grievance redress mechanism.

42. The limitations on family farmers' access to services, technologies, and resources will be mitigated by: i) providing technical assistance for the agroecological transition of production systems, ii) providing input, financial, and productive resources and improving access to natural resources, iii) providing support for family farmers' access to public policies such as cisterns, iv) promoting market access and developing food supply capacity for the PAA and PNAE, and v) providing support for strengthening rural organizations.

43. The eventual gaps in the inclusion of rural women will be mitigated through: i) training TA teams in gender issues to meet their specific demands, ii) promoting women's participation and voice in socio-economic and environmental planning and natural resource management, iii) selecting and promoting techniques and technologies that are suitable for use by women (e.g. small agricultural machinery), iv) providing inputs, financial, and productive resources and improving women's access to natural resources, and v) ensuring the inclusive participation of at least 60% of rural women in project activities.

44. The possible gaps in the inclusion of rural youth will be mitigated by: i) promoting the participation and voice of young people in socio-economic and environmental planning and natural resource management, ii) the provision of inputs, financial and productive resources, and better access to natural resources for young people, iii) promoting the training and education of rural youth, and iv) supporting innovation and entrepreneurship among young people.

45. The risk for Inclusion gaps for traditional peoples and communities will be mitigated by: i) ensuring the application of Free, Prior and Informed Consent processes, ii) respecting the heritage, cultural identity, and ways of life of traditional peoples and communities in the FPIC processes, iii) supporting land titling processes, iv) monitoring and evaluation of the inclusive participation of at least 20% of people in PCT, and v) implementation of sensitization training for AT professionals on issues of race and ethnicity, with a focus on methodological approaches.

6.4. Monitoring and Reporting

46. The PMU shall report on the observance of the IFAD’s SECAP requirements periodically. The table below presents the items that the PMU shall consider while supervising ATER and beneficiaries.

Table 4: Monitoring that was observed by the PMU in monitoring the implementation of the ESCMP

Item to be monitored/observed by PMU in monitoring the implementation of ESMCP	Means of verification/sources of information
Components 1 and 2	
1. ESMP was done?	ATER Team
2. Have social and environmental impacts been adequately analyzed?	ESMP
3. Are the proposed mitigation measures appropriate to the identified impacts?	ESMP
4. Was there any gap in impact analysis?	ESMP/Field Visits
5. Was there training in safeguards for the teams (of the municipality, state, association, or cooperative) responsible for preparing and implementing the PGAS?	ATER
6. Are the mitigation measures proposed in ESMP being properly implemented?	ESMP/Field Visits
7. What are the main problems found in the implementation of PGAS?	ESMP
8. What are the proposed measures to solve systemic problems of implementation of PGAS	
9. For activities with indigenous peoples and <i>quilombolas</i>	
10. Was a FPIC executed?	IPP

11. Are FPIC agreements being implemented?	ATER
12. Have there been complaints of any kind about CLIP and/or project activities?	Complaints/Field Visits Mechanism
13. How were the complaints handled?	Complaints Mechanism
14. Are there complaints of discrimination (of race, age, gender, etc.)?	Complaints Mechanism / Field missions
15. How were these complaints/reports handled?	Complaints Mechanism
Components 3 and 4	
16. Has the complaints mechanism been structured?	MDA/PMU
17. Is the complaints mechanism fully operational (does it have adequate access channels and staff)?	Complaints Mechanism
18. Are there complaints of violence arising from project activities (in particular, violence against beneficiaries, violence against women, and against indigenous peoples)?	Complaints Mechanism
19. How were they resolved?	Complaints Mechanism
20. Are there complaints of discrimination arising from project activities (in particular, violence against women and indigenous peoples)?	Complaints Mechanism / Field Visits
21. Other complaints?	Complaints Mechanism
22. What complaints were?	Complaints Mechanism
23. How were they resolved?	Complaints Mechanism
24. Was there training in safeguards for the teams (of the municipality, state, association, or cooperative) responsible for implementing the activities of the Project?	ATER/field visits
IN CASE OF PENDING ON ANY OF THE ITEMS LISTED ABOVE, CORRECTIVE MEASURES MUST BE DEFINED, AND DEADLINES AND RESPONSIBILITIES FOR THEIR RESOLUTION MUST BE DEFINED!	

6.5. Roles and responsibilities

47. MDA will implement the Environmental, Social and Climate Management Plan of the Project with the support of the Project PMU and implementation partners responsible for ensuring the project's adherence to the policies of IFAD and the applicable regulatory framework. The PMU will be responsible for empowering the technicians working in the preparation of the ATER regarding the implementation of the project-level ESCMP and sub-project ESCMPs.

6.6. Costs and budgetary considerations

All costs regarding the implementation of environmental and social mitigation measures are subsumed within the provision of ATER services, capacity building and in the design and support of productive activities. Supervision costs, including of compliance with this ESMCP are included in the regular project supervision costs.

7. ESCMP Matrix

ESCMP Matrix						
Potential Environmental social and climate impacts	Recommended mitigation/improvement measures	Public consultation activities	Responsible institution in the implementation phase	Means of verification (Monitoring and reporting)	Check frequency	Cost estimate
The project may potentially involve or lead to conversion or degradation of biodiversity, habitats and/or ecosystems and ecosystem services.	<ul style="list-style-type: none"> - Definition of an eligibility criterion for sub-projects forbidding any conversion of biodiversity, habitats and/or ecosystems and ecosystem services. - Exclusion of list of alien invasive species (including <i>Apis sp.</i> in areas included in the buffer zones of strict protection areas). 	<ul style="list-style-type: none"> - Raising awareness of partner institutions and beneficiaries. - Capacity building and training of extension agents. 	<ul style="list-style-type: none"> - MDA - ANATER - MDS - Partner institution 	ESMP implementation reports.	Every six months	Costs included in the ATER and PDRL investments.
The project may involve or lead to engagement in areas of forestry, including the harvesting of natural forests, plantation development, and/or reforestation	<ul style="list-style-type: none"> - The project will support only forest restoration activities using only native species adopting best practices of forest restoration. 	<ul style="list-style-type: none"> - Raising awareness of partner institutions and beneficiaries. - Capacity building and training of extension agents. 	<ul style="list-style-type: none"> - MDA - ANATER - MDS - Partner institution 	ESMP implementation reports.	Every six months	Costs included in the ATER and PDRL investments.
Risks related to livestock	<ul style="list-style-type: none"> - Definition of scale threshold to ensure that only small-scale animal husbandry systems and animal products processing units are supported. 	<ul style="list-style-type: none"> - Raising awareness of partner institutions and beneficiaries. - Capacity building and training of extension agents. 	<ul style="list-style-type: none"> - MDA - ANATER - MDS - Partner institution 	ESMP implementation reports.	Every six months	Costs included in the ATER and PDRL investments.

Risks related to labor and working conditions (including child labor)	<ul style="list-style-type: none"> - Raising awareness about the issue with the PMU, partner institutions and beneficiaries. - Oversight of compliance with national labor norms. - Establishment of a grievance redress mechanism. 	<ul style="list-style-type: none"> - Raising awareness of partner institutions and beneficiaries. - Capacity building and training of extension agents. 	<ul style="list-style-type: none"> - MDA - ANATER - MDS - Partner institution - Social movements working with family farming 	ESMP implementation reports.	Every six months	Costs included in the ATER and PDRL investments.
Limitations on family farmers' access to services, technologies, and resources	<ul style="list-style-type: none"> - Provide technical assistance for the agroecological transition of production systems. - Providing input, financial, and productive resources and improving access to natural resources. - Support for family farmers' access to public policies such as cisterns - Promoting market access and developing food supply capacity for the PAA and PNAE - Strengthening rural organizations 	Promotion and dissemination of the project through a variety of media with inclusive messages	<ul style="list-style-type: none"> - MDA - Social movements working with family farming 	<ul style="list-style-type: none"> - Photographic and video records of activities, events - Minutes of meetings and agreements 	Every six months	Costs included in the ATER and PDRL investments.
Gaps in the inclusion of rural women	<ul style="list-style-type: none"> - Train TA teams in gender issues to meet their specific demands. - Promote women's participation and voice 	Articulation with institutional actors linked to rural women	<ul style="list-style-type: none"> - MDA - Articulation with institutional 	Photographic and video recordings of activities, events, and meetings	Every six months	Costs included in the ATER and PDRL investments.

	<p>in socio-economic and environmental planning and natural resource management.</p> <ul style="list-style-type: none"> - Select techniques and technologies that are suitable for use by women. - Providing input, financial, and productive resources and improving women's access to natural resources. - M&E of inclusive participation of at least 60% of rural women 	<ul style="list-style-type: none"> - Promotion and dissemination of the project through a variety of media with gender inclusive messages 	<p>actors linked to gender issues, such as women's movements</p>	<p>with rural women</p> <ul style="list-style-type: none"> - Minutes of meetings and agreements with rural women 		
<p>Gaps in the inclusion of rural youth</p>	<ul style="list-style-type: none"> - Promoting the participation and voice of young people in socio-economic and environmental planning and natural resource management. - Provision of inputs, financial and productive resources, and better access to natural resources for young people - Training. - Promoting the education of rural youth 	<ul style="list-style-type: none"> - Articulation with institutional actors linked to rural youth - Promotion and dissemination of the project through various media with inclusive messages for young people. 	<ul style="list-style-type: none"> - Rural education institutions, such as Family Farming Schools - Articulation with institutional actors linked to the youth issue 	<ul style="list-style-type: none"> - Photographic and video recordings of activities, events and meetings with rural young people - Minutes of meetings and agreements with rural youth 	<p>Every six months</p>	<p>Costs included in the ATER and PDRL investments.</p>

	- Supporting innovation and entrepreneurship among young people					
Inclusion gaps for traditional peoples and communities	<ul style="list-style-type: none"> -Promote Free, Prior and Informed Consent processes; -Respect the heritage, cultural identity, and ways of life of traditional peoples and communities. - Support for land titling processes -Monitoring and evaluation of the inclusive participation of at least 20% of people in PCTs. - Implementation of sensitization training for AT professionals on issues of race and ethnicity, with a focus on methodological approaches 	<ul style="list-style-type: none"> - Promotion and dissemination of the project among traditional peoples and communities in the project area -Ensure that the language of project materials and media is accessible and supportive. -Contact with organizations and movements representing PCTs 	<ul style="list-style-type: none"> - MDA - Partner institutions working on the rights of indigenous peoples and traditional communities 	<ul style="list-style-type: none"> - Report on the implementation of FPIC - Photographic and video records of activities, events, and meetings with PCTs 	Every six months	Costs included in the ATER and PDRL investments.
Lack of water for production and risk of droughts and other extreme weather events	<ul style="list-style-type: none"> - Promote partnerships with the MDS cistern program and others to improve access to water for production. 	<ul style="list-style-type: none"> - Inclusion of these themes in the training of ATER technicians - Inclusion of these themes in ATER 	<ul style="list-style-type: none"> - MDA - ANATER - MDS - Other leading partners in 	<ul style="list-style-type: none"> - Training materials - Training agenda 	Every six months	Costs included in the ATER and PDRL investments.

	<ul style="list-style-type: none"> - Diagnosis of environmental and climate risks and opportunities. - Promoting diversified production systems that are resilient to the semiarid context and climate change - Promoting efficient water use practices. - Promoting crops and animals adapted to semiarid conditions. - Licensing from state/municipal water authorities. 	<p>work with communities</p> <ul style="list-style-type: none"> - Dissemination of innovations and research on these topics among technicians and communities 	<p>agroecology and coexistence with the semiarid region (civil society and educational and research organizations)</p>			
Soil degradation and salinization	<ul style="list-style-type: none"> - Promoting agroecological soil conservation practices - Ensure reasonable irrigation to avoid soil salinization - Regular soil evaluations using low-cost and accessible methods 	<ul style="list-style-type: none"> - Inclusion of these themes in the training of ATER technicians - Inclusion of these themes in ATER work with communities 	<ul style="list-style-type: none"> - MDA - ANATER 	<ul style="list-style-type: none"> - Training materials - Training agenda 	Every six months	Costs included in the ATER and PDRL investments.
Risk of introducing invasive alien species	<ul style="list-style-type: none"> - Identify and respect the lists of invasive alien species of state environmental institutions or research centers 	<ul style="list-style-type: none"> - Training for technicians on invasive alien species 	MDA	<ul style="list-style-type: none"> - Regular assessment by the Environment and Climate Change Safeguards Specialist 	Every six months	Costs included in the ATER and PDRL investments.

	- Negative list of species for project procurement.			- Evaluation with each purchase		
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Appendix 1: Model social and environmental verification form for the development of Environmental, Social and Climate Management Plans (ESCMP)

VEGETATION

Does the proposed action provide for the suppression of vegetation?
<input type="checkbox"/> No.
<input type="checkbox"/> Yes, specify (type and area)
Does the proposed action provide for the use or collection of any forest product or by-product?
<input type="checkbox"/> No.
<input type="checkbox"/> Yes, specify:
Does the proposed action provide for introducing an exotic species at risk of becoming an invasive species?
<input type="checkbox"/> No.
<input type="checkbox"/> Yes, specify:
Will the implementation of the proposed action influence the legal status of the land holding regarding the Forest Code (Legal Reserve and Permanent Preservation Area)?
<input type="checkbox"/> No.
<input type="checkbox"/> Yes, specify
SOIL
Does the action proposed provide for any activity that could contribute to the control of soil loss by erosion?
<input type="checkbox"/> No.
<input type="checkbox"/> Yes, specify:
Could the proposed action lead to the degradation of arable land?
<input type="checkbox"/> No.
<input type="checkbox"/> Yes, specify and indicate if you have a proposal for mitigation. If yes, which?
Will the proposed action contribute to improving soil physical, chemical, and biological conditions?

<input type="checkbox"/> No.
<input type="checkbox"/> Yes, specify
WATER RESOURCES
Is there water availability to meet the needs of the proposed action during its implementation?
<input type="checkbox"/> Yes
<input type="checkbox"/> No. How do you want to ensure the supply of water?
Are local licenses required?
Does the proposed action provide for the construction of a dam in a water flow, capture, derivation, or interception for any purpose?
<input type="checkbox"/> No.
<input type="checkbox"/> Yes,
Are licenses required?
Does the proposed action provide for the use of pesticides?
<input type="checkbox"/> No.
<input type="checkbox"/> Yes, describe the type, usage methodology, and monitoring mechanism of this usage.
CLIMATE CHANGE
Can the proposed activities be adversely impacted by heavy rains, flooding, wildfires, or drought?
<input type="checkbox"/> No.
<input type="checkbox"/> Yes, specify
Agriculture: describe measures to address/manage risks of plant deaths, plant diseases and crop failures resulting from extreme weather:
Forestry: describe measures to address/manage risks of plant deaths, plant diseases and forest fires resulting from extreme weather:

Animal husbandry: describe measures to address/manage risks of deaths, diseases and to promote animal comfort considering the impacts of extreme weather:
Can the proposed infrastructure construction be affected by flooding, landslides, or wildfires?
<input type="checkbox"/> No.
<input type="checkbox"/> Yes, specify:
Describe proposed mitigation measures:
Do project activities create a risk for the proliferation of pests and disease vectors following extreme weather events (for example creation of ponds after heavy rains where mosquitoes can proliferate)?
<input type="checkbox"/> No.
<input type="checkbox"/> Yes, specify:
Describe proposed mitigation measures:
POLLUTION AND WASTE
Does the proposed action provide for the generation of solid waste, liquid effluents, gases resulting from works, processing, industrialization of raw materials, or any other process?
<input type="checkbox"/> No.
<input type="checkbox"/> Yes, specify and indicate mitigation measure (Check for authorization from the environmental agency)

COMMUNITIES DIRECTLY INVOLVED (AFFECTED PARTIES): Affected parties are individuals, groups of individuals, or communities that may suffer direct positive or negative impacts from bank-financed operations.
What is the social group involved?
<input type="checkbox"/> Indigenous People
<input type="checkbox"/> <i>Quilombola</i> Community
<input type="checkbox"/> Extractive community
<input type="checkbox"/> Riverside community
<input type="checkbox"/> Small farmers
<input type="checkbox"/> Other(s), describe:
Describe the relationship between the project area and the social groups:
<input type="checkbox"/> Conflict Description:
Are there mitigation measures? If so, which?
<input type="checkbox"/> collaboration/partnership
Description:
<input type="checkbox"/> Indifference/ neglect
Description:
Identify any limitations that the social group experiences around the access and use of natural resources due to the conservation unit's existence (hunting, fishing, gathering, agriculture, among others).
List:
Identify any activities that may have a significant impact on the cultural heritage essential to the identity and/or cultural, ceremonial, or spiritual aspects of the social group.
List:

WORKING RELATIONSHIPS

Check whether the proposed action complies with labor legislation.

Identification of the main labor legislation applicable to the action:

Confirm that the proposed action will not use child labor.

Confirm that the proposed action will not use forced labor.

CHARACTERIZING ACTIVITIES:

Are public consultations planned?

Yes No

Will agrochemicals be used?

Yes No

If the answer is yes, please, describe which products will be used:

Will there be the use of agricultural machinery?

Yes No

IF THE ANSWER ABOVE IS YES, PLEASE DESCRIBE THE MEASURES TO MANAGE POTENTIAL RISKS OF CONTAMINATION:

Will there be the use of local labor?

Yes No

IF THE ANSWER IS NO, PLEASE DESCRIBE THE MEASURES FOR INCLUDING THE LOCAL POPULATION IN THE WORK AND THE MEASURES FOR GENDER DIVERSITY IN CONTRACTS:

CONCLUSIONS AND NEXT STEPS

Summarize the positive and negative impacts of the proposed action considering the responses obtained by this checklist, characterizing the intensity (low, moderate, or high) and the occurrence (direct or indirect). Indicate the control measures indicated for adverse impacts (preventive or mitigating). This table summarizes the impacts identified by managing bodies and instruments for monitoring safeguards.

Proposed action approval:

Yes No

RESPONSIBLE:

Responsible for filling out this form:

Name:

Date:

Signature

Responsible for approval (Focal Point of the institution):

Name:

Date:

Signature:

Observation and recommendation:

ANNEXES:

E.g., Municipal permits for construction, water concessions, etc.

Appendix II: Integrated Pest and Residue Management Framework

Context

Pest management

Roles and responsibilities

Monitoring and Evaluation

Costs

Context and objectives

This Integrated Pest Management Framework (IPMF) was prepared to address the risks of potential use of pesticides and soluble fertilizers within the context of the PDHC III Project. Although the project will promote the adoption by farmers of agroecological practices that do not rely on agrochemicals, the use of these substances their use is widespread in the Brazilian rural milieu. Many farmers resort to the use of pesticides to avoid crop losses and the ensuing economic damage caused by pest outbreaks. Often time this use of pesticides fail to comply with adequate technical standards leading to environmental pollution and health risks to food producers and consumers. Incorrect use of these substances may happen during their application (mostly: lack of adequate protective equipment, incorrect dosages, non-observation of safety intervals between applications).

As for the use of fertilizers, the main risks for the project activities may result from incorrect prescription and use of soluble formulas. Given the nature of most soils in the project area (often with low PH, shallow, with low organic matter content, and at times saline) and the prevailing weather conditions (irregular rain regime with the alternation of droughts and heavy rains) incorrect formulations may result in plant poisoning, soil salinization and leaching of nutrients to water bodies leading to their eutrophication. Soil analysis is not yet a common practice within smallholder agriculture (possibly due its costs that may exceed family farmer's willingness/capacity-to-pay). Again, the project will promote agroecological practices that usually do not rely on the use of industrial soluble fertilizers nor industrial pesticides. Nonetheless, their use may be warranted to ensure a smooth transition from traditional practices to agroecological ones by eventually helping in addressing events that may result in crop losses.

The objective of this IPMF is therefore to provide general guidance to the Project's team, its contractors (mainly Agricultural Extension and Technical Assistance providers) and its beneficiaries on general principles, technical standards and legislation that must be observed during project implementation regarding the use of the aforementioned substances.

General Principles

This IPMF is meant to enhance the quality and safety of agricultural products by encouraging farmers to adopt environmentally friendly and cost effective agricultural crop protection practices denominated as Integrated Pest Management (IPM). According to the FAO¹⁹: "IPM is the careful consideration of all available pest control techniques and subsequent integration of appropriate measures that discourage the development of pest populations. It combines biological, chemical, physical and crop specific (cultural) management strategies and practices to grow healthy crops and minimize the use of pesticides, reducing

¹⁹ <https://www.fao.org/pest-and-pesticide-management/ipm/integrated-pest-management/en/>

or minimizing risks posed by pesticides to human health and the environment for sustainable pest management.”

- (1) Applies sustainable pest control. IPM builds on ecosystem services such as pest predation while protecting others, such as pollination. It also contributes to increased farm productivity and food availability by reducing pre- and post-harvest crop losses.
- (2) Reduces pesticide residues. IPM contributes to food and water safety, as reducing the amount of pesticides used in turn reduces residues in food, feed and fiber, and environment.
- (3) Enhances ecosystem services. IPM seeks to maintain the national crop ecosystem balance. It conserves the underlying natural resource base (i.e. soil, water and biodiversity) and enhances ecosystem services (i.e. pollination, healthy soils, diversity of species).
- (4) Increases income levels. IPM reduces production costs through reduced levels of pesticide use. Higher quality crops (with less residues) can command better prices in markets and contribute to increased farmer profitability.
- (5) Strengthens farmer knowledge. IPM promotes farmer stewardship, increases farmer knowledge of ecosystem functioning adapted to their local context.

The project adopts a framework approach, as the location, scale and owners of specific sub-projects are not yet determined. An environmental, social and climate management framework (ESCMF) was therefore prepared during project preparation and this Integrated Pest Management Plan is an annex to this ESCMF report.

How does IPM work?

IPM is not a single pest control method but, rather, a series of pest management evaluations, decisions and controls. In practicing IPM, growers who are aware of the potential for pest infestation follow a four-tiered approach. The four steps include:

- (1) **Set** **Action** **Thresholds:**
Before taking any pest control action, IPM first sets an action threshold, a point at which pest populations or environmental conditions indicate that pest control action must be taken. Sighting a single pest does not always mean control is needed. The level at which pests will become an economic threat is critical to guide future pest control decisions.
- (2) **Monitor** **and** **Identify** **Pests:**
Not all insects, weeds, and other living organisms require control. Many organisms are innocuous, and some are even beneficial. IPM programs work to monitor for pests and identify them accurately, so that appropriate control decisions can be made in conjunction with action thresholds. This monitoring and identification removes the possibility that pesticides will be used when they are not really needed or that the wrong kind of pesticide will be used.
- (3) **Prevention:** As a first line of pest control, IPM programs work to manage the crop, lawn, or indoor space to prevent pests from becoming a threat. In an agricultural crop, this may mean using cultural methods, such as rotating between different crops, selecting pest-resistant varieties, and planting pest-free rootstock. These control methods can be very effective and cost-efficient and present little to no risk to people or the environment.
- (4) **Control:** Once monitoring, identification, and action thresholds indicate that pest control is required, and preventive methods are no longer effective or available, IPM programs then

evaluate the proper control method both for effectiveness and risk. Effective, less risky pest controls are chosen first, including highly targeted chemicals, such as pheromones to disrupt pest mating, or mechanical control, such as trapping or weeding. If further monitoring, identifications and action thresholds indicate that less risky controls are not working, then additional pest control methods would be employed, such as targeted spraying of pesticides. Broadcast spraying of non-specific pesticides is a last resort.

Based on the principle of “prevention comes first and with comprehensive approach”, the IPMF adopts the concepts of “public plant protection” and “green plant protection”, and summarizes the prevention and control methods of common pests for major crops and forest fruits related to the project. Under the premise of protecting the ecological environment, this IPMF prioritizes the role of natural control methods by promoting the use of agricultural, physical and biological control methods, coordinates the use of appropriate chemical control measures, and reduces dependence on agro-chemicals.

Pest control can bring about the best economic, social and ecological benefits. During project implementation, this IPMF should be updated based on actual situations including monitoring and training. The focuses are as follows:

- (1) Introduce and promote IPM technology in the project area (cooperatives), develop and implement pest monitoring and management plans, and strengthen the agricultural pest forecast.
- (2) Introduce new varieties of microbial pesticides and plant-derived pesticides in the project area as a control method to substitute harmful chemical pesticides, thus reduce the adverse effects of chemical pesticides on the environment and on human health.
- (3) Through the farmers' production skills training, on-site training and other learning methods, improve the practical skills of farmers and train farmers with comprehensive pest management skills.
- (4) Provide training for technicians, pesticide dealers, community managers and assistants, and county project office managers of the technology promotion station to raise awareness of integrated pest management (IPM).
- (5) Strengthen communication with quality supervision departments and strengthen supervision of pesticide sales and use in the project area to ensure compliance with the IFAD's relevant requirements (XXXXXX) for this project, and other international conventions and guidelines for pesticide use.

When implementing an IPM, not only economic benefits, but also ecological balance and social security should be considered. Based on this theory, principles of pest control should be: Based on agronomic measures, based on the different biological characteristics and habits of pests, make full use of the natural factors controlling the pests and diseases and create conditions that are not conducive to the development of pests and diseases, strengthen the occurrence of forecasting and hazard monitoring, and adapt to local conditions.

,The use of biological, physical, chemical and other complementary, coordinated, complementary measures to avoid killing natural enemies and polluting the environment, to control pests and diseases at acceptable levels. Give priority to the use of biological and other control measures. When pests and diseases occur seriously and other control methods cannot be effectively controlled, high-efficiency, low-toxic and low-residue chemical pesticides should be used, and safe application methods should be adopted to reduce chemical pesticides in soil or water environment.

Possible Environmental Risks Caused by Chemical Fertilizer

The environmental impact and risks that may be caused by fertilizer include: (1) Eutrophication of rivers and lakes. The cause of eutrophication is mainly due to the increase of nitrogen and phosphorus in the water, causing excessive growth of aquatic plants such as algae; (2) The soil is polluted and the physical properties of the soil are deteriorated. Long term excessive application of chemical fertilizers may lead to soil acidification. The amount of ammonium ions in organic and inorganic complexes in soil solution and soil micelles increases, and replace Ca^{2+} , Mg^{2+} , etc., so that the soil colloids are dispersed and soil structure is destroyed and the soil plates are formed. It will directly affect the agricultural cost and crop yield and quality; (3) Increase of nitrogen oxide content in the atmosphere.

A considerable amount of nitrogen fertilizer applied to farmland is directly volatilized from the soil surface and enters the atmosphere as Green House Gas. There is also a considerable part of organic and inorganic nitrogen get into soil which will transfer from insoluble and adsorbed compounds to water-soluble nitrogen and nitrogen oxides under the action of soil microorganisms and then enter into the atmosphere. Therefore, in order to solve the potential problem of pesticide and chemical fertilizer pollution in the project area, IPM strategy must be adopted for pest control.

The project has formulated a comprehensive pest control plan, widely applied integrated pest control technology, and combined the promotion of disease-resistant varieties with the application of high-efficiency, low-toxicity, low-residue pesticides and biological pesticides, so that the farmland ecological environment in the project area can be effectively improved.

Legislation

According to Federal Law No. 14.785, of December 27, 2023²⁰, pesticides are products and agents of physical, chemical or biological processes, intended for use in the production sectors, in the storage and processing of agricultural products, in pastures, in the protection of forests, native or implanted, and other ecosystems and also urban, water and industrial environments, whose purpose is to alter the composition of flora or fauna, in order to preserve them from the harmful action of living beings considered harmful. The law governs the activities carried out with pesticides in the national territory, from their production or import to the final destination of their waste and packaging. The provisions of this law were regulated by Decree No. 4.074 of January 4, 2002. Other aspects of pesticide use set out in the law include: classification, certification of service providers, transportation, application, safety for workers and the final destination of waste and empty packaging.

Labels

The product label is the main form of communication between the manufacturer and users. The information on the label is the result of years of research and tests carried out on the product before it received authorization from the Ministry of Agriculture, Livestock and Supply (MAPA) to be marketed. Therefore, before handling any pesticide, its label should be carefully read. The following information must be printed on the packaging or attached to it:

- (1) the pests that the pesticide should control;
- (2) the crops to which the pesticide can be applied;

²⁰ https://www.planalto.gov.br/ccivil_03/_ato2023-2026/2023/lei/L14785.htm

- (3) the recommended dosages for each situation;
- (4) the toxicological classification of the pesticide;
- (5) the way in which the pesticide can be used;
- (6) the place where the pesticide can be applied;
- (7) the time when the pesticide should be used: pre-planting, pre-emergence or post-emergence;
- (8) the grace period, i.e. the time interval, in days, that must be observed between the application of the agrochemical and the harvesting of the agricultural product. Compliance with the grace period is therefore essential if the harvested food is not to contain pesticide residues at levels above the maximum limit permitted by the Ministry of Health. The sale of agricultural products containing pesticide residues at levels above the maximum limit set by the Ministry of Health is illegal;
- (9) whether the agrochemical can be mixed with other frequently used agrochemicals in similar situations;
- (10) whether the pesticide can cause damage to the crops for which it is recommended.

Application

The effectiveness of agrochemicals in controlling pests, diseases and weeds depends very much on their application. Misuse of pesticides is wasteful and can contaminate people and the environment. Therefore, the equipment used to apply pesticides is just as important as the pesticide itself. Many problems resulting from pesticide application, such as drift, uneven coverage and failure of the pesticide to reach the target, are due to the equipment used. When choosing equipment to apply pesticides, one must pay attention to the equipment's efficiency, cost and ease of use and cleaning. Most pesticides are applied by spraying liquid solutions or suspensions. Before loading the equipment with the pesticide, it must be calibrated, i.e. adjusted so that the correct amount of pesticide is applied to the desired location. This must be done whenever a different pesticide is used or there is a change in the dose to be applied. There are various ways of calibrating equipment. It is important to choose a method that is reliable and easy to use. It is also necessary to calibrate the equipment before use for the following reasons:

the equipment is not identical. Small differences can result in large variations in the actual dose to be applied, generating inefficient control and causing problems in the environment; and

1. wear and tear on sprayer nozzles increases the flow rate and alters the distribution pattern of the pesticide, increasing the risk of the pesticide causing damage to the crop.

Another precaution to be taken periodically is to maintain and clean pesticide application equipment. This measure is important for two reasons:

1. economic - good maintenance of the equipment, as well as reducing the need to replace its parts, facilitates the application of pesticides. For the equipment to be properly calibrated, it must be in good working order;
2. health - the equipment retains product residues in its parts (tanks, hoses and nozzles) and on its surface, and there is a risk of these residues contaminating people and animals. Cleaning this equipment correctly reduces the risk of contamination and poisoning.

Precautions for use

To be used in agriculture, all pesticides must be registered for the crop and the target pest. Improper use can cause a great deal of harm to humans, wild animals, fish and other desirable organisms that inhabit

or visit rice fields for food. To reduce the risk of contamination and the negative impact on the environment, in addition to the measures printed on pesticide labels, the following precautions are recommended: selecionar o agrotóxico correto para o organismo-alvo, levando-se em consideração o nível de infestação e o local em que o produto será aplicado;

- (1) use the pesticide at the recommended dose;
- (2) observe the restrictions on the use of the pesticide and the area;
- (3) if the pesticide has restrictions on its use, obtain permission for its application from the competent body, either the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA) or the State Department/Agency for the Environment;
- (4) apply pesticides only when the weather conditions are favorable - low or non-existent winds - to avoid pesticide drift contaminating areas around the field and waterways; and
- (5) respect the grace period.

Disposal of waste and packaging

Pesticide waste and empty packaging must be disposed of in accordance with legislation. Improper disposal of pesticide waste can result in serious damage to humans, animals and the environment. Waste includes leftover pesticides, empty packaging and products contaminated with pesticides.

Empty pesticide containers should be sent to the local empty container reception center. The triple washing of equipment and packaging is a procedure that must be followed before the empty packaging is sent to its destination. The same procedure must be carried out to clean the equipment used to apply pesticides.

For the triple washing of pesticide packaging, the following procedure should be adopted:

- (1) empty the container completely, letting the liquid drain into the sprayer tank;
- (2) add water up to 25% of the container's capacity;
- (3) close and shake the container for 30 seconds;
- (4) pour the water from the container into the sprayer tank;
- (5) repeat the procedure at least twice more; and
- (6) puncture the container to ensure that it is not reused for other purposes.

Good management practices

In this context, good management practices (GMPs) refer to practices that help reduce the potential risk of pesticides being transported by water and reaching the water table or groundwater supplying municipalities.

The following BMPs, when incorporated into regular farming operations, can help reduce the undesirable impact of pesticide use on the environment and human health.

Integrated pest Management

Integrated Pest Management (IPM) consists of using all means of control, chemical and non-chemical, in a compatible way, to reduce production losses caused by arthropods, diseases and weeds. Pesticides should be considered as one of the resources for combating pests and should only be used when it is economically viable. In other words, the value of the expected loss due to the pest must be greater than

the cost of controlling it. Therefore, pest monitoring and sampling should be regular practices in agriculture to check whether the level of pest infestation justifies control, whether this is through the application of insecticides or another control measure, such as the use of traps.

Establishing a buffer area between crops and the most sensitive areas - Contamination of water sources occurs through the movement of pesticides through water. Establishing a buffer area made up of natural or planted forest between the agricultural field and natural water reservoirs serves as a barrier to contamination.

Use of alternative pest control methods - Normally, pest control requires less effort than is actually made to reduce the level of losses. In many cases, the combination of cultural practices that hinder the advance of pests and preserve natural enemies are preventative measures that are just as efficient, if not more so, than the benefits brought by pesticides. In addition, consumer and industry demand for a product that comes from an environment with no or little use of pesticides has increased in recent years.

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semi-arid of Brazil Project Project Design Report

Annex: F Gender Youth Nutrition And Social Inclusion Strategies

Mission Dates: 26/10/2023 - 03/11/2023

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Project No. 2000003598

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Latin America and the Caribbean
Programme Management Department

ANNEX F: Gender, Nutrition, Youth and Social Inclusion Strategies

Gender Strategy

Context

In the Project area, there are 15,774,866 women, representing 51% of the total population (IBGE, 2022). Despite women's fundamental contribution to agri-food production and the social reproduction of family farming, in the context of a patriarchal society, this contribution has historically been seen as merely complementary to men's work. In addition to devaluing women's reproductive and productive work, gender disparities are expressed in restrictions on control and access to natural, social, and monetary resources. For example, great inequality persists in the management of farms: only 23.9% (346,096) of the total family farming landholdings in the Project area are run by women, and only 3.3% by young women under 35 (IBGE, 2017). The average area of women-headed family farms is considerably smaller than that of men - 9.39 hectares (ha) versus 16.89 ha.

Rural women's strategy for expanding their space and autonomy in this oppressive and exclusionary context has been education, a fact that is evident in the higher level of education of women compared to men. According to the 2017 Agricultural Census, 44.0% of male family farmers and 37.2% of women family farmers were illiterate in the Project area. Furthermore, 27.2% of male family farmers had never been to school, compared to 23.8% of female farmers. Despite having a higher level of education, the average income of women is lower (86,5% of that of men) (IBGE, 2021). As a result, we can see the migration of these women, especially young women with more schooling, to urban areas, a process that is reflected in the increase in the proportion of men (masculinization) and the aging of the rural population, which challenges family farming succession (AZEVEDO, 2017; COSTA, 2013).

Being primarily responsible for domestic and family care work, rural women also face the double burden of work, which limits their participation in capacity building and access to technical assistance and training to improve their opportunities. Brazilian rural women account for 64% of all unpaid working women (MDA, 2011). In the Northeast, in 2019, women spent almost twice as much time caring for people or doing household chores as men (21.8 hours compared to 10.5 hours) (IBGE, 2019). Only 6.6% of female family farmers (or 22.985) in the Project area receive technical assistance, compared to 8.7% of men (or 96.098) (IBGE, 2017).

Part of women's productive activity is invisible because it does not involve monetized transactions. 38.6% of rural women carried out unpaid agricultural activities, compared to 17.7% of men. With work dynamics concentrated in the private sphere, they are generally excluded from decision-making on the use of financial resources. Data from IBGE (2017) shows that 75.1% (or 260.043) of female family farmers in the Project area produce for self-consumption, compared to 66,6% (or 730.531) of men.

Inequalities in participation in decision-making, coupled with dependence on and unequal access to natural resources, public services, and infrastructure mean that they are more exposed to the effects of climate change and environmental risks, which have a negative impact on cultural and social practices and further reduce the economic opportunities available to them. Women are primarily responsible for collecting water, food, and firewood in a context of increasing pressure on natural resources.

Rural women from traditional peoples and communities (PCTs) in the Project area are impacted by the combined effects of regional, gender, and ethnic-racial inequalities. Those who make up the PCTs face even greater obstacles to participating in decisions that affect their territories and to the full realization of their rights, being the groups of women who experience the highest rates of food insecurity, poverty, poor access to health, education, credit, and participation in political life (UN Women, 2021).

Violence in Brazil's rural areas is increasing every year, as shown by the growing number of murders of rural women workers. Domestic violence is also more dramatic in rural areas. According to the Atlas of Violence, between 2009 and 2019, states in the Northeast, such as Rio Grande do Norte and Ceará, are among those with the highest increase in the number of murders of women: 55% and 51%, respectively. Afrodescendants, indigenous, and poor women are disproportionately affected by violence in Brazil. In 2020, 66% of women murdered in Brazil were afrodescendants (IPEA, 2021).

Programs and public policies aimed at gender equity and women's empowerment

The Special Secretariat for Women's Policies (SPM) was created in 2003 as a centralized government body for coordinating the gender policies of the different ministries and other federal bodies, ensuring gender mainstreaming and social participation and control by civil society, as well as seeking to agree joint actions with state and local governments. In 2023, the Ministry of Women was created, with the competence, among others, to formulate, coordinate and execute policies and guidelines to guarantee women's rights; to articulate and monitor policies for women in the three federal spheres, as well as to articulate intersectorally and transversally with public and private bodies and entities, and with civil society organizations.

National Plan for Women's Policies (PNPM) is organized into 11 axes that represent priority themes and areas of concern raised by women at the National Conferences on Policies for Women:

- I. Economic autonomy and equality in the world of Inclusion;
- II. Inclusive, non-sexist, non-racist, non-homophobic, and non-lesbophobic education;
- III. Women's health, sexual rights, and reproductive rights;
- IV. Combating all forms of violence against women;
- V. Women's participation in power and decision-making spaces;
- VI. Sustainable development in rural areas, in the city, and in the forest, with a guarantee of environmental justice, food sovereignty and security;
- VII. The right to land, decent housing, and social infrastructure in rural and urban areas, considering traditional communities;
- VIII. Egalitarian culture, Democratic, and non-discriminatory communication, and media;
- IX. Tackling racism, sexism, and lesbophobia;
- X. Tackling generational inequalities that affect women, with special attention to Young and elderly women;
- XI. Management and monitoring of the plan.

PRONAF Women supports agricultural and non-agricultural activities through a specific credit line directed to rural women with facilitated payment conditions.

The **National Policy to Combat Violence against Women** aims to establish concepts, principles, guidelines, and actions to prevent and combat violence against women, as well as to assist and guarantee the rights of women in situations of violence, in accordance with international human rights standards and instruments and national legislation.

Program to Defend the Rights of Young Women Vulnerable to Sexual Abuse and Sexual Exploitation in Brazil is part of the Program for the Defense of the

Rights of Children and Adolescents and aims to promote the rights of girls, especially those at risk, to eliminate violence against them.
The National Program for the Productive Organization of Rural Women establishes the integration of public policies aimed at the qualification of productive and economic processes, and the production of healthy foods.
The National Program for Citizenship and Well-Being has as one of its main actions the Rural Workers' Documentation Workshops, which aims to raise awareness of the usefulness of civil and labour documentation, as well as guidance on access to public policies for women in agrarian reform and family farming, and social security, issuing civil and labor documents and access to social security rights free of charge.
The Productive Backyard Program aims to promoting food and nutrition security and the economic autonomy of rural women. Initially, 10,000 productive backyard gardens will be created, benefiting thousands of women through access to the inputs, equipment, and tools needed to structure and manage the gardens. The action consists of associating the backyards with development, technical assistance, cisterns, and marketing. By 2026, 90,000 productive backyards will be supported throughout Brazil. The action involves the Ministry of Agrarian Development (MDA), the Ministry of Development and Social Assistance, Family and Fight against Hunger (MDS), and BNDES.

Strategic pathways

The Dom Hélder III Project, which focuses on the development of family farming in the semi-arid region, will take an integrated approach to transforming gender relations by acting on the environmental, economic, and cultural causes that generate social vulnerability among rural women. This perspective aims to transform unequal power relations shaped by patriarchal structures, norms, and practices, and to strengthen women's capacities by expanding their decision-making spaces in the family and social spheres. In accordance with IFAD's GEWE strategy, the Project will: i) promote economic empowerment through equal access to and control over key resources and assets; ii) improve women's capacities so that they can occupy decision-making spaces in rural institutions and organizations; iii) promote actions for a fair sexual division of labor in the rural context and promote rural women's access to public policies, social technologies, and productive infrastructure that prioritize agroecological practices and sustainability.

Through gender sensitization workshops, PDHC III will work on important concepts in the formation of structural inequality in the country, with emphasis on the intersectional discrimination.¹ The actions of the three strategic trajectories, detailed in the table below, will highlight the contributions of women, acting as important tools in restoring self-esteem and recognizing women's work in the semi-arid region of Brazil beyond the domestic sphere, stressing patriarchal values that place women only as keepers of the home, in a position of subalternity. By having a positive impact on the lives of women, especially rural family farmers, quilombolas, and indigenous women, PDHC III reverberates in the transformation of the structure of society, as these target groups form the base of the social pyramid.

¹ Race, gender, and class are considered axes of subordination, social constructions that influence culture, values and hierarchical relationships, acting simultaneously in the social and economic configuration of the country. The analysis is intersectional, as coined by Kimberlé Crenshaw, 1989. An analysis that considers the various markers in the configuration of inequality is important. A hierarchy of oppressions is unfeasible, so the intersection of race, class, and gender is fundamental to making a new model of society possible. In this sense, we also articulate the teachings of Angela Davis, 1997, who considers that race, gender and class inform each other, influencing each other simultaneously. There is no greater degree of relevance between one and the other in shaping social inequalities.

Theory of Change: Gender

General Objective	Increasing the impact of PDHC III on gender equality and women's empowerment in the semiarid region of Brazil.		
Goal	At least 50% of total Project beneficiaries are women (about 45,000 women-headed families).		
Specific Objectives	Economic empowerment	Decision-making and representation	Workload balance
Activities	<ul style="list-style-type: none"> - Increasing women's access to and control over key tangible and intangible assets and resources - inputs, technologies, knowledge, capital, and services - such as rural extension, training, credit, and support for entrepreneurship. - Encouraging agricultural production adapted to women through qualified Technical Assistance associated with feminist popular education practices. - Creation of new spaces/opportunities for market access and support for women's economic involvement. Support the access to public acquisition programs, such as PNAE and PAA. - Sensitizing men and boys to support women's economic engagement. - Agroecological logbooks will be implemented as a unique methodological tool that allows measuring, valuing, and giving visibility to women's fundamental contributions to the family economy, as well as community development, promoting women's self-esteem, and demonstrating how they contribute to a healthy, diversified, and safe family diet. 	<ul style="list-style-type: none"> - All Technical Assistance teams will be trained in gender issues, and cross-cutting gender training modules will be offered to beneficiaries in all communities assisted. - Ensuring the participation of rural women in socio-economic planning (addressing specific issues demanded by women during participatory planning). - Fostering greater women's participation in decision-making spaces in Rural Organizations through dialogue and training in associativism, women's rights, and leadership. - Rural Workers' Documentation Campaign, ensuring the issue of essential documents for access to public policies and the full realization of rural women's rights, such as identity cards, CPFs, CAFs, and rural producer's cards. - Gender strategy with participation quotas for women. - Ensure the participation of technical assistance institutions experienced in gender, feminism, family farming and agroecology. 	<ul style="list-style-type: none"> - Implementing social technologies for collecting and storing water, such as cisterns, to reduce the time women spend collecting water. - Communication interventions for changing gender behaviors. - Engaging men and women in family nutrition through nutrition-sensitive interventions and technical assistance that promotes basic nutrition, balanced diets, and proper food handling. - Promote a campaign on the fair division of labor.

	- Specific Technical Assistance call for women.		
	Political engagement and raising awareness of gender-based violence.		
M&E	<p>Data disaggregated by gender.</p> <p>Outreach indicator: people receiving services promoted or supported by the Project (disaggregated by gender, youth, and traditional communities).</p> <p>CI 2.2.1 Persons with new jobs/work opportunities (disaggregated by gender and youth).</p> <p>CI 1.1.4 People trained in productive practices and/or technologies (disaggregated by gender and youth).</p> <p>Training in food security, gender, agroecology, and climate-resilient agriculture (disaggregated by gender).</p>		

Target subgroups

Women-headed households: Women-headed households lag behind their male counterparts in access to and ownership of most of the inputs, goods and services that are relevant to productive activities in rural areas. The chances of food insecurity are supposedly higher among women-headed households compared to male-headed households in Brazil. According to recent data from Brazil, 63,0% of women-headed households had some degree of food insecurity, and hunger affected 18,8% of them (PENSSAN, 2022). In comparative terms, hunger affects 7,4 percentage points more women-headed households than male-headed households in the country.

Women from traditional peoples and communities: Indigenous and quilombola women are the most marginalized and socially excluded groups, facing higher rates of violence, poverty, and food insecurity, as well as having even more limited access than other women in the Project area to public health and education policies, among others (UN WOMEN, 2021). In addition to being the target of triple discrimination: gender, race, and socioeconomic status, they are also the target groups most vulnerable to climate change. Despite this, women from Traditional Peoples and Communities (PCTs) play a fundamental role in environmental preservation, as guardians of ancestral productive and food knowledge and practices.

Young women: Rural girls are often "left behind" because of a triple burden of overlapping challenges: age, socioeconomic status, and gender. PDHC III activities for young people will aim to reach at least 50% of young women. In addition, special attention will be paid to promoting the self-esteem and self-confidence of this target group, as well as addressing issues such as early pregnancy and gender violence.

Faced with this context, and committed to reducing gender gaps and promoting gender equality, the Project will develop actions aimed at including women, in particular women whose work is made invisible, where families are run by them, indigenous women, quilombolas and young women, guaranteeing a representation of at least 50% of the Project's total beneficiaries (45,000 families with actions focused on women).

Implementation measures

The following measures will be taken to ensure that gender issues are considered in Project implementation:

- Developing a gender strategy and gender action plan for the Project (based on a specific study to be carried out at the start of implementation - baseline).
- Setting targets for women as a percentage of beneficiaries. 50% of the total beneficiaries will be women.
- Budget allocation for specific gender-related activities, such as agroecological logbooks, and territorial women's meetings.
- One person on the Project management team will be responsible for gender, youth and social inclusion issues (overseeing the implementation of the gender strategy, training staff, and helping colleagues to address gender equality and women's empowerment issues in their operations, including knowledge management, M&E indicators and measuring results).
- Responsibility for gender mainstreaming will be included in the terms of reference of all key Project staff.
- Responsibility for gender mainstreaming will be included in the terms of reference of service providers.
- In all its activities, IFAD's policy on preventing and combating sexual harassment, sexual exploitation and abuse (SEA) will be complied with. This will be reflected in the terms of reference of all key Project staff and service providers. All agreements and contracts within the framework of IFAD-funded Projects, whether by Project staff, contractors, suppliers and other third parties, will have the obligation to immediately report incidents to IFAD related to sexual harassment, exploitation and abuse (SEA) in IFAD-funded activities or operations. Further details can be found in the Procurement and Contract Management section of the Project Implementation Manual (PIM).
- Sex-disaggregated data will be collected and analyzed. In the event of low involvement of women in the Project or unqualified participation, corrective actions will be promoted.
- The studies carried out by the Project will include a gender perspective.
- Technical Assistance (TA) teams must be composed of at least 30% women.

Nutrition Strategy

Context

Food Security. According to the II VIGISAN, food insecurity in 2021/2022 affected 58.7% of Brazilian households (reaching 125.2 million people). In the Northeast, food insecurity reached 68% of households, where 12.1 million people were facing hunger, i.e., severe food insecurity. The family farming (FF) segment has suffered the greatest impact of the economic crisis in recent years, being especially affected by the dismantling of family farming public policies. In the Northeast, in 2021/2022, 83.6% of FF families faced some degree of food insecurity; the worst rates in the country (PENSSAN, 2022).

Nutrition. Brazil faces a double burden of malnutrition (DBM), marked by the simultaneous presence of undernutrition and overnutrition. According to the Global Nutrition Report, 8.4% of newborns in Brazil have low birth weight. Among children under five, the prevalence of stunting is 7%, underweight for height (*wasting*) 1.8%, and overweight 6.4%. Among Brazilian adults, 29.1% of women and 23.9% of men are obese (SISVAN, 2019).

In the Northeast, according to data from the Ministry of Health (SISVAN, 2019), 60.2% of the region's population faces overnutrition: 35.2% overweight and 25% obesity. For children aged 0 to 5, 5.7% were underweight or severely underweight for their age in 2019. For the same age group and year, 8% of the children were very short for their age, and 8.4% were short for their age, indicative of chronic malnutrition. For the Project area, wasting among children under 5 is 3.8%, stunting 4.8%, overweight 7.7% and obesity 6.9%. Among the adult population, 35.9% are overweight and 28.8% obese.

Despite the notable reduction in chronic malnutrition in the last decade (child malnutrition dropped officially in Brazil from 13,5 in 1996 to 6.8% in 2006), improvements in the population's nutritional status have not been homogeneous (Monteiro, 2009). With the highest poverty rates in the Northeast region, traditional and indigenous communities are also more exposed to nutritional vulnerability. According to the Ministry of Health, in 2018, the prevalence of chronic malnutrition among indigenous children under 5 was 28.6%. The figures vary between ethnic groups, reaching 79.3% of Yanomami children (UNICEF, 2019). According to another public survey by the Ministry of Health, short stature in children under five still affected 9.8% of indigenous children in the Northeast in 2017, while 16% were overweight and obese (SIASI, 2017). The Northeast is the region with the highest number of overweight indigenous children in Brazil.

Women of reproductive age have higher nutritional needs than men, and research shows that in the Northeast, the prevalence of underweight among pregnant women reaches 18% compared to 6.7% for the rest of Brazil (MELO, 2011). Brazilian women-headed households are also more vulnerable to food insecurity. According to recent data from Brazil, 63,0% of women-headed households had some degree of food insecurity, and hunger affected 18,8% of them (PENSSAN, 2022). In comparative terms, hunger affects 7,4 percentage points more women-headed households than male-headed households in the country.

Programs and public policies aimed at food and nutritional security

The **National Food and Nutrition Security Policy (PNSAN)** has as its priority objective the realization of a basic human right, which provides for the implementation of biologically and socio-culturally appropriate food practices and the sustainable use of the environment.

The **Food Acquisition Program (PAA)** includes acquiring agricultural products from the FF, distributing them to food-insecure people, and forming strategic stocks. Traditional quilombola communities and other Afro-descendant social groups, identified as family farmers, can participate in the PAA, which includes specific targets to serve quilombola communities.

The **School Feeding Program (PNAE)** is a strategy to promote Food and Nutrition Security (FNS) for public school students and a public procurement program that encourages the local purchase of food from family farming (minimum 30% of FNDE resources) and prioritizes agrarian reform settlements, indigenous, and quilombola communities. There is a historical demand from the organizations of the quilombola movement for food for public schools and their students that is in line with the customs, diet, ways of life, and production of the communities.

Bolsa Familia is a very well-targeted conditional cash transfer program, which has proven to improve FNS positively.

The **Food Guidelines for the Brazilian Population (Ministry of Health - MS, 2015)** and **Food Guide for the Brazilian Population (MS, 2019)**: present a set of information, analysis, recommendations, and guidelines on the choice, combination, preparation, and consumption of food that aim to promote the health of individuals, families and communities, and Brazilian society as a whole.

The **Brazil Without Hunger Plan (2023)** is composed of 80 actions and programs, with more than 100 goals proposed by the 24 Ministries that make up the Interministerial Chamber for Food and Nutritional Security - CAISAN, organized into 3 axes: Access to income, poverty reduction and promotion of citizenship; Adequate and healthy food, from production to consumption; and Mobilization to combat hunger.

The **National Program for the Strengthening of Family Agriculture (PRONAF)** grants subsidized credit for the cost of cultivation, agro-industrial activity or investment in machinery, equipment, or infrastructure for agricultural or non-agricultural production and services. PRONAF has specific credit lines for young people, women, agroecology, the semiarid region, bioeconomy, agroindustry, among others.

Key national priorities for achieving a sustainable food system by 2030 include:

- Support family and small-scale agriculture to promote sustainable livelihoods and food diversification;
- Encourage greater integration of agrobiodiversity in food systems, also promoting biodiversity in production chains;
- Ensuring safe, healthy, and nutritious food for all;
- Promote healthy and nutritious diets. In particular, continue to promote breastfeeding and healthy eating for children under two and implement evidence-based dietary guidelines.

Strategic transformation pathways

To contribute to reducing the triple burden of malnutrition and to support the Government of Brazil in its nutrition policies and achieve its objectives, as well as to improve the country's competitive advantage, the Project aims to improve the quality of the diet of beneficiary households through the following trajectories:

Production = diversified production of food groups + enhanced food biodiversity (Neglected Underutilized Species - NUS) + improved food biodiversity (NUS) +

improved sustainable resource management practices + improved and secure storage, processing, and preservation.

Knowledge = improved knowledge on nutrition, water and sanitation, and health + improved dissemination of relevant nutrition-related traditional knowledge + improved knowledge on sustainable natural resource management practices.

Women Empowerment = increase in women-controlled income + introduction of time and labor-saving technologies + increase in women's decision-making power.

The proposed trajectories have a demonstrated positive impact on food consumption, dietary diversity, and micronutrient intake and absorption, which contributes to **improving the overall nutritional status of the target population.**

Theory of Change: Nutrition

General Objective	Improve diet quality and nutritional status of families in the semiarid Northeast region.			
Goal	70,000 families directly benefit from nutrition-sensitive interventions.			
Specific Objectives	Increased availability and access to nutritious food	Increased knowledge of nutrition	Sustainable management of natural resources and resilience to climate change	Gender equality and women's empowerment
Activities	<ul style="list-style-type: none"> - Increase the production of nutrient-rich crops and diversify the production of nutritious food for self-consumption. - Integrate the use of neglected and underutilized species (NUS) rich in nutrients and resilient to climate change in productive agroecological backyards and promote awareness campaigns on the value of NUS promoted by the Project. - Promote appropriate processing, storage, and preservation practices for local foods with the potential to improve 	<ul style="list-style-type: none"> - Promote nutrition education and dietary diversification in schools (an activity that should be tailored to the characteristics of the target groups) and seek to incorporate nutrition into school curricula on an ongoing basis. - Integrate nutrition, water, sanitation, and health basics (e.g., fortified diets, food diversification, hygiene practices) through the provision of TA to target groups. - Train TA personnel in nutrition-related topics. - Value and increase the dissemination of relevant nutrition- 	<ul style="list-style-type: none"> - Promote climate resilient practices and sustainable management of natural resources (soil, composting, etc.). - Increasing access to safe drinking water - Implement social technologies to improve water management for food production (cisterns). - Diversifying and enriching production systems - Effective voice and participation in environmental planning, and 	<ul style="list-style-type: none"> - Introduce time and labor-saving technologies (e.g., water harvesting technologies) and ensure women are trained to implement and maintain them. - Increasing women-controlled income - Increase women's access to and control over assets (inputs, technologies, and financing) and generate new sustainable income opportunities. - Support women's voice and decision-making power in families, rural

	<p>the micronutrient profile of diets.</p> <p>- Promoting social water access technologies to increase food availability of water for human consumption and production throughout the year.</p>	<p>related traditional knowledge.</p> <p>- Communication and knowledge management: integrating nutrition topics into guides and manuals prepared by the Project.</p>	<p>natural resource management.</p>	<p>organizations, and the community.</p> <p>- Raise awareness on issues related to gender equality and nutrition (early pregnancy, sexual and reproductive health).</p>
M&E	<p>Outcome indicator (CI 1.1.8): Households receiving targeted support to improve their nutrition (by gender, youth, and traditional communities).</p> <p>Outcome indicator (CI 1.2.8): Women reporting Minimum Dietary Diversity (MDD-W).</p>			

Implementation measures

The following implementation measures will be taken to ensure special attention to nutrition:

- Develop a detailed nutrition strategy and action plan with an integrated approach that includes gender, youth, and climate resilience for the Project, specifying the activities and methodologies that will be adopted to achieve the nutrition outcomes based on the pathways identified in the Project and a study conducted at Project inception (baseline).
- Ensure that all Project priority groups, including women, youth, indigenous people, and people from traditional communities, participate in nutrition training.
- Ensure that Project staff is trained on nutrition-related issues and the Project's integrated approach.
- Budget allocation for specific nutrition-related activities, including Project staff and partners' training.
- Recruitment of a full-time nutrition specialist in the Project Management Unit team (to oversee the implementation of the nutrition strategy, build staff capacity, and help colleagues integrate nutrition considerations into their operations, including knowledge management and performance measurement and evaluation).
- Ensure that technical assistance teams are trained on nutrition-related issues, including the specific nutritional problems of women, and the influence of socio-cultural aspects in the case of indigenous peoples and traditional communities.
- Specific nutrition indicators will be monitored, and data will be analyzed regularly.
- The studies conducted by the Project and the knowledge management products developed will include a nutritional perspective.

Youth Strategy

Context:

In the Project area, there are 7,197,689 young people, representing 23% of the total population (IBGE, 2022).

According to UNICEF, 61% of Brazilian children and adolescents are poor, either because they live in families with insufficient income - monetary poverty - or because they do not have access to one or more rights - multiple deprivations (about 32 million people in total). There are about 18 million girls and boys (34.3%) affected by monetary poverty - with less than R\$ 346.00 per capita per month in urban areas and R\$ 269.00 in rural areas. The other 12 million (23.1%), in addition to living on an insufficient income, are denied one or more rights - multiple deprivation (UNICEF, 2017).

A survey carried out by UNICEF in 2014, that examined the profile of young men and women, between 15 to 29 years old, in the rural areas of all Brazilian states, highlighted the importance of the family as a central element in the lives of young people in the countryside, as it not only represents an economic unit, but is also the space that enables their development of sociability. The vast majority of young rural Brazilians, 89.9%, still say they live with their families, with 8.2% being married. In this context, rural young people, because they are socially used as apprentices in agriculture and therefore seen as dependent on the orders and transmissions of knowledge offered in the family environment, often feel that their contributions are underestimated and find it difficult to find their vocation.

Around 25% of young people in Brazil neither study nor work (IBGE, 2022a) and are vulnerable to poverty, with afrodescendant young women having the highest percentage out of school and the job market. In this scenario of poverty, rural young people who enter working age face difficulties in building their life Project in the countryside and are increasingly looking for better conditions in urban centers.

The Project area is undergoing a demographic transition. Comparing the last two Agricultural Censuses, the percentage of young family farmers under the age of 35 went from 19.2% of all family farmers in 2006 to just 10.8% (156,500) in 2017, confirming a historical trend of a reduction in the young population on rural properties. The growing migration of rural youth, particularly more educated young women, to urban areas is largely due to barriers to inclusion, such as the lack of adequate study and work opportunities in the countryside. The rural semiarid region of the Northeast combines low-income generation capacity, precarious working conditions, and a lack of basic services.

Young people who choose to stay in the countryside have more limited access to assets such as credit, land, and technical assistance. For example, only 7.8% of young family farmers up to the age of 35 in the Project area receive Technical Assistance (or 12,169), being 8.2% among young men and 6.8% among young women (3,245) (IBGE, 2017). However, it is worth highlighting the evolution of specific programs aimed at rural youth in recent years, such as the Agrarian Reform Education Program (PRONERA), and the Field Degree at federal universities. These programs have expanded access to higher education for a portion of rural youth, many of whom have become leaders within the social movements and social organizations to which they belong.

Regarding child labor, 1.7 million children and adolescents aged 5 to 17 were in child labor in 2019. Out of this total, 66% were afrodescendants (IBGE, 2019). UNICEF data indicates that the situation will worsen during the pandemic (UNICEF, 2021).

The North and Northeast regions had the highest number of child laborers, with almost half working in agriculture.

Programs and public policies directed to youth

<p>The National Youth Inclusion Program (ProJovem) has the mission of raising the educational level of young people between the ages of 18 and 29 who, although literate, have not yet completed elementary school. This commitment is materialized through the Youth and Adult Education (EJA) modality, which integrates professional skills and civic engagement". The "Campo" modality is aimed at young farmers who have been excluded from the formal education system. It lasts 24 months and integrates Youth and Adult Education (EJA) with social and professional qualifications, strengthening the agricultural base.</p>
<p>The PRONAF Youth supports agricultural and non-agricultural activities, through a specific credit line directed to rural youth with facilitated payment conditions.</p>
<p>The National Agrarian Reform Education Program (PRONERA) presents and supports education projects aimed at developing agrarian reform areas. The public policy is aimed at young people and adults living in settlements created or recognized by INCRA, quilombolas, teachers and educators who carry out educational activities aimed at beneficiary families, as well as people assisted by the National Land Credit Program (PNCF).</p>
<p>The "Youth Land" line of the National Land Credit Program (PNCF) - offers subsidized credit for the acquisition of land by rural workers under the age of 30.</p>
<p>The National Plan for Youth and Rural Succession (2016) integrated actions from different ministries in the following areas: Land and Territory; Work and Income; Rural Education; Quality of Life; Participation, Communication and Democracy. The Plan is currently being reconstructed using a participatory methodology of dialogue with organizations representing rural youth.</p>
<p>The Young Entrepreneur Program was designed to provide professional training and subsequent funding for young people at a technical level who were finishing their course or had recently graduated, aged between 18 and 29 and were interested in running their own business. It had a regional focus, limited to the areas where Banco Nordeste operates (Northern Espírito Santo, Minas Gerais, and the Northeastern states), which was responsible for its development.</p>
<p>Young Brazil Program, comprising the implementation of Youth Centers and the training of young people aged 15 to 17 as Youth Agents for Social and Human Development through the granting of scholarships.</p>
<p>The Youth Agent for Social and Human Development Program aims to prepare young people for intergenerational work, training them for the job market and to work in their communities in the areas of health, culture, the environment, citizenship, sport, and tourism.</p>

Strategic pathways

For youth, PDHC III will adopt an inclusive approach that focuses on the economic, political, and cultural root causes of the vulnerability of different subgroups of young people. It will support the adoption of practices, approaches, and techniques that encourage the sustainable use and management of natural resources, promoting the formation of spaces for rural youth participation, in all its multiplicity, and enabling them to increase their power of agency and become agents of development in their communities.

In line with IFAD's Strategic Framework 2016-2025 and the Rural Youth Action Plan (RYAP), the Project will: i) promote economic empowerment through access to and control over fundamental productive factors, especially assets, services and relevant skills, and ii) improving young people's ability to act in decision-making spaces for

political and social representation (communities and institutions, rural movements and organizations).

Theory of Change: Youth

General Objective	Increasing the impact of PDHC III on the social, economic, and political empowerment of rural youth in Brazil's semiarid region.	
Goal	At least 30% of beneficiaries are young people (50% of whom are young women).	
Specific Objectives	Economic empowerment	Decision-making and representation
Activities	<ul style="list-style-type: none"> - Encourage young people to engage in cultures that interest them. - Specific Technical Assistance call for Rural Youth. - Capacity-building for vocational and entrepreneurial training. - Improving the pedagogical content of rural education. - Support (training and student grants) for CCEFAs in rural education. - Improve access to and ability to dispose of assets and resources, such as inputs, technology, credit, and natural resources. - Creation of new jobs and job opportunities. - Supporting the involvement of young people in the adoption of climate-resilient productive technologies and practices, approaches and techniques that also encourage the sustainable use and management of natural resources. 	<ul style="list-style-type: none"> - Youth strategy with participation quotas for young people. - Raising awareness so that more young people join rural organizations. - Leadership training for young people. - Empowering young people to make decisions at community and organizational level. - Capacity building on issues such as associativism. - Using young people (especially young women) as role models. - Agroecological Youth Award. - Engage youth in participatory planning, design, monitoring, and evaluation, as well as Project management.
M&E	<p style="text-align: center;">Indicators disaggregated by youth.</p> <p>Outreach indicator: people receiving services promoted or supported by the Project (disaggregated by gender, youth, and traditional communities).</p> <p>CI 2.2.1 People reporting new jobs/work opportunities (disaggregated by gender and youth).</p> <p>CI 1.1.4 People trained in productive practices and/or technologies (disaggregated by gender and youth).</p>	

Target subgroups

Young men and women who are involved in subsistence farming activities with an interest in further expanding their productive activities and/or start new projects.

Young men and women of indigenous and traditional communities: Indigenous and quilombola youth are among the most marginalized and socially excluded groups, facing higher rates of poverty and food insecurity, and will be prioritized.

Young men and women from the Family Alternance Training Centres (CEFFAs) and other similar rural education institutions: the Project will strengthen the CEFFAs and other alternance training institutions, leveraging the experiences of the alternance pedagogy to multiply good practices in contextualized education, productive inclusion, and income generation for rural youth.

Implementation measures

The following implementation measures will be taken to ensure inclusion of youth:

- Development of a detailed youth strategy and action plan for the Project (based on a specific study carried out at the start of implementation - baseline).
- Setting targets for young people as a percentage of beneficiaries. At least 30% of beneficiaries will be youth, 50% of which will be young women.
- Budget allocation for specific youth-related activities.
- Recruitment of a full-time youth and social inclusion specialist by the Project management team (to oversee the implementation of the youth strategy, build the capacity of the team and help colleagues integrate youth inclusion considerations into their operations, including knowledge management and results measurement).
- The Technical Assistance (TA) teams must be made up of at least 15% young people. Young people trained at the EFAs will have priority in being hired as providers of continuous and specialized TA services to the communities benefiting from the Project.
- Age-disaggregated data will be collected and analyzed.
- The studies carried out by the Project and the Knowledge Management (KM) products produced will include a generational perspective.

Strategy for the inclusion of indigenous peoples and traditional communities

Context:

The semiarid is a region of great ethnic and cultural diversity, with a high concentration of **traditional peoples and communities (PCTs)**². PCTs are particularly vulnerable due to historical dynamics of exclusion, high dependence on natural resources affected by climate change, marginalization of their ways of life, exclusion from the formulation of public policies, and poor access to services, including health, education, sanitation, infrastructure and technical assistance and extension services. Indigenous and quilombola women are the most marginalized and socially excluded groups, facing higher rates of violence, poverty, and food insecurity, as well as more limited access than other women to public health and education policies, among others. They are also the target groups most vulnerable to climate change.

Indigenous peoples. According to the latest IBGE census (2022), there are 1,693,535 indigenous peoples in Brazil, almost doubling in the last 10 years (817,693 in 2010). The second region with the largest population in absolute numbers is the Northeast, with 528,800 indigenous people (31.2% of the total). In the Project area, there are 283,747 indigenous peoples, only 64,132 (22.6%) living in Indigenous Lands (ILs) and the vast majority, 77.4%, living outside ILs (IBGE, 2022b). 106,331 indigenous peoples are registered in the Unified Registry (2023) in the Project area, 37.5% of the total population. Of the 37,885 indigenous families in the Single Registry, 82.0% live in poverty or extreme poverty.

Extreme poverty affects indigenous people six times more than the rest of the Brazilian population. The majority of the indigenous population is facing accelerated social transformation and needs to seek its physical and cultural survival and guarantee a better quality of life for future generations. It is estimated that in Brazil, less than 5% of young rural indigenous people aged between 20 and 29 have 13 or more years of schooling (ECLAC, 2016). In terms of health, infant mortality in the first year of life for indigenous children is three times higher than the national average. Between 2018 and 2021, the Special Secretariat for Indigenous Health (SESAI) recorded 3,126 deaths of indigenous children aged 0 to 5, mostly due to preventable and treatable diseases such as diarrhea and malnutrition. 72% of the deaths were of children under the age of 1. The precarious situation of indigenous children is evident in the fact that anemia affects 50% of them.

*Quilombolas*³. The quilombola population suffers triple discrimination and marginalization due to their race, socioeconomic and cultural status. According to recently published data from the 2022 Census, there are 494 officially delimited quilombola territories in Brazil, 104 of which are located in the semiarid Northeast (IBGE, 2022b). The same census indicates there are 560,428 quilombolas living in the Project area, only 8.2% of whom (46,669 people) live in quilombola territories. Among the 126,293 quilombola families registered in the Unified Registry (2023) in the Project area, 94,289 (or 74.7%) live in poverty and extreme poverty.

Their main economic activities are based on subsistence agriculture associated with the collection of non-timber forest products and artisanal fishing. Quilombola identity

² "Traditional Peoples and Communities", which are defined by Decree 6.040/2007 as "culturally differentiated groups who recognize themselves as such, who have their own forms of social organization, who occupy and use territories and natural resources as a condition for their cultural, social, religious, ancestral and economic reproduction, using knowledge, innovations and practices generated and transmitted by tradition". These groups include indigenous peoples, quilombolas, Afrodescendants, riverine communities, artisanal fishers, shellfish gatherers, caboclos, among other groups.

³ Quilombolas are descendants of enslaved people who resisted the slave regime, having their own identity and cultural values, religious beliefs and means of subsistence.

is strictly associated with belonging to the collective territory in which they live. Like other traditional communities, they make common use of natural resources, and their relationship with the environment is based on differentiated cultural practices. Although Brazil's 1988 Constitution recognizes the remnant quilombo communities (CRQ) as legal holders of the right to the land they have historically occupied, the process of recognizing and regularizing quilombo territories is still challenging. These communities often suffer from human rights violations and have historically been subjected to a process of expropriation of their territories.

The most recurrent health problems among quilombola men and women are those associated with the social and environmental determinants of health. There is a high prevalence of water-borne diseases and high blood pressure, and the processes of illness are aggravated by poor sanitation and lack of access to public health services, contributing to the persistence of diseases that are under control (or declining) in other population groups. For example, the Quilombola Nutrition Call, which took place in 2006, found that 15% of children under the age of 5 were short for their age, expressing severe malnutrition (MDS, 2006). Regarding to access to public infrastructure, 11% of the quilombola communities surveyed did not have a Community Health Agent, and 38% did not have a Family Health Establishment (PSF). Garbage was not collected in 71% of Quilombola households, and almost half of them (45.8%) had open sewers. Even when there are public health services, their organizational logic disregards the dynamics of the groups' territories (MELO, 2017).

In addition to indigenous peoples and quilombolas, the Project area is home to many unidentified traditional and culturally differentiated communities that occupy and use territories and natural resources as a condition for their cultural, social, and economic reproduction, including Afrodescendant or terreiro communities, "extractivists" (non-timber forest products), riverine communities, artisanal fishers, shellfish gatherers and caboclos. There is often an overlap between these social segments.

Programs and public policies directed to indigenous peoples and traditional communities

The **National Policy for the Sustainable Development of Traditional Peoples and Communities (PNPCT)** goal is to promote the sustainable development of traditional peoples and communities, with an emphasis on recognizing, strengthening, and guaranteeing their territorial, social, environmental, economic, and cultural rights, while respecting and valuing their identity, forms of organization and institutions.

The **National Policy for the Territorial and Environmental Management of Indigenous Lands (PNGATI)** has the general objective of guaranteeing and promoting the protection, recovery, conservation, and sustainable use of the natural resources of indigenous lands and territories, ensuring the integrity of indigenous heritage, the improvement of quality of life and the full conditions for the physical and cultural reproduction of current and future generations of indigenous peoples, respecting their socio-cultural autonomy.

The main objective of the **National Policy for the Sustainable Development of Traditional Peoples and Communities** is to promote the sustainable development of traditional peoples and communities with an emphasis on recognizing, strengthening, and guaranteeing their territorial, social, environmental, economic, and cultural rights while respecting and valuing their identity, their forms of organization and their institutions.

Aquilomba Brasil Program - is an expansion of Brasil Quilombola (Decree 6.261, 2007) and consists of a set of intersectoral measures aimed at promoting the rights of the quilombola population, with emphasis on four thematic axes: Access to Land; Infrastructure and Quality of Life; Productive Inclusion and Local Development; Rights and Citizenship.

The National Policy for the Promotion of Racial Equality (PNPIR) aims to reduce ethnic inequalities in the Brazilian context, especially among the black population, through programs and Projects to be implemented in the long, medium, and short terms. The following management principles are laid down in this national policy: a) transversality, in which various bodies participate in the execution and management of actions to combat racial inequalities; b) decentralized management, in which the federative entities are articulated; c) democratic management, through dialogue with civil society participating in the quilombola struggle.

The "**Quilombolas do Brasil**" and "**Indigenous do Brasil**" Seals are essential tools for identifying the origin of agricultural, handicraft, and food products from Quilombola and Indigenous communities and necessary instruments for adding value.

Strategic pathways

Aligned with IFAD's Policy on Engagement with Indigenous Peoples 2022 updated, the Project will empower indigenous peoples and traditional communities through the following main pathways: i) economic empowerment; ii) decision-making and representation; and iii) sustainable management of natural resources and climate-resilience.

Theory of Change: Indigenous peoples and traditional communities

Assumption	Traditional peoples and communities are the populations most exposed to environmental degradation and climate change, as their physical and cultural survival is directly linked to maintaining the integrity of their territories and their environmental services.		
General Objective	Increase the impact of PDHC III on developing the socio-economic, environmental, and climate resilience of indigenous peoples and traditional communities.		
Goal	At least 7% of beneficiaries are indigenous peoples or people from traditional communities.		
Specific Objectives	Economic empowerment	Decision-making and representation	Sustainable management of natural resources and climate-resilience
Activities	<ul style="list-style-type: none"> - Provision of technical assistance adapted to the practices of indigenous peoples and traditional communities. - Specific Technical Assistance (TA) call for indigenous peoples and traditional communities. - Training TA teams to respect indigenous peoples and traditional communities' cultural identity and ways of life. 	<ul style="list-style-type: none"> - Social inclusion strategy with participation quotas for indigenous peoples and people from traditional communities. - Guarantee of free, prior, and informed consent. - Ensuring representation and participation in policy dialogue. - Improved access to public policies. 	<ul style="list-style-type: none"> - Promote access to water collection and storage technologies, particularly cisterns. - Investing in and supporting the adoption of agroecological practices that increase the resilience of production systems. - The implementation of practices such as the diversification and integration of production systems, the recovery of agrobiodiversity and ecosystem services, soil

	<p>- Specialized TA for improved nutrition and food security, greater public policy access, productivity, and productive diversification.</p> <p>- Capacity-building initiatives based on participatory approaches built on indigenous knowledge, skills, culture, and traditional values.</p>	<p>- Holding meetings and exchanges between indigenous peoples, quilombolas, and other traditional communities on topics of common interest, focusing on valuing these communities' unique cultural identities.</p>	<p>management and integrated pest management, the use and preparation of bio-preparations, and the use, conservation, and reintroduction of creole seeds and species.</p>
<p>M&E</p>	<p>Indicators disaggregated by indigenous peoples and traditional communities.</p> <p>Outreach indicator: people receiving services promoted or supported by the Project (disaggregated by gender, youth, and traditional communities).</p> <p>CI 1.1.8 Households provided with targeted support to improve their nutrition (disaggregated by gender, youth, and traditional communities).</p>		

Target subgroups: Youth and women from indigenous and traditional communities.

Implementation measures

The following implementation measures will be taken to ensure the inclusion of traditional communities and indigenous peoples:

- Development of a detailed Project strategy and action plan for indigenous and traditional communities (based on a specific study carried out at the start of implementation - baseline).
- Definition of targets for reaching members of traditional communities and indigenous peoples as a percentage of beneficiaries. 7% of all beneficiaries will be traditional peoples and communities.
- Allocation of budget for specific activities related to traditional communities and indigenous peoples, such as the priori FPIC and a specific Technical Assistance call directed to this target group.
- Recruitment of a full-time social inclusion specialist by the Project management team (to oversee the implementation of the strategy for traditional communities and indigenous peoples, develop the team's capacity, and help colleagues integrate traditional community inclusion considerations into their operations, including knowledge management and M&E).
- Disaggregated data by indigenous peoples and traditional communities will be collected and analyzed.
- The studies carried out by the Project will include a perspective on the inclusion of traditional communities and indigenous peoples.

Strategy for the inclusion of the LGBTQIAPN+

In Brazil, LGBTQIAPN+ people suffer from the lack of social assistance policies, rural exodus, lack of family support, limited access to income, and low employability in rural areas. Between 2000 and 2022, there were a total of 273 deaths of LGBTQIAPN+ people in the country, and the Northeast region was the one with the highest absolute number of violent deaths. These factors are related to this population's exclusion and victimization.

PDHC III includes the LGBTQIAPN+ Community as one of the Project's main target groups, along with rural women, young people, and traditional peoples and communities. The Project will consider LGBTQIAPN+ diversity, support their inclusion, and respect for their rights in the context of the Project. It will implement the IFAD Diversity, Equity, and Inclusion Strategy (2021). Initially, the Project will map the LGBTQIAPN+ communities and their social movements and carry out consultations to hear their needs and surveys to understand the socioeconomic and political challenges they face. Based on this diagnosis and consultations, the Project will define a social inclusion strategy for this group. Awareness campaigns about the rights of the LGBTQIAPN+ community will be carried out, as well as support for LGBTQIAPN+ movements in the field.

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Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex: G Summary Of Consultations And Stakeholder Engagement Plan Sep

Mission Dates: 26/10/2023 - 03/11/2023

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Latin America and the Caribbean
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ANNEX G: SUMMARY OF CONSULTATIONS AND STAKEHOLDER ENGAGEMENT PLAN

1. Introduction

1. This Stakeholder Engagement Plan details the stakeholder consultations during the project design phase. It also establishes a process to ensure stakeholder engagement while implementing the Dom Hélder Câmara III Project (PDHC III).

2. Summary of previous stakeholder engagement activities

2. During the design missions of the PCN (Project Concept Note) and the PDR (Project Design Report), consultations were held with departments and secretariats of the Ministry of Agrarian Development and Family Agriculture (MDA), with the Department of Technical Assistance and Rural Extension (DATER), the Department of Study, Evaluation, Monitoring and Strategic Information (DAMEI), the National Agency for Technical Assistance and Rural Extension (ANATER), the Ministry of Development and Social Assistance, Family and Fight against Hunger (MDS), the Interstate Consortium for Sustainable Development in the Northeast - Consórcio Nordeste, the Eugênio Peixoto Forum of Family Farming Managers in the Northeast and with other potential partners, such as the Brazilian Agricultural Research Corporation for Goats and Sheep - EMBRAPA Caprinos e Ovinos.

3. Before and after the missions, broad and participatory consultations were held with civil society organizations through the National Council for Sustainable Rural Development (CONDRAF), the Participation and Diversity Advisory Office (ASPAD), and with the MDA's State Offices. A total of 26 civil society organizations participated in the Project's consultation meetings.

4. All these consultations aimed to gather contributions relate to the Project's guidelines, which could be incorporated into its design or in the implementation phase. Meetings with these organizations were conducted and a guiding document and spreadsheet for entering contributions were shared. In the spreadsheet, each of the organizations suggested: i) new proposals for activities, ii) activities aimed at the PDHC III's target groups (women, young people, traditional peoples and communities, and the LGBTQIAPN+ community), iii) ways of implementing the activities and iv) how to integrate the Project with programs and policies from the different Coordination Offices, Directorates, Secretariats and Ministries. Stakeholders were also asked to propose which innovations and good practices should be leveraged and replicated in the Project, how the consulted organization could contribute to the Project implementation and how PDHC III could act in an integrated manner with government and civil society activities in the Project areas..

5. Below, we detail some of the main suggestions made by the stakeholders consulted, forwarded via the spreadsheet:

6. **ANATER.** Among ANATER's main recommendations were i) the need to guarantee productive development to 100% of the beneficiaries of Technical Assistance and Rural Extension (ATER), ii) to promote specific ATER calls targeting rural women and iii) ATER for projects focused on ecologically-based productive development, prioritizing the diversification of production based on traditional foods, using clean technologies that preserve human health and the environmental, cultural, economic and social sustainability of the beneficiaries, as well as seeking to integrate the implementation of market access proposals. Training was also suggested for extension workers so that they can be agents of knowledge and drivers of public policies and government programs, enabling beneficiaries to generate income,

expand production, improve productivity, and encourage young people and women to stay in rural areas.

7. The main proposals of the MDA's **Secretariat for Quilombola and Traditional Peoples and Communities Territories and Production Systems (SETEQ)** were: i) to promote specific ATER activities for indigenous peoples, quilombolas and other PCTs, integrated with activities to set up cisterns (MDS) and/or artesian wells (MCID) and rural development (MDS); ii) financial support for the structuring and implementation of the Program for the Conservation and Recovery of Springs in PCT territories (Águas da Sabedoria Program); and iii) financial support for the implementation of the Young Agents of Sociobiodiversity Project. It was also suggested that the National Program for the Documentation of Rural Women Workers (PNDTR) carry out specific joint efforts for indigenous women, quilombolas and other PCTs; that a call for proposals be launched for indigenous women, quilombolas and other PCTs or that at least 30% of the productive backyards in the next calls for proposals target this group. Finally, it was also suggested to increase the number of EMBRAPA Sisteminhas¹; support the Phase 2 of the Prato Brasil Program, focusing on indigenous quilombolas and other PCTs (SEAB); and to support training processes for young indigenous people, quilombolas and other PCTs (DATER).

8. The **Secretariat of Supply, Cooperativism and Food Sovereignty (SEAB)** emphasized, among other proposals, the need to disseminate information and offer technical assistance aimed at sanitary inspection and health regularization; to provide physical and virtual spaces that bring together the bodies needed to create and regularize family farming enterprises, associations, cooperatives, agroindustries and products, in an integrated and facilitated manner; and to promote processes for adding value to family farming production through agro-industrialization.

9. The **MDA State Office (Alagoas)** highlighted the importance of creating specific programs to encourage the participation of women in social organizations; training programs for rural youth; partnerships for the dissemination of good food and nutritional practices with specific calls for proposals; the implementation of Agroforestry Systems (AFSs); resources for exchanges and learning routes between teachers and students from the Family Training Centers by Alternance (CEFFAs); the dissemination of good practices related to the Project's topics, such as agroecology, sustainable soil management, and water management; and promoting coordination for the processing and improvement of value chains.

10. The **MDA State Office (Bahia)** highlighted the importance of integrating PDHC III with the policies of the state's Rural Development Secretariat; of partnering with educational institutions to train future professionals who will work with family farming; integrating activities with the Bahia SDR, the State Agroecology Policy and social organizations; developing activities to strengthen cooperatives and associations; the need for direct investments for food processing activities; the implementation of pilot activities with the installation of solar energy panels on family farmers' properties in the semi-arid region; promoting training activities for producer organizations to access product certification seals; offering training activities to increase the PCTs' access to the PAA and PNAE and support local fairs to promote and market family farming products.

11. The **MDA State Office (Maranhão)** suggested partnerships with AGERP; RAMA; ASSEMA; TIJUPA; INAPEM; IDESA; COODESU; IBASE; MIQCB; SAF; SEMU; AMIMA; MIQCB; the State Secretariat for Human Rights and Popular Participation - SEDIHPOP; and the State Secretariat for Women. In addition to suggestions for partnerships, MDA's Maranhão Office highlighted the importance of developing activities that promote the solidarity economy; the promotion of public policies

¹ <https://ainfo.cnptia.embrapa.br/digital/bitstream/item/201476/1/Sisteminha-Embrapa-UFU-Fapemig-Baixa2019.pdf>

targeting women and Traditional Peoples and Communities; the promotion of family farming and environmental sustainability; and support for the documentation of children (Combating Civil Under-Registration of Birth).

12. The **MDA State Office (Paraíba)** highlighted the importance of allocating resources to encourage greater access to public policies to promote rural organizations' strengthening; opening specific calls for proposals for collective organizations of women, young people, and PCTs; and disseminating the Project's successful activities. MDA also emphasized that technologies for water access and environmental sanitation programs (grey and black water treatment), the production and use of renewable energies (solar and wind) in rural communities, the production of organic inputs with locally available resources and active seed banks can make a significant contribution to reducing family farmers' need for external inputs.

13. The **MDA State Office (Pernambuco)** stressed the importance of implementing activities for sustainable management of natural resources, recovery of degraded areas and access to water; strengthening collective organizations, especially targeting women, young people and PCTs; implementing initiatives related to food utilization and food and nutrition education; including agrarian reform settlers as one of the Project's priority target groups; and ensuring a territorial approach.

14. The **MDA State Office (Ceará)** proposed setting up committees in each Territory, with the participation of government bodies, the third sector and civil society; encouraging applied research within the state's EFAs; establishing training programs for young leaders in the communities; setting up AFSs; and the promotion of meetings to disseminate public policies on access to land and credit for young people, students and teachers from EFAs, higher and technical education institutions and civil society organizations, giving young rural people new perspectives in the field of agroecology, sustainability, and entrepreneurship. It also recommended support for developing and accessing solar energy technologies adapted to the semiarid region, including implementing demonstration units.

15. The **MDA State Office (Rio Grande do Norte)** recommended promoting the creation and structuring of local/regional marketing networks (short circuits), the formalization of associations/cooperatives and other strategies for engaging producers' organizations, based on backyard garden production. It also proposed building partnership with the UFRN and the Jundiaí Agricultural School, which already run technical agricultural courses, and partnering with municipal agriculture departments, local unions and cooperatives to identify and support young people who will benefit from the scholarships. It also suggested promoting state seminars and setting up databases of successful experiences.

16. The **State Office of the MDA (Minas Gerais)** suggested ATER or calls for proposals for the dissemination of social technologies; the inclusion of social technologies (development and learning) in the curriculum of CEFFAS technical and higher education courses; encouraging the development of teaching, research and extension projects at CEFFAs; agreements and partnerships with research institutions for technical and scientific studies; and the preparation of specific ATER calls targeting PCTs to access institutional markets.

17. The **MDA State Office (Piauí)** suggested that, in the context of the National Program for the Documentation of Rural Women Workers (PNDTR), specific joint efforts be carried out for indigenous women, quilombolas, and other PCTs. It also suggested that PDHC III partner with IFPI, UFPI, Embrapa Meio Norte and SAF/PI for Project implementation and asked for financial support for the General Coordination of State Offices to implement the Project.

18. The **General Coordination for Access to and Conservation of Biomes, Sociobiodiversity and Common Goods (CGSOCIOBIO)** suggested that the Project should include organizations that work in production arrangements for

medicinal plants as a basis for food, cosmetics and herbal medicines, boosting health promotion, access to markets and local development in the context of the bioeconomy and the implementation of activities prioritizing SATs (Traditional Agricultural Systems).

19. The suggestions made by the **Northeast ATER Network** were: to integrate ATER promotion with reference to the most recent experiences of the Program P1+2² and productive backyards; to set up water infrastructure for families, including cisterns, dams and water reuse; to work with Educational communication; to promote rural tourism; to build solidarity funds; and to create a group of young communicators to give visibility to the Project.

20. **Cáritas Brasileira Regional NE** suggested the creation of a productive support program line for rural youth; calls for ATER for civil society organizations; training processes for technicians through popular education; the implementation of AFS; certification courses for agroecological production; the creation of a participatory body to control the production of healthy food; and the strengthening of spaces for social control of territorial public policies.

21. The **Feminism and Agroecology Network of the Northeast** recommended, among other things, training farmers in the use of the agroecological Logbooks, the use of the clock methodology and the LUME method³; holding local and territorial exchanges, workshops and technical training events on agroecology and social technologies for coexisting with the semiarid region and coping with climate change; organizing Seminars for Women of the Semiarid Region; making women's contribution to food sovereignty and security, the composition of family income and the conservation of agrobiodiversity visible and valued; encouraging agroecological production and the breeding of native varieties and seeds, with ongoing technical assistance; and offering training in participatory guarantee systems to facilitate agroecological marketing.

22. The **Pajeú Women's Network** recommends that PDHC III should promote the infrastructure of agroecological farms, enabling ATER for women using the methodologies of the specific institutions working in the Territory; implement environmental incentive methodology for women farmers who work to preserve and recover natural resources; structure women's and youth institutions and their technical teams with training in economic management, communication and fundraising; carry out joint efforts to issue DAP/CAF to women and youth, enabling them to be included in public policies. It also recommended increasing investment in productive backyards; using the methodology of Agroecological Logbooks; implementing training in processing to increase the supply of processed products from agroecological productive backyards; implementing SIM, SIE and SIF certification for agroecological products; and expanding marketing spaces at local and regional level in each Territory.

23. The **Pastoral Land Commission (CPT) Sertão da Paraíba** demanded investments and technical assistance for initiatives already being implemented in PB, such as the Community that Sustains Agriculture, the Sertão Agroecological Association and settlements in the region. It suggested developing experiments to capture and store rainwater and promote the recovery of springs; strengthening women's groups dedicated to producing of medicinal herbs; strengthening and expanding the CPT's work to train young leaders; and creating a Solidarity Fund.

² The One Land and Two Waters Program (P1+2) aims to capture rainwater for food production by rural families. Promoting food security and income generation, the Program works on the sustainable use of land and the management of water resources for food and animal production.

³ <http://www.car.ba.gov.br/sites/default/files/2019-12/CADERNO%20LUME%20-%20WEB.pdf>

24. Other organizations also made proposals at the various meetings held during the design stage, which were recorded and duly systematized. Most of the recommendations have already been incorporated into the Project design in aggregate form, demonstrating the participatory construction of PDHC III in dialogue with various stakeholders.

3. Identifying stakeholders

25. The Project categorizes "stakeholders" into two subgroups: (i) stakeholders directly or indirectly affected by the Project; and (ii) others (not affected by the Project) who can be classified as "broader stakeholders". In the first category, although it is essential to define the roles of each social actor, the distinction between "directly affected stakeholders" and "indirectly affected stakeholders" will be outlined at the beginning of the proposed implementation process. A methodology will be built together with the stakeholders who have been identified as possible partners to understand their level of affinity with the Project and to build a consensus on their degree of participation in the planned activities.

26. As directly affected stakeholders, the following organizations should be active participants: the MDS, the departments and secretariats of the MDA, ANATER, CEFFAs, CONDRAF, and civil society organizations representing the target groups (family farmers, women, young people, traditional peoples and communities, land reform settlers, and the LGBTQIAPN+ community).

27. The "broader stakeholders" category includes stakeholders who are not directly involved, but who can contribute to research into the essential activities and to the development of Project activities. These include EMBRAPA's decentralized units, universities, federal institutes, and the National Semiarid Institute (INSA).

28. The engagement of other civil society organizations, such as NGOs, or implementation partners will also be sought to support activities to mobilize and engage other strategic partners, technological innovation, and territorial intelligence.

4. Approaches for socially vulnerable groups

29. The target groups of PDHC III are family farmers living in poverty, rural youth, rural women, traditional peoples and communities (PCTs), land reform settlers and the LGBTQIAPN+ community. During implementation, steps will be taken to incorporate these groups' perspective based on their local reality, needs, and specific demands. The Project envisages four ways of doing this.

30. Firstly, special attention will be paid to ensuring that the specific needs and priorities of women, young people, PCTs, land reform settlers, and the LGBTQIAPN+ community are identified and considered during various key moments of the Project, such as carrying out the baseline survey. The main tools for doing this include, among others, focus groups, key informant interviews and participatory planning.

31. With traditional peoples and communities, the first step to be taken, when applicable⁴, should be to obtain Free, Prior and Informed Consent (FPIC), in accordance with the FPIC Plan, which includes guidelines for this purpose. When this is not the case, the conditions must be created to establish a clear dialogue that respects the characteristics of the communities and ensures engagement with the Project with the target group, formalized by commitment agreements between the communities and the MDA. The second step should take place when the Project's baseline is done. Following the agreements made with the communities, a diagnosis should be carried out that points out relevant socio-cultural aspects for each target

⁴ The purpose of the FPIC provision is to ensure that government projects, especially infrastructure projects, are not implemented without prior discussion with the people who will suffer the negative impacts of these projects. The Project will not have any negative impacts on the communities. However, considering the primacy of the right, an FPIC Plan was drawn up.

group that could influence the effectiveness of the planned activities. This information should be considered when training the Project team and its technical assistance teams to develop responsive and adapted intervention methodologies.

32. Secondly, the target groups will monitor progress in delivering Project-supported interventions and their immediate results. They will also be able to influence decisions to improve interventions' quality, timeliness, and reach. Tools for doing this include, among others, outcome surveys and micro feedback and/or thematic surveys.

33. Thirdly, measures will be taken to ensure that target groups can easily express their grievances and report irregularities concerning the interventions supported by the Project. This will be made possible through PDHC III's Grievance Redress Mechanism (GRM), which must be made known to stakeholders continuously. More details on the GRM can be found in the specific annex on the subject.

34. Fourthly, the target groups will evaluate the results, including their satisfaction with the interventions supported by the Project, and generate lessons learned and insights for up-scaling and sustainability. The tools for doing this include, among others, surveys of basic results indicators.

Opportunities to engage target groups during the life of the Project.

Project design / initial implementation	Delivery of project interventions		Key evaluation moments (completion of the Project)
Identifying needs and priorities	Monitoring progress	Complaints handling	Evaluation of results

5. Stakeholder engagement program

5.1 Social control mechanisms during project implementation

35. Implementing the Project will require a high level of coordination between the MDA and different partners, linked to the needs and challenges of the target groups. The PMU will be formally created within the Secretariat for Land Governance, Territorial and Socio-Environmental Development - SFDT of the Ministry of Agrarian Development and Family Farming - MDA, with a team dedicated exclusively to PDHC III and clear attributions. According to the agreed institutional arrangement and to promote social participation and increase capillarity and articulation with territorial, state, regional and national public policies, three other governance spaces will be established for information purposes and to prepare and align activities to enhance the participatory nature of the Project. The following institutional governance spaces will be established:

36. **Territorial Committee:** in each Territory where the Project will operate, a Committee will be set up within the Territorial Collegiate as a space for social control; dialogue on the demands of the communities and their alignment with the Project's activities at the territorial level; and articulation with other public policies, programs, and projects, in particular, those of IFAD and the Federal Government. The Project can support the functioning and meetings of the Territorial Committees for discussions and implementation of its activities;

37. **Regional Committee:** within the regional framework of the Northeast and Minas Gerais, a space will be established for disseminating information and discussing the Project's activities between the states where the PDHC operates and the organizations representing family farming at a regional level. This Committee will be composed of representatives of civil society organizations, including those that make up the National Council for Sustainable Rural Development (CONDRAF), and representatives of state governments. Through the Regional Committee, the Project

will present its activities and thus ensure alignment, synergies, and complementarities with state governments and family farming civil society organizations operating in the states;

38. **Executive Committee:** this will be made up of representatives from the units of the Ministry of Agrarian Development and Family Farming (MDA) and other federal bodies with a prominent role in the Project and will act as a mechanism for monitoring actions and coordination between the different areas of the Ministry and the Federal Government that are part of the Committee.

39. The Project will support the functioning of the above-mentioned governance bodies for meetings relating to PDHC III. It may support the participation of some of their members, provide secretarial support for meetings, and prepare Knowledge Management products to contribute to the debate and dialogue on activities.

40. The main objective of these governance bodies will be to: i) serve as spaces for dialogue, social control, and integration of policies; ii) contribute to the process of social management of public policies by strengthening these spaces in the territories where the Project will operate (Territorial Committee). As part of this work, the Project will be able to support the functioning of the Territorial Committee, helping to generate proposals on issues to be considered in the dialogue agendas and building partnerships to carry out specific undertakings or activities defined in these areas; iii) promoting the participation of civil society organizations and strengthening the capacities of rural communities and different actors (including women, young people and PCTs) to participate in these spaces; iv) contributing to the definition of the Project's priority activities, planning, monitoring and evaluating their implementation; v) contributing to the definition of possible innovative methodologies; and vi) disseminating and analyzing results on innovative methodologies applied by the Project and evaluated as successful, aiming at their possible adaptation and upscaling.

5.2 Grievance Redress Mechanism

41. In accordance with IFAD's environmental and social policies, as well as the Access to Information Law (LAI) and the Law for the Protection and Defense of Public Service Users, a public and accessible Grievance Redress Mechanism (GRM) will be made available to the Project's target groups for individuals, authorities or community representatives affected by the implementation of PDHC III. This mechanism must be easily accessible to the public and have a rapid resolution, ensuring that submitted complaints are quickly analyzed and that solutions are mutually agreed upon to satisfy the parties involved.

42. The Project will take advantage of the MDA's consolidated system for receiving and handling complaints and denunciations, adopting the existing Ombudsman channel (<http://sistemas.mda.gov.br/ouvidoria/>). PDHC III will promote an ongoing program to disseminate integrity policies, as well as training and guidance to communities and beneficiaries on the use of whistleblowing tools. All people potentially affected by the Project's activities will be informed and given clear instructions on what procedures should be followed for registering reports and complaints. This information will be made available in accessible language. Grievance redress will be part of the review questions of IFAD's annual supervision missions.

43. Complaints can also be submitted through IFAD's Complaints Procedure, which allows individuals and communities to contact IFAD directly and make a complaint if they believe they are or may be adversely affected by an IFAD-funded project/program that does not comply with IFAD's Social and Environmental Policies and their mandatory aspects.

44. In line with IFAD's Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse (2020), as well as federal legislation and

regulations related to the topic, including the typification in the Penal Code for sexual harassment and the Code of Professional Ethics for Civil Servants of the Federal Executive Branch, IFAD, and the MDA will have zero tolerance. PDHC III will ensure that adequate safeguard measures are in place for a safe and harassment-free work environment, including sexual harassment and free from sexual exploitation and abuse in its activities and operations⁵. The Project must record reported cases and communicate to the competent authorities in the country, as provided for in national legislation, and to IFAD so that they can take appropriate action based on the evidence.

45. More details on the GRM can be found in Annex D of the PDR, which is dedicated exclusively to this subject.

5.3 Action Plan: planned activities and budget

46. The activities in this Action Plan that directly involve stakeholders include:

- Consultations with traditional peoples and communities on strategies and activities to guarantee Free, Prior, and Informed Consent, the establishment of working agreements, and collecting suggestions and proposals;
- Analysis with stakeholders considered to be in a situation of vulnerability (women, young people, traditional peoples and communities, and agrarian reform settlers) to understand their specific circumstances and concerns related to socio-environmental practices and traditions;
- Periodic meetings with the Project's management bodies and its participatory governance bodies: Territorial Committee, Regional Committee and Executive Committee;
- Periodic meetings with stakeholders to evaluate the Project's activities, openly communicate any complaints about the operation and suggest modifications and adaptations;
- Territorial meetings with stakeholders working at local and regional levels within the scope of the Project to assess the M&E processes of strategies and activities;
- Design and conduct a baseline study, the results of which will be shared with stakeholders;
- Impact assessments: review studies presented to key stakeholders;
- Sharing exchanges and other SSTC events involving vulnerable stakeholders (representatives of traditional peoples and communities, women, young people, and land reform settlers).
- Workshops, training and exchanges that promote learning about sustainability and resilient practices for young people, women, traditional communities and agrarian reform settlers;
- Training the Technical Assistance team in ethnic/racial/gender perspectives to integrate the approaches and methodologies applied to traditional peoples and communities;
- Organize and record case studies on initiatives carried out by the most vulnerable stakeholders (women, young people, traditional peoples and communities, agrarian reform settlers).

47. The costs for implementing all the planned stakeholder engagement activities are included in the Project budget and will form part of the activities already planned (see details in Annex 3 of the PDR - Project costs and financing).

⁵ IFAD policy to preventing and responding to sexual harassment, sexual exploitation and abuse. Available at: https://www.ifad.org/documents/38711624/42415556/SEA_e_web.pdf/85275c4d-8e3f-4df0-9ed8-cebaacfab128?t=1611326846000.

5.4 Proposed timetable

Activity	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Consult ⁶ traditional peoples and communities to establish working agreements.	x					
Implement the baseline study and share its results with stakeholders	x	x				
Analyze the socio-environmental practices and traditions of the most vulnerable stakeholders	x					
Train the technical assistance team in specific factors associated with stakeholders in situations of greater vulnerability (e.g., gender and ethnic-racial sensitization)	x	x	x			
Promote meetings of the Territorial Project Committee	x	x	x	x	x	x
Promote meetings of the Regional Project Committee	x	x	x	x	x	x
Promote meetings of the Project Executive Committee	x	x	x	x	x	x
Promote evaluative meetings with stakeholders (some with a focus on GRM)		x	x	x	x	x
Promote territorial M&E meetings with stakeholders				x	x	x
Share outcome/impact assessments with stakeholders						x
Promote South-South and Triangular Cooperation events, including the most vulnerable stakeholders				x	x	x
Organize/record case studies of initiatives carried out by vulnerable stakeholders				x	x	x

⁶ This activity will not be carried out with specific funds to optimize budget resources. The consultations will have to be methodologically adjusted to be carried out during the first visit to the communities, with resources already earmarked for the Project's activities.

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex: H Free Prior And Informed Consent Fpic

Mission Dates: 26/10/2023 - 03/11/2023

Document Date: 03/06/2024

Project No. 2000003598

Report No. 6690-BR

Latin America and the Caribbean
Programme Management Department

ANNEX H - FREE, PRIOR, AND INFORMED CONSENT PLAN

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1. Introduction

When we talk about traditional people, the first step is understanding who we refer to. To do this, we will use the definition given in the National Policy for the Sustainable Development of Traditional Peoples and Communities (2007).

"Traditional peoples and communities are culturally differentiated groups who recognize themselves as such, who have their own forms of social organization, who occupy and use territories and natural resources as a condition for their cultural, social, religious, ancestral and economic reproduction, using knowledge, innovations and practices generated and transmitted by tradition" (item I Art. 3 Decree 6.040 / 2007)¹ .

For traditional peoples (quilombolas, terreiro communities, extractivists, river dwellers, fishers, gypsies, etc.), the right to be consulted on the implementation of state policies, government interventions or any actions by third parties that affect their territories and ways of life is an achievement. To fully achieve the intended goal of promoting participation and protagonism among these traditional peoples and communities, it is essential to ensure participatory processes that consider the characteristics of these groups and aim to secure their consent on matters that affect their lives, even if positively.

The 1988 Federal Constitution was the first time that Brazil recognized the rights of traditional peoples and communities, the right to their cultural preservation, their ways of being, living and doing, and the right to protect and guarantee of their material and immaterial heritage (Article 216). The right to Free, Prior, and Informed Consultation (FPIC) came about because of Brazil's adherence to Convention 169 of the International Labor Organization (ILO), which was ratified in 2003 and entered into force by Decree No. 10.088/2009. This Convention, which focuses on the rights of indigenous and tribal peoples, extends to traditional peoples and communities, as conceived in Decree No. 6.040/2007.

The instrument for this purpose defines that in the case of projects that in any way (directly or indirectly) influence the lives of indigenous peoples and traditional communities, Free, Prior and Informed Consultation (FPIC) must be carried out, respecting six (6) main criteria. These are: (i) it must be free: the consultation must ensure that indigenous and traditional peoples are free to express their true opinions without being coerced; (ii) it must be prior, the consultation must take place at the earliest stage of the decision-making process, allowing participation before definitive directions are given; (iii) it must be informed, the consultation must ensure that all the information about the proposal (positive and negative) is presented to the peoples in an educational manner; (iv) it must be accessible, the consultation must ensure that people understand and are understood in the legal processes involved; (v) it must be culturally appropriate, the consultation must follow the guidelines of the peoples themselves and offer conditions for them to exercise their socio-cultural knowledge and practices and (vi) it must be in good faith, i.e., it must ensure the ability of indigenous and traditional peoples to influence the decision-making process².

¹ BRAZIL, Decree N° 6.040, of February 7, 2007, which institutes the National Policy for the Sustainable Development of Traditional Peoples and Communities.

² International Conservation (2013) - Guidelines for the Implementation of Free, Prior and Informed Consent - a handbook for international conservation.

This guide should be understood as a set of references to get started on the road to elaborating a consultation plan for the implementation of FPIC under the Food and Nutrition Security and Climate Resilience in the Semi-Arid Northeast Project - Dom Hélder Câmara III Project (PDHC III). The first step in this direction should be the participation of the communities to be consulted in all phases of the process, from planning to project implementation. Having these communities actively participate in all stages of this journey is a mandatory condition for their rights to be respected.

It is important to understand that the FPIC must provide for a continuous monitoring and evaluation process throughout the duration of PDHC III. Appropriate mechanisms will be put in place for this control, as well as a robust complaint and Grievance Redress Mechanism for the Project, in accordance with the recommendations and instruments of the International Fund for Agricultural Development (IFAD). During the execution of the Project, any time there is a perceived need for improvement or communities declare dissatisfaction with the terms established, the agreements should be promptly reviewed. Likewise, if the traditional peoples served by PDHC III create a Protocol of Consultation (PC), this document will determine the parameters for future consultations.

2. The right to be consulted

As already mentioned, recognition of the right of traditional peoples, including quilombola communities, to be consulted began with ILO Convention 169 of June 7, 1989, which was the legal framework from which the parameters that gave rise to the other regulations on this issue were established. Brazil signed the ILO Convention 169 by means of presidential decree 5051 of April 19, 2004. The convention is currently in force in Brazil under Decree No. 10.008 of November 5, 2009.

ILO Convention 169 and the right to consultation

Article 6

- 1.** In applying the provisions of this Convention, governments shall:
 - a)** consult the peoples concerned, through appropriate procedures and in particular through their representative institutions, whenever legislative or administrative measures are envisaged that are likely to affect them directly;
 - b)** establish the means by which the people concerned can freely participate, at least to the same extent as other sectors of the population and at all levels, in the decision-making of effective institutions or administrative and other bodies responsible for policies and programs that concern them;
 - c)** establish the means for the full development of peoples' institutions and initiatives and, in appropriate cases, provide the necessary resources for this purpose.
- 2.** Consultations held in application of this Convention must be carried out in good faith and in a manner appropriate to the circumstances, aiming to reach agreement and obtain consent to the proposed measures.

Article 7

- 1.** The people concerned should have the right to choose their own priorities regarding the development process, as far as it affects their lives, beliefs, institutions, and spiritual well-being, as well as the lands they occupy or otherwise use, and to control, to the extent possible, their own economic, social, and cultural development. In addition, these people should participate in

formulating, implementing and evaluating national and regional development plans and programs likely to affect them directly.

3. Understanding Key Concepts

Free, Prior and Informed Consent (FPIC) derives from traditional peoples' right to self-determination and other human rights guarantees. It acts as a fundamental safeguard of their collective rights. It arises whenever a certain plan or action may affect their substantive rights. It is also a key element in forging a new relationship between traditional peoples, the state and society in general.

Consent: in this context it is understood according to the simple meaning of the term (i.e., the ability to say yes or no, including conditionally). It refers to a decision taken by traditional peoples after consultation and participation in which they are able to genuinely influence the process.

Regarding the other terms, the Office of the United Nations High Commissioner for Human Rights (OHCHR) describes that:

Free: implies that there is no coercion, intimidation, or manipulation.

Prior: implies that consent must be sought sufficiently before any authorization or start of activities, respecting the time requirements of the consultation and consensus-building processes between the communities consulted.

Informed: implies that the information provided covers a range of aspects, including the nature, size, pace, reversibility, and scope of any proposed project or activity; the objective of the Project, as well as its duration; locality and affected areas; a preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks; personnel likely to be involved in carrying out the Project; and procedures that the Project may entail.

3.1 Consultation Protocol

Some traditional communities have already drawn up their own documents, establishing their Consultation Protocols. These protocols are built in a participatory way, with autonomous management and the leading role of the communities. They can be elaborated with the help of partners if the communities so wish. It involves different stages of elaborating and detailing the rules, methodologies and conditions that must be followed to consult with a given group. These documents fully represent a traditional community's perspective on the concepts of Free, Prior and Informed Consultation expressed in ILO 169.

They are manuals on the consultation processes of each community or traditional people. Some detail the different paths depending on the consultation's purpose (academic research, public policy, undertakings, for example). They also explain how the dialog should be prepared, which bodies should be involved, what kind of logistics will be needed to follow the recommendations made and how many days the timetable should be. In short, they deal with all the details of this type of process and determine exactly how traditional people or community expects the consultation to be done.

IMPORTANT:

During the implementation of PDHC III, FPIC needs to be guaranteed through a continuous and inclusive process of consultation and participation of traditional

peoples. The hope is to build a relationship of respect and trust with the communities, their organizations, and their own decision-making and governance spaces. If any of the communities elaborate their Consultation Protocol during the Project, this will become the guideline for the Project's consultation processes.

3.2 What FPIC is not

It must be clear that FPIC is a process. In this sense, we have highlighted some activities or characteristics that should not be confused or used to define an FPIC.

Newsletter

FPIC is not simply about informing traditional people about something that affects them. The process must be structured in a dialogical way, guaranteeing space for the construction of agreements, proposing adjustments, and using other instruments that include the communities' perspective.

Events

FPIC is not just a meeting. These activities may be steps or tools for achieving FPIC, but they do not comprise it, summarize it or define it. FPIC is a process.

Signing a document

At the end of a proper FPIC process, the aim is to get documents signed ratifying consent. However, obtaining a signed document does not necessarily mean carrying out adequate FPIC, nor should it be understood as the central objective of the process. The signing of an agreement should result from a participatory process, during which communities have received clear information and have had adequate time to reflect and deliberate on the issues under consultation.

Permanent and immutable agreement

FPIC is not permanent. When carried out properly, it allows participants to take a secure position regarding acceptance, refusal, or conditions for acceptance. While it is in force, there must be provisions to allow traditional peoples to review their positions at any time. We therefore need to understand FPIC as a dynamic agreement. It is drawn up on a clear basis, but with the means to accommodate changes.

4. Planning and Implementing FPIC

There is no specific format in legislation or regulations to serve as a reference. However, through the practical experience of traditional people who have built their CPs, often in direct collaboration with the Federal Public Prosecutor's Office (MPF), certain steps have emerged as the most favorable for this process.

a) Meetings to elaborate the Consultation Plan

These are the meetings at which the consultation format will be devised, its timetable defined, the logistical needs listed and the budget for carrying out the consultation defined.

b) Information meetings

This is the stage in which the the PDHC III team will inform the communities clearly and in detail about the Project, its objectives, and implications. This stage is what gives the consultation a with good faith character, enabling

traditional peoples to fully understand the issue on which they will be deliberating.

c) Internal meetings

This is when the traditional people debate the issues and make their decisions. While the consultation plan determines the participants, it is advisable that PDHC III teams refrain from attending. This precaution ensures participants feel unrestricted in expressing their opinions or addressing internal matters, which may not always be feasible in the presence of external parties.

d) Negotiation meeting

This is the last stage of FPIC. At these meetings, the traditional people will present their answers, which can be: no, yes, or yes with reservations. Hence the word negotiation, because if there are reservations, they will have to be discussed and ways of meeting them negotiated.

4.1 Setting up the PDHC III team for FPIC

The first step is establishing the team to carry out the FPIC, considering the Project team and the collaboration of other teams from the Project's PMU (Project's Management Unit). If necessary, it is suggested to seek support from universities and/or the Federal Public Prosecutor's Office (MPF).³

4.2 Team roles

It will be up to the team to systematize information about the different components of PDHC III, their objectives, and related activities in a simple, clear, and accessible way. This basic material should be worked on at a later stage, with the participation of community representatives to assess whether the language is appropriate. Considering the decentralized execution aspect of the Dom Helder Câmara III Project and the diversity of territories served by the Project, the PMU team responsible for the FPIC will guide and lead the formation of local teams, linked to the executing partners, for territorial action in the general FPIC execution plan. All logistical activities, the preparation of budgets, consultations, and requests for support from government bodies and local partners will be the responsibility of the FPIC implementation team. The representatives of the traditional peoples can participate if they wish. Nevertheless, everything related to providing the means and support needed to make the consultation viable is the responsibility of the PDHC III teams. It must be ensured that the consultation does not generate any kind of burden or expense for the communities that will be consulted.

4.3 Community participation in planning

As soon as the Project teams responsible for implementing FPIC have been defined, a group of representatives of the traditional peoples who will be consulted must be defined. These representatives will be responsible for pointing out cultural aspects and the social dynamics of their communities, as well as logistical and geographical issues in their regions that could interfere with the consultation process. They will also have to contribute to preparing presentation materials for the communities, providing information on the most appropriate formats, types of language, and necessary resources. To guarantee the legitimacy of the representation of those involved, PDHC III will work in partnership with federal and state institutions (ministries, secretariats, sub-secretariats, etc.) that deal with policies aimed at indigenous and traditional peoples and, as a priority, with

³ The MPF has supported and supervised consultation processes, so it has expertise in the subject.

associations and collective groups from the socio-cultural structure of the peoples served by the Project in the territories.

Also, at this stage, representatives of indigenous and traditional peoples should contribute by pointing out what the internal decision-making processes are like and who the groups that should be consulted are. This information will be important for defining the consultation strategy and timetable. It is worth emphasizing that these two factors should ensure that the consultation is carried out in the way that is most comfortable way for the communities in terms of the format and methodology of the meetings. They will also allow the ideal work pace with each group to be established, to ensure adequate time for reflection and internal discussion before deliberating on consent.

ATTENTION:

The most sensitive point for FPIC is precisely time. Considering the reason for holding FPIC and its history as a traditional right. **Under no circumstances should ways be sought to speed up the processes during the implementation of the consultation.** When elaborating on timetables, as well as listening to community representatives about the ideal periods, an extra margin of time should be included to deal with any complications, without jeopardizing the communities' time for listening, speaking, and deliberating.

4.4 Preparing Logistics and Consultation Strategies

After the definition of the representatives of the traditional peoples who will participate in the planning for the consultation, due protagonism should be conferred to this group. Participatory construction should provide space for representatives to contribute the details needed to carry out FPIC in a manner suitable for each community.

The information they provide should be a parameter when designing the methodologies and strategies for implementing FPIC. It is very important to seek as much information as possible to understand the dynamics of the communities, and to avoid creating or aggravating any conflict in the implementation of FPIC, as well as in the other stages of PDHC III.

The table below has been organized as a reference for questions that may be important to ensure socio-cultural adequacy, guarantee means of full and effective participation for the different groups, and promote efficiency in the exchange of information. The table is a starting point for dialogue and not a closed script of questions and should be completed with the support of the representatives of the traditional peoples.

1. How do internal community meetings take place? (Who takes part? In what form? How long do they usually last? Is there a more suitable time to hold them?)
2. Are there any traditional bodies that must be consulted (e.g., council of elders or spiritual leaders)?
3. How comfortable are the communities with the Portuguese language, which is generally spoken at meetings? What should be avoided in this communication?
5. How well do you read and write Portuguese?
6. Are there specific dynamics for consulting specific groups (elders, women, and young people)?
7. Does women's participation usually occur in general meetings or is it more appropriate to provide specific spaces for women?
8. What type of composition do you think is most suitable for holding meetings?
9. What is the infrastructure like for meetings at each location? Are there adequate or easily adaptable spaces for meetings? Is the electricity grid-powered or does it depend on a generator?
10. What are the logistical details for moving the groups within the territory (if necessary): type of transportation, distances, and amount of fuel needed?

11. How should the times be organized during the implementation of FPIC to consider its different phases? Example: 1. Presentation to the community - morning; 2. Clarification of doubts - afternoon; 3. Reflections/internal meetings - evening and morning of the following day; 4. Clarification of remaining doubts and deliberation - afternoon. This distribution is just an example. Special attention needs to be paid to this time distribution to guarantee the quality of the consultation, respecting the communities' times absolutely, according to the information passed on by their representatives.
12. If food is provided for all participants during the activities (lunch, snacks), how should this be organized at each location? What is the appropriate menu? Are there cooks/servers who could be hired locally to support this activity?
13. Is there any kind of tension or internal conflict that could be aggravated by the methodology defined for FPIC, because it brings together groups that are currently far apart?
14. Are there any conflicts or tensions around the communities that could cause problems or risks for possible displacement?
15. How do you suggest that FPIC be evaluated and monitored during the Project? (Suggestions for validation in the local stages).
16. How do communities access telephone and Internet services?

4.5 Preparation of presentation material for the communities.

In the preparatory stage, traditional peoples' representatives should be engaged in developing presentation materials for their communities. This involves defining formats and types of materials most suitable for each context, with guidance from the representatives. The aim is to provide conditions for communities to understand the proposal and its purposes.

The presentations should include:

1. **Stakeholder Overview** (Who are the institutions involved in PDHC III, what are their objectives and why do they believe it is important to support the communities in their activities);
2. **General Objective** (As proposed by PDHC III);
3. **Specific Objectives** (the components of the Project);
4. **Activities** (outline of proposed activities);
5. **Image Rights** (clarify that when carrying out the activities, images will be taken for reports and publicity materials for non-commercial or profit-making purposes).

These suggestions are the points considered indispensable for the presentations. Questions raised by representatives of traditional peoples during the planning process could complement these items.

5. Elaborating the Consent Form

The consent form should be elaborated in a participatory manner. It should make it clear who the parties involved are, what the objectives of the agreement are, how the consultation took place (methodology⁴, place, and date), the communities' indication of who will represent them when they sign the document (association, leader, or community members). Finally, the signing of the document describing what has been agreed between the parties.

6. Internalization of FPIC in PDHC III

Once FPIC has been carried out with the communities, the information resulting from this process should be incorporated into the PDHC III Monitoring and Evaluation mechanisms, and the Grievance Redress Mechanisms (GRM). The aim is

⁴ Objectively. Example: after presenting the objectives "on day", from time "X" to "Y", the community met "for a certain time" to deliberate on the consultation.

to ensure that FPIC is monitored so that the necessary adaptations can be made to meet the demands of traditional communities, such as indigenous peoples and quilombolas.

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Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex: I Diagram Pdhc Public Policies

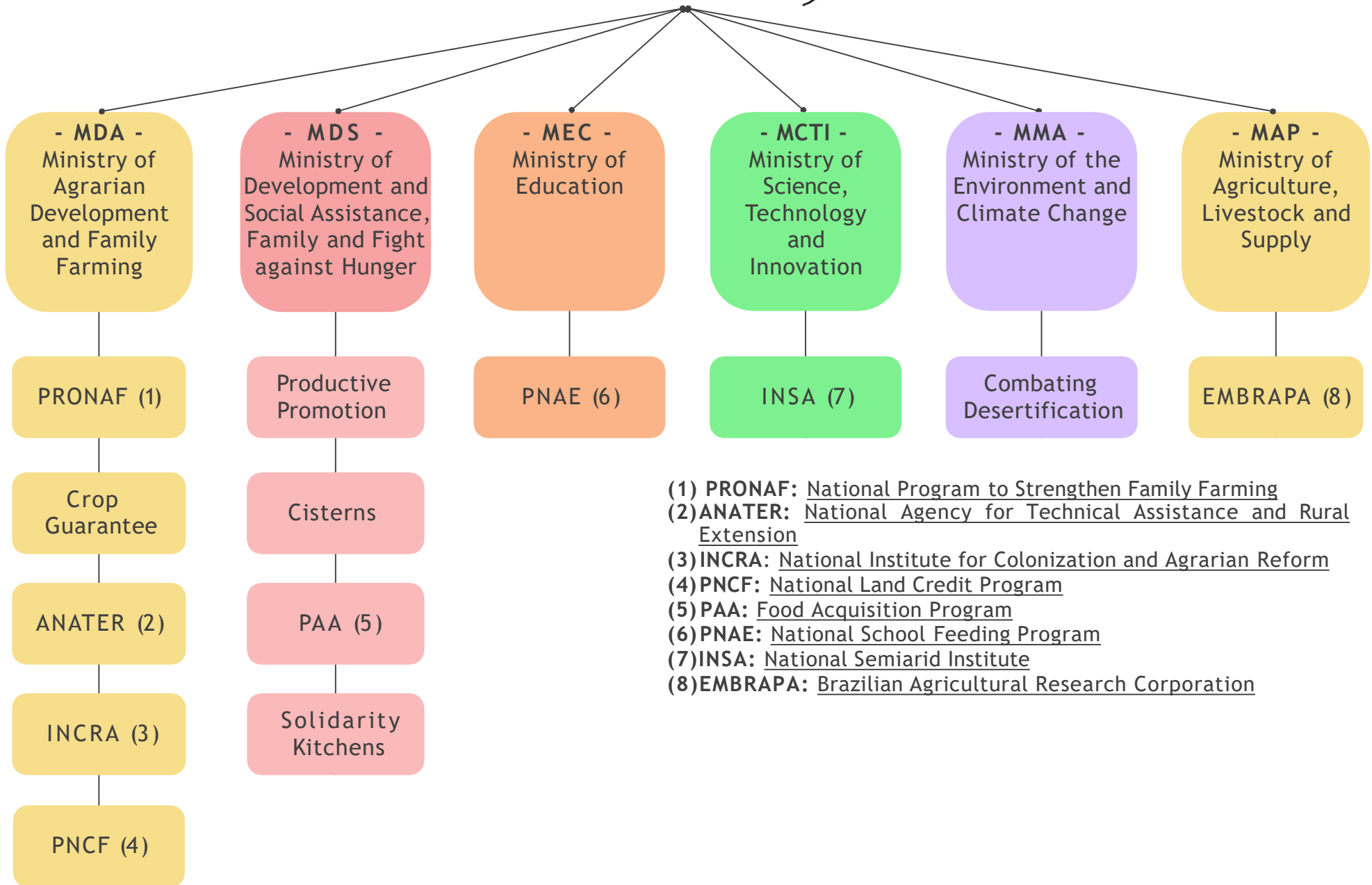
Mission Dates: 26/10/2023 - 03/11/2023

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Latin America and the Caribbean
Programme Management Department



Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex: J Project Procurement Arrangements

Mission Dates: 26/10/2023 - 03/11/2023

Document Date: 03/06/2024

Project No. 2000003598

Report No. 6690-BR

Latin America and the Caribbean
Programme Management Department

Date _____

Project Procurement Arrangements

Country: Brazil

IFAD Financing (Loan Number(s)): _____

Project: Articulation and dialogue project on poverty and inequality reduction policies in the Semi-arid Northeast – Dom Helder Câmara Project (third phase).

Your Excellency: Paulo Teixeira, Minister of Agrarian Development and Family Farming

1. I refer to the Financing Agreement between **Brazil - Ministry of Agrarian Development and Family Farming** ("Borrower/Recipient") and the **International Fund for Agricultural Development (IFAD)**, dated [*insert date of FA*] ("Agreement"). The Agreement *will enter into force when IFAD receives an instrument of ratification*.
2. The instructions contained in these Project Procurement Arrangements govern the execution of project procurement operations with respect to the acquisition of goods, works and services under the Agreement. These arrangements replace and supersede any procurement guidance that has previously been issued to the project. In case these instructions conflict with those of the IFAD Project Procurement Handbook, the instruction of these Procurement Arrangements shall prevail.
3. Capitalised terms defined in the Financing Agreement and General Conditions shall have the same meaning in these Arrangements unless expressly defined otherwise in this document.
4. Section 7.05 of the General Conditions provides that the procurement of goods, works and services shall be carried out in accordance with the provisions of the **borrower/recipient's procurement regulations, to the extent such are consistent with the IFAD Project Procurement Guidelines, as amended from time to time**¹. The exception will be for the selection of individual consultants who will follow the provisions of the IFAD Project Acquisition Guidelines, as amended from time to time and tenders that take place within the scope of an international technical cooperation body that will support the implementation of the project. In addition, the national bidding documents must be supplemented as necessary in order to incorporate IFAD's SECAP standards and requirements.
5. The IFAD Simplified Project Procurement Procedures for Fragile and Conflict Affected Situations guidelines shall not apply to this project.
6. Each Annual Work Plan and Budget must contain a Procurement Plan, which shall identify the procedures that must be implemented by the borrower/recipient in order to ensure

¹ Any reference to IFAD Project Procurement Guidelines also includes the IFAD Procurement Handbook. Ensuring that applicable procurement rules are consistent with IFAD's Project Procurement Guidelines is mandatory; the Handbook is used as a guidance document for the borrower/recipient. The regulations set out in these Procurement Arrangements supersede the Handbook in case of conflict. For both the Guidelines and the Handbook, the latest version shall always apply.

consistency with the IFAD Project Procurement Guidelines. The following procurement methods² shall be used³ for:

- a. Works and works-related Non-Consulting Services:
 - (i) There are no works planned for the project.

- b. Goods and Goods-related Non-Consulting Services
 - (i) International Competitive Bidding (ICB): This procurement method applies to contracts estimated to cost US\$ 200,000.00 or more. Under ICB, the borrower/recipient may apply a margin of domestic preference of 15%;
 - (ii) National Competitive Bidding (NCB): might be applied to contracts estimated to cost less than US\$ 200,000.00. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification;
 - (iii) Shopping: might be applied to contracts estimated to cost US\$ 100,000.00 or less. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification; and
 - (iv) Direct Contracting: applies to the indicated contracts in the Procurement Plan with due justification (as mentioned in the Handbook) subject to IFAD NO under prior review⁴ or alternatively without prior IFAD's NO for low-value unforeseen purchases with estimated cost of US\$ 3,000.00 or less per purchase up to an aggregate amount of US\$ 30,000.00 per annum.

- c. Consulting Services and related Non-Consulting Services
 - (i) Quality and Cost Based Selection (QCBS): This selection method is the default for contracts with firms estimated to cost US\$ 150,000.00 or more; International Advertisement is mandatory for consultancy contracts estimated to cost US\$ 500,000.00 or more, regardless of the selection method;
 - (ii) Quality Based Selection (QBS): might be applied to contracts of any value if a proper justification is provided;

² In case National Procurement Regulations apply and as far as these do not contradict with IFAD's Project Procurement Guidelines, the equivalent terminology for procurement methods may be used; for example, ICB is the method for a publicly advertised competition at the international level. The Project Implementation Manual (PIM) will map the procurement methods that should be applied in accordance with these Arrangements.

³ To know the applicable procurement method, the cost estimate shall be for the entire procurement activity whether it is divided into lots or not; in case of lots, the sum of the cost estimates of all lots shall be used for identifying the applicable procurement method for the procurement activity.

⁴ A sufficiently detailed justification shall be submitted to IFAD to obtain its NO and shall include the rationale for the choice of direct contracting instead of competitive procurement and the basis for recommending a particular supplier/service provider in all such cases. Direct contracting could be justified under any of the circumstances listed in section 6, Module F1: Procurement Methods for Goods, Works and Non-consulting Services of the IFAD Procurement Handbook.

- (iii) Fixed Budget Selection (FBS), or Least Cost Selection (LCS)⁵: might be applied to contracts with firms estimated to cost less than US\$ 150,000.00. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification;
- (iv) Consultants Qualification Selection (CQS): might be applied to contracts with firms estimated to cost US\$ 70,000.00 or less. A waiver for the use of this method beyond this threshold can be requested for individual activities with proper justification;
- (v) Individual Consultants Selection (ICS): applies to contracts with individuals regardless of the value;
- (vi) Shortlisting following a Request for Expression of Interest is mandatory for all CQS and ICS procedures. In addition, Shortlisting is mandatory for all consulting services contracts estimated to cost US\$ 60,000.00 or more;
- (vii) Sole/Single Source Selection (SSS): applies to contracts with firms designated under SSS in the Procurement Plan with due justification (as mentioned in the Handbook) subject to prior review⁶ and/or contracts estimated to cost US\$ 5,000.00 or less, up to an aggregate amount of US\$ 25,000.00 per annum; and
- (viii) Sole/Single Source Selection (SSS): applies to contracts with individuals designated under SSS in the Procurement Plan with due justification (as mentioned in the Handbook) subject to prior review⁷ and/or estimated to cost US\$ 2,500.00 or less and with a contract duration of three months or less and up to an aggregate amount of US\$ 25,000.00 per annum;.

d. Other Procurement Methods or Arrangements:

- (i) The use of Force Account is not allowed.
- (ii) Extensions of contracts funded by IFAD for Goods, Works or related Non-Consulting Services to cover items of similar nature not listed in the original contract may not exceed 10% of the contract value and require IFAD's No Objection (such extension shall be considered as Direct Contracting). However, extensions of existing contracts, issued in order to increase/decrease items already listed in the original contract as a result of evolutionary changes during contract execution and subject to the contractual clauses governing such change may exceed 10%. In this case, the extension is subject to IFAD's No Objection.

⁵ The choice among QBS, FBS and LCS shall be made by the borrower/recipient in the Procurement Plan based on the nature and circumstances of the relevant procurement activity following the guidance of the IFAD Procurement Handbook.

⁶ Any request for SSS by the borrower/recipient must be accompanied by a detailed justification, which will be carefully examined by IFAD to ensure that no alternative selection methods can be used. To receive IFAD's NO, it must be demonstrated that there is a clear advantage to SSS over competitive selection. Examples of such circumstances are listed in Section 6, Module F2: Selection Methods for Consulting Services of the IFAD Procurement Handbook.

⁷ Any request for SSS by a borrower/recipient must be accompanied by a detailed justification, which will be carefully examined by IFAD to ensure that no alternative selection methods can be used. To receive IFAD's NO, it must be demonstrated that there is a clear advantage to SSS over competitive selection. Examples of such circumstances are listed in Section 7, Module F2: Selection Methods for Consulting Services of the IFAD Procurement Handbook.

- (iii) Procurement with Community Participation is *allowed*⁸.
- (iv) The packaging of Grants and Investment Agreements is encouraged, single awards to entities or individuals are discouraged.
- (v) Procurement from United Nations Agencies is allowed⁹.
- (vi) Secondary Procurement (orders against existing Long-term Agreements, national e-catalogues etc.) follows the regulations and applicable thresholds of the national legislation. The prior review threshold of the respective procurement category (goods, works, consulting services and related non-consulting services) applies.
- (vii) The borrower/recipient shall adopt and use the Standard Procurement Documents issued by:

IFAD (for ICB and (if applicable) for consulting services) and the ones issued by National Authorities for other methods as long as the latter are supplemented/adapted to meet IFAD's SECAP standards and grievance mechanisms and the IFAD's Project Procurement Guidelines and IFAD Procurement Handbook. This includes adding the IFAD self-certification form at bidding and at contract stage and a certification that bidders have read, understood and agreed to be bound by the Privacy Policy of IFAD¹⁰.

7. In accordance with paragraphs 49, 66 and 67 of the IFAD Project Procurement Guidelines and IFAD's Procurement Handbook, the following will be subject to prior review by IFAD and requires IFAD's No Objection:

1	Procurement Plans submitted as part of Annual Work Plans and Budget and any subsequent amendment of these plans;
2	General Procurement Notices
3	The first two procurement activities using using ICB, NCB, NS, ICS, CQS, FBS, LCS, CQBS, SSS...).
4	The first call for grants.
5	The TOR (Job Description), Advertisement and selection proceedings for the hiring of any staff responsible for carrying out or administering procurement processes as part of the project
6	Award of any Memorandum of Agreement irrespective of its value
7	Award of any contract for goods and goods-related non-consulting services estimated to cost US\$ 70,000.00 or more;
8	Award of any contract for works and works-related non-consulting services estimated to cost US\$ 150,000.00 or more;
9	Award of any contract for consulting services provided by firms estimated to cost US\$60,000.00 or more;
10	Award of any contract for individual consulting services estimated to cost US\$ 30,000.00 or more;

⁸ If the Project Design has provisioned for the involvement of communities of the borrower/recipient in the regions where the project is to be implemented in the procurement activities and has analyzed the regulatory environment, organizational capacity, skills, etc. of such communities, then community participation can be allowed for particular activities as outlined in the Project Design and details will be included here in the Procurement Arrangements.

⁹ If the Project Design has provisioned for the procurement from United Nations Agencies (See IFAD Procurement Handbook Module F1, Section 9) then this can be allowed for particular activities as outlined in the Project Design.

¹⁰ The policy is accessible at <https://www.ifad.org/en/privacy>

11	Award of any contract via Direct Contracting for Goods and related Non-Consulting Services above the low-value threshold specified in paragraph 6. b. (iv). Any contract below this low-value threshold does not need N.O. as long as the cumulative value of such low-value contracts does not exceed the cumulative threshold stated in the same paragraph;
12	Award of any contract via Direct Contracting for Works above the low-value threshold specified in paragraph 6. a. (iv). Any contract below this threshold does not need N.O. as long as the cumulative value of such low-value contracts does not exceed the cumulative threshold stated in the same paragraph;
13	Award of any contract via Single/Sole Source Selection of Consulting Services to firms above the threshold specified in paragraph 6. c. (vii). Any contract below this threshold does not need N.O. as long as the cumulative value of such low-value contracts does not exceed the cumulative threshold stated in the same paragraph;
14	Award of any contract via Single/Sole Source Selection to individuals above the threshold specified in paragraph 6. c. (viii). Any contract below this threshold does not need N.O. as long as the cumulative threshold stated in the same paragraph is not exceeded and the contract duration is three months or less.
15	Call for grants estimated to cost US\$ 70,000.00 or more;

8. In addition, the following interim steps of the procurement process for Goods/Works/Services also require IFAD's No Objection for contracts designated for **"prior review"** in the project's procurement plan. For contracts designated for **"post review"** instead, IFAD reserves the right to request the review of any of the following interim steps on a sample basis and at any time. No downstream procurement action by the Borrower/Recipient can proceed until prior NO is issued by IFAD as to the propriety and compliance of the undermentioned steps with the IFAD PPF:

	Activity / Step of the procurement process for Prior Review Contracts	IFAD "NO" is required
1	Call/Request for Prequalification document and related advertisement	Yes
2	REOI (Request for Expression of Interest) document for consultancy services and related advertisement	Yes
3	Terms of Reference for consultancy services and related non-consulting services	Yes, usually as part of NO request for issue of the RFP (step 9 below)
4	Technical Specifications for Goods/Works/NCS	Yes, usually as part of NO request for issue of the bid docs (step 9 below)
5	Composition of evaluation committees	Yes, usually as part of steps 9, 13 or 15
6	Prequalification report for Goods/Works/NCS	Yes
7	Shortlisting report for consultants' selection	Yes
8	The use of "prior lists" for shortlisting consultants	Yes
9	Complete Bidding Documents and RFPs and CfPs and related advertisement if applicable	Yes

10	Use of a Performance Guarantee template if other than unconditional, irrevocable and on-demand guarantee	Yes
11	Amendments to the Bidding Documents and RFPs, CfPs	Yes
12	Opening bids/quotes/proposals that are less than 3 (excluding DC/SSS)	Yes, usually as part of step 13, 14 or 15
13	Technical evaluation report (in two envelope procedures)	Yes
14	The combined evaluation report (in two envelope procedures)	Yes
15	The single evaluation report (in one envelope procedures) for Goods/Works/NCS/Consulting Services (SSS)	Yes
16	Decisions concerning abnormally low bids	Yes
17	Draft contract	Yes
18	Minutes of negotiation at award for consultancy services (where applicable) or when using DC for Goods/Works/NCS	Yes
19	Rejection of all bids/proposals and cancellation of the procurement procedure	Yes
20	Failure of negotiations and proceeding to next ranked consultant	Yes
21	Proceeding to next ranked bidder if top ranked fails to sign the contract in Goods/Works/NCS	Yes
22	Determination to reject a bid/proposal because of cross-debarment	Yes, usually as part of steps 13, 14 or 15
23	Amendments to contracts exceeding 10% in value (increase/decrease in quantities as a result of evolutionary changes). Additional unforeseen new items exceeding 10% of the contract value is a new procurement subject to Single Source/DC conditions.	Yes
24	Extension of time to contracts exceeding 25% of the original contractual duration in Goods/Works/NC Services/Consulting Services	Yes
25	Termination of a contract in Goods/Works/NC Services/Consulting Services	Yes
26	The use of Force Account	Yes
27	Meeting minutes of the approval committee/evaluation report for Grants	Yes

9. Award-related Protests and Appeals: For prior-review procurements, all protests, submitted by bidders to the borrower/recipient as a result of a Notice of Intent to Award, must be communicated to IFAD before a decision on the complaint is issued. IFAD reserves the right to provide inputs or comments to the borrower/recipient to help it reach the decision. A copy of the decision must also be provided to IFAD. For post-review procurements, the borrower/recipient may - at its discretion - inform IFAD about the protest. The borrower/recipient shall inform IFAD of any related Appeal filed to competent national authorities immediately upon becoming aware of such an appeal.

10. IFAD must receive a duly completed Authorised User(s) Letter (see Annex 1), from **Ministry of Agrarian Development and Family Farming**, designating the name(s) of official(s) authorised to undertake actions in the IFAD's client project procurement systems which includes client project submitting electronic documentation, entering and updating fiduciary data and to request IFAD's No Objection. The designated representative of the Borrower/Recipient may from time to time change the name/s of the Authorised User(s) or add new ones by written notice to IFAD.
11. The planning and implementation of all procurement activities should be routed through OPEN, IFAD's End-to-End Procurement system. OPEN enforces a step-by-step documentation of the workflow for the process for the entire procurement process (expression of interest, IFAD No-Objection if applicable, to contract signature) according to the type (e.g. national competitive bidding, international competitive bidding) and object of procurement (e.g. civil works, goods, services). OPEN also has a function as a tracking system for non-procurement workflow (e.g. Project Implementation Manual – PIM, Annual Workplan and Budget).
12. All contracts, Memorandums of Agreements,¹¹ purchase orders and related payments must be recorded in the Contract Monitoring Tool of the IFAD Client Portal. The register of contracts contained within the Contract Monitoring Tool replaces the requirement to complete the Forms C-10 (Register of Contracts) and C-11 (Contract Payment Monitoring Form). Instead, an extract of the register of contracts must be downloaded from the Contract Monitoring Tool for submission together with Withdrawal Applications. The register of contracts must be kept up to date on a continuous basis.
13. All the above-outlined procurement terms and conditions shall also apply to project implementing partners and implementing agents approved by IFAD.
14. The aforementioned terms and conditions may be modified by IFAD during the course of Project implementation.

Anticorruption Measures

15. IFAD-financed and IFAD-managed activities and operations are governed under the Revised IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations; therefore, the Borrower/Recipient is required to familiarize itself with this Policy in order to comply with all applicable requirements therein.
16. Specifically, paragraphs 11 to 15 in Section II. D (iii) of the Policy states the actions that the Borrower/Recipient will take to prevent, mitigate and combat Prohibited Practices (i.e., fraud, corruption, collusion, obstruction and coercion, as defined by the Fund) in any IFAD-financed and/or IFAD-managed activity or operation. Borrowers/Recipients are instructed to, *inter alia*:
 - a. Prior to the implementation of an IFAD-financed and/or IFAD-managed operation or activity, inform the Fund of the arrangements made for receiving and taking action in response to allegations of fraud and corruption relating to IFAD-financed and/or IFAD-managed activities and operations, in particular:

¹¹ IFAD distinguishes between a Memorandum of Understanding, Memorandum of Agreement and a service contract in the following way:

Memorandum of Understanding: equivalent to a letter of intent, it cannot involve payments of any kind.

Memorandum of Agreement: it can involve payments but is only applicable to the public sector. It needs IFAD NO regardless of the value.

Commercial (service) contract: should be used for all private sector entities including NGOs.

- i. appoint **and inform the Fund of the** independent and competent national or local authority (or authorities, if the activities that follow fall under the jurisdiction of more than one authority) to be responsible for receiving, reviewing and investigating allegations of fraud and corruption relating to IFAD-financed and/or IFAD-managed activities and operations; and;
 - ii. provide the name(s), position(s) and contact information of a focal point within that authority (or those authorities, as appropriate) and inform IFAD of any potential changes of that focal point.
- b. Borrower/Recipients are also encouraged to have in place, in accordance with effective whistle-blower protection measures and confidential reporting channels in order to appropriately receive and address allegations of fraud and corruption relating to IFAD-financed and/or IFAD-managed operations and activities.

Sexual Harassment, Sexual Exploitation and Abuse

17. IFAD has no tolerance for acts of sexual harassment, sexual exploitation and abuse in relation to its funded activities or operations. In April 2018, IFAD released its Policy to preventing and responding to Sexual Harassment, Sexual Exploitation and Abuse (the IFAD Policy¹²) to define obligations and responsibilities of all individuals who are holders of a contract with IFAD as well as third parties and recipients of IFAD funding.
18. According to Section 7.07 of the General Conditions, the Borrower/Recipient and the Project Parties shall ensure that the Project is carried out in accordance with the provisions of the IFAD Policy as may be amended from time to time. The Fund may take appropriate measures in line with such Policy.
19. In line with Section 34 of the Policy, the Borrower/Recipient shall ensure that contracts with Project Parties include: (i) provisions prohibiting acts of sexual harassment, sexual exploitation and abuse, (ii) obligation to immediately report incidents of sexual harassment, sexual exploitation and abuse to IFAD or to the Borrower/Recipient and (iii) provisions allowing for the immediate termination of the contract based on proven acts of sexual harassment, sexual exploitation and abuse.
20. Pursuant to Section 8.06. of the General Conditions, the Borrower/Recipient and Project Parties shall promptly inform the Fund of any non-compliance with the IFAD Policy. In accordance with Section 12.01 (xxv) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower/Recipient to request withdrawals from the Loan and/or Grant Accounts if, after consultation with the Borrower/Recipient, it determines that acts of sexual harassment, sexual exploitation and abuse were engaged in by representatives of the Borrower/Recipient or a Project Party or by any other recipients of the proceeds of the Financing without the Borrower/ Recipient having taken timely and appropriate action, satisfactory to the Fund, to address such acts when they occur.
21. Borrowers/Recipients are also encouraged to have in place, effective whistle-blower protection against retaliation measures, victim support and assistance mechanisms and confidential reporting channels in order to receive, address and respond to allegations of sexual harassment, sexual exploitation and abuse relating to IFAD-financed and/or IFAD-managed operations and activities.

Accept, Excellency, the assurances of my highest consideration¹³.

Claus Reiner
Country Director

¹² <https://www.ifad.org/en/document-detail/asset/40738506>

¹³ Correct opening and closing salutations can be found in the [CIAO system](#).

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex: K Targeted Adaptation Assessment

Mission Dates: 26/10/2023 - 03/11/2023

Document Date: 03/06/2024

Project No. 2000003598

Report No. 6690-BR

Latin America and the Caribbean
Programme Management Department

Project ID: 200003598

Federal Republic of Brazil

**Climate Resilience, Food Nutrition and Security in the Northeast Semiarid of Brazil Project - Dom
Helder Camara - PDHC III**

TARGETED ADAPTATION ASSESSMENT

ACRONYMS

AFS	Agroforestry system(s)
ATER	Technical Assistance and Rural Extension
CONDRAF	National Council for Sustainable Rural Development
EMBRAPA	Brazilian Agricultural Research Company
IICA	Interamerican Institute for Cooperation in Agriculture
INMET	Brazilian National Meteorology Institute
INPE	Brazilian National Institute for Space Research (INPE)
IPCC	Intergovernmental Panel on Climate Change
MDA	Ministry of Agrarian Development and Family Agriculture
NEB	Brazil's Northeast region
PDHC III	Dom Helder Camara Project III
Plano ABC+	National Low Carbon Agriculture Plan
PMU	Project Management Unit
PNA	National Plan for Adaptation to Climate Change
PROAGRO	Agricultura Activity Guarantee Program
PRONAF	National Program for Family Farming Strengthening
SFTD	Land Secretariat for Territorial Development (SFTD)
SISZARC	Agricultural Zoning System for Climate Risk
SPOA	sub-secretariat for Planning, Budget and Administration (SPOA)
SPOA	sub-secretariat for Planning, Budget and Administration
TDS	Total dissolved solids

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INTRODUCTION

1. The aim of Climate Resilience, Food Nutrition and Security in the Northeast Semiarid of Brazil Project - Dom Helder Camara (PDHC III, the Project henceforth) is to reduce rural poverty and food and nutrition insecurity in family farming in Brazil's Northeast region (NEB), in its semi-arid region, the Caatinga biome (see map below). Its Development Objective aims at supporting the development of sustainable agricultural production systems and the resilience of family farmers in the Caatinga to climate change impacts. The project will also seek to reduce gender and ethnic-racial inequalities in the semi-arid region through the promotion of access to public policies, technological innovations and resources that support sustainable, biodiverse and climate-resilient food systems.

2. The project main underpinning is the hiring and strengthening of Technical Assistance and Rural Extension (TARE) services to deliver their services utilizing an agroecological approach. Many of the adaptation measures (mostly part of what agroecology prescribes in terms of agroecosystems design) that are discussed in this report are already well known in the Brazilian Northeast region due to the work of NGO and popular movements since the late 80's. However, the number of TARE works trained in agroecology is still limited¹. The issue is recognized by the project and project component 2 aims at addressing the need for increasing the number of professionals proficient in agroecology and climate change.

3. Therefore, at a strategic level, the key aspect for ensuring for the effective adoption of climate adaptation measures by family farmers is promoting the capacity building of TARE professionals in climate change and agroecology so that they can communicate about these themes and work with family farmers in a socially and culturally sensitive manner. The agroecological approach to extension postulates that solutions to agricultural production challenges are to be co-developed by TARE agents and farmers (as opposed to presenting agricultural extension packages). It is, therefore, expected that the adoption of adaptation measures:

- a. Will result from the constructive dialogue between TARE agents and farmers and, that it will be influenced by several factors, such as: the availability of labor, farmers risk/drudgery aversion, level of income derived from the farm, education, site conditions, etc., and consequently
 - b. There will be a significant diversity of adaptation solutions (and of agroecological production systems) reflecting farmer's preferences and conditions.
4. In addition to agricultural information, TARE agents are also expected to facilitate and support family farmers in accessing existing state and federal government policies and information systems geared towards climate change adaptation and responses to shocks. Therefore, their knowledge about those

¹ According to information provided by the MDA team during the project mission the number agricultural extension agent trained in agroecology would be around 500 people.

programs (objectives, requirements and means to access their resources) will also need to be strengthened so that they can actually facilitate and enhance farmer's access to them.

5. This Targeted Adaptation Assessment was prepared to guide the project interventions, which may require specific assessments during the project implementation. Those eventual additional assessments are presented in the Project's ESMF. The project implementation unit (PMU) will monitor and do the necessary revisions or updates of the adaptation activities in accordance with the project's evolution. As such, monitoring effort will require attention to the outputs and results of TARE agents capacity building and their effectiveness in technology adoption by farmers.

6. This report complements the recommendations and guidance provided in the project's Environmental and Social Management Framework (ESMF) in its climate section and provides a more detailed climate risk analysis, vis-à-vis the project's planned activities related to agricultural production. The report outlines the likely climate impacts and the proposed adaptation measures.

7. The project climate risk is considered "substantial" in accordance to IFAD's climate risk screening procedures. Therefore, this Targeted Adaptation Assessment was prepared to identify the possible climate change impacts on the Project's investments and the necessary adaptation measures to ensure the overall project's results and sustainability in the long term. The justification for the Project's climate risk "substantial" category are due to:

i) The vulnerability (due to overall poverty and the limited investment capacity) and exposure of the target population to the effects of climate variability and shocks, notably to droughts, hot spells and heavy rains;

ii) The still limited access of the Project's target population to policies and instruments that can reduce this vulnerability. These include early warning climatic information, public policies geared toward financing adaptation and emergency responses,; and

iii) The risk of extreme events adversely affecting the Project's investments. This analysis is based on the results of the climate trends and on the historical experience of the region, which suffered its longest period of drought on record in 2012-2017, as well as periods of extreme rainfall in 2021-2022.

8. There is also the risk of extreme events (droughts and rains) adversely affecting the implementation and sustainability of the production systems supported by the Project. The following sections present a project overview, and discuss the climate change scenarios and likely impacts on the project area. This is followed by an assessment of such impacts on project activities and suggested adaptation measures at strategic and operational levels.

PROJECT OVERVIEW

1. The aim of Climate Resilience, Food Nutrition and Security in the Northeast Semiarid of Brazil Project - Dom Helder Camara (PDHC III, the Project henceforth) is to reduce rural poverty and food and nutrition insecurity in family farming in Brazil's Northeast region (NEB), in its semiarid region, the Caatinga

biome (see map below). Its Development Objective aims to support the development of sustainable agricultural production systems and the resilience of family farmers in the Caatinga to climate change impacts. The Project will also seek to reduce gender and ethnic-racial inequalities in the semiarid region by promoting access to public policies, technological innovations, and resources that support sustainable, biodiverse, and climate-resilient food systems.

2. The Project seeks to improve income and food security by strengthening the productive capacities of family farmers living in poverty. The Project also seeks to reduce gender and ethnic-racial inequalities in the semiarid region through access to public policies, technological innovations, and resources that promote sustainable, biodiverse, and climate-resilient food systems. The Project relies on Technical Assistance and Rural Extension (TARE) services to deliver critical agricultural and climate change information to family farmers and facilitate their access to public policies and resources geared towards social inclusion, promotion of sustainable agriculture, and climate change adaptation. The Project's objectives will be achieved through the implementation of the three following components:

3. **Component 1: Promoting resilience through food and nutrition security** - Aims to improve families' income and food security by strengthening farmers' productive capacity and strengthening family farming organizations so that they are able to absorb surplus production, process it and market it with added value. Through the provision of in-person and remote TARE, the component highlights production for self-consumption, surpluses for marketing, and access to public policies. It is structured around three axes: sustainable production, access to markets, and Virtual Technical Assistance (VTA), organized in the below sub-components:

- **Subcomponent 1.1 – Resilient and diversified agroecological assistance** - This subcomponent aims to provide TARE services with a view to strengthening production systems with agroecological practices; Implementing diversified agroforestry systems, other polycultures, and sustainable practices, training, and exchanges (prioritizing young people, rural women, and traditional communities); providing financial resources for productive investments through the Ministry of Development and Social Assistance, Family and Fight against Hunger (MDS). It will also provide investments support the establishment of agroforestry and silvopastoral systems, small poultry and livestock (caprine, ovine, and swine), vegetable gardens, and beekeeping).
- **Subcomponent 1.2 - Strengthening market access capacities** - aims to strengthen the capacities of producer organizations to add value to rural production and improve marketing conditions. Encouraging the diversification of markets by establishing short marketing circuits, obtaining distinctive seals of quality and origin, training for participation in public food procurement programs, providing resources for specialized advice, and acquiring goods for increased productivity.
- **Subcomponent 1.3 - Virtual Technical Assistance (VTA)** - Use of digital media to complement face-to-face ATER; development of communication methodologies and tools for family farmers; and creation of pilot projects for exclusively VTA.

4. **Component 2: Capacity Building, Innovation and Dissemination** - Aims to create an environment conducive to improving and updating the knowledge and skills of project beneficiaries and teams of professionals, especially TARE professionals (which are in limited number regarding their knowledge about climate change and agroecology), to promote agroecological transition and sustainable and nutritious agri-food systems.

- **Subcomponent 2.1 – Innovation and Capacity building** - This subcomponent aims to implement actions to generate, improve and disseminate knowledge and strengthen

capacities for a diverse audience, such as TARE teams, rural school cooks and women farmers. The training will cover topics of interest to these groups, including food security, gender, agroecology and climate-resilient agriculture, etc. To this end, training will be provided, as well as support for regional events/fairs and support for the preparation of teaching materials..

- **Subcomponent 2.2 – Capacity building for young people** - This subcomponent seeks to strengthen the knowledge and extension practices (research and projects) of high school students at CEFFAs and similar rural education institutions, by providing teaching grants for students and teachers, organizing awards, learning routes and exchanges.
- **Subcomponent 2.2 - KM, SSTC, and policy dialogue** - The subcomponent's actions will aim to strengthen and expand the development and exchange of good management practices for public policies, innovations and social technologies for living in the semi-arid region, with a focus on strategies for adapting to climate change and promoting food security, in line with the Project's actions. The subcomponent's main activities will be the production of publications in different formats, which will support seminars, workshops and exchanges (national/international and face-to-face/online), training processes such as courses and workshops and training (face-to-face/distance).

5. **Component 3: Project Management and Monitoring and Evaluation (M&E)** - Aims to establish the Project Management Unit (PMU) for technical coordination, management of agreements, procurement, finance, audits, safeguards, monitoring, and evaluation. The PMU's key team will comprise MDA officials and IICA consultants. The component also includes financial resources for evaluation studies and monitoring actions. It has two sub-components:

- **Subcomponent 3.1 - Project Management** - Through this subcomponent, a Project Management Unit (PMU) will be established at the SFDT/MDA in Brasilia (DF), with responsibility for implementing the project and carrying out technical coordination activities, managing the agreements established with the partner entities, procurement management, financial management and audits.
- **Subcomponent 3.2 - Monitoring and Evaluation (M&E)** - This subcomponent includes financial resources for contracting evaluation studies, such as the Impact Evaluation (with baseline, mid-term and final evaluation), as well as follow-up/evaluation studies on the implementation of TARE. Actions relating to the Decentralized Execution Terms (TEDs) and other forms of implementation will be monitored and evaluated by means of specific studies.

6. The Project will target 90,000 families, of which 40,000 will receive support for TARE and financial support for productive investments, 2,500 for implementing agroecological systems for producing healthy food, including TARE. In contrast, the rest of the families will benefit from the other activities planned by the Project. The actions aimed at direct interventions through TARE and investments in the beneficiaries' productive activities are concentrated in component 1, based on actions developed in each sub-component.

7. The Project will be implemented by the Land Secretariat for Territorial Development (SFDT) of the Ministry of Agrarian Development and Family Agriculture (MDA). SFDT will serve as the project's

deliberative body. Three consultative governance bodies will be established: the Territorial Committee, the Regional Committee and the Executive Committee. The Territorial Committee will operate in each territory, promoting discussions and coordination. The Regional Committee, made up of the Family Farming Thematic Chamber and the Eugênio Peixoto Forum², will disseminate information and promote discussions between the states in which the PDHC operates. Finally, the Executive Committee, made up of the National Council for Sustainable Rural Development (CONDRAF), will act in an advisory capacity to provide knowledge and discuss actions within the scope of the project. These committees will be spaces for dialog, policy alignment, coordination in the territories, promotion of civil society participation and monitoring the implementation of the Project, in order to help define priority actions, draw up proposals for political dialog agendas and disseminate and analyze innovative methodologies.

8. The project will be funded by USD 35 million loan from IFAD and a direct contribution of USD 10 million from the Brazilian government. There is also an indirect contribution of USD 90 million from other government actions and contributions from beneficiaries of USD 20 million, totaling USD 155 million over six years. The PMU, within the Department of Territorial and Socio-Environmental Development (DDTS), will coordinate the financial management of the project in collaboration with the sub-secretariat for Planning, Budget and Administration (SPOA), and will be responsible for financial execution.

CLIMATE CHANGE TRENDS AND IMPACTS ON FAMILY AGRICULTURE IN NEB.

9. The Project area covers the semi-arid region of the 9 Northeastern states and the state of Minas Gerais, totaling 10 states (see map below) in the Caatinga.

² The Eugenio Peixoto Forum is a government organization, belonging to Government of Piaí, that promotes sustainable rural development and solidarity by strengthening family farming, with a view to increasing agricultural production, environmental sustainability and improving quality of life, food security and sovereignty in the countryside.

Figure 1: Map of the project area/Caatinga biome (9 Northeast states and Northern part of the State of Minas Gerais)



10. The NEB is most vulnerable region to climate change in South America. The main climate stress factors are decreasing rainfall, rising temperatures and more frequent, longer and more severe droughts. The climate risks are desertification, soil degradation (erosion and loss of organic matter), reduced availability of natural resources, especially fresh water, and loss of biodiversity. Approximately 200,000 km² (1,262 municipalities) are highly susceptible to desertification and around 6.8 million people live in

stressed conditions (out of 27 million)j . If degradation trends continue, the region could become arid by 2050 (see figure below).

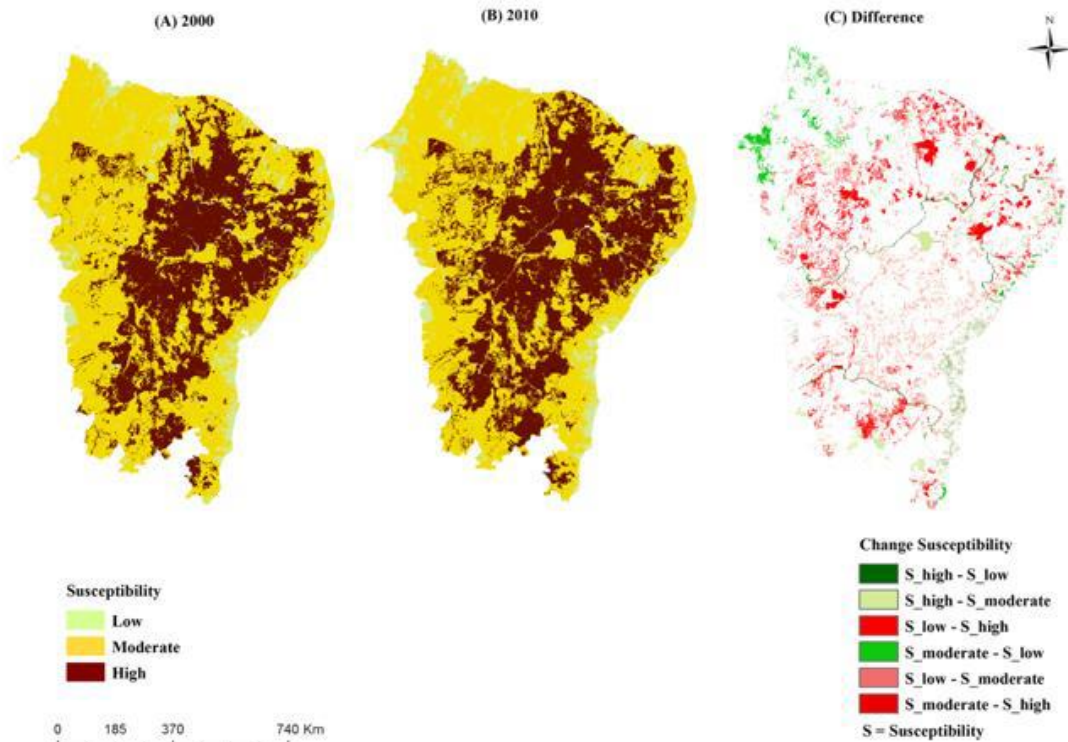


Figure 2: Areas Susceptible to Desertification in the Brazilian Semiarid Region for both 2000 and 2010, as well as the Changes that Occurred between these Periods⁹⁸

11. The population of the Project area is estimated at 30,926,841 people, 51% of whom are women (15,774,866) and 23% young people aged between 15 and 29 (7,197,689). There are 283,747 indigenous people living in the Project area, of which only 64,132 (22.6%) live on Indigenous Lands (TIs). There are also 560,428 quilombolas living in the Project area, of which only 8.2% (46,669 people) live in quilombola territories. There are 1,833,657 agricultural establishments in the Project area, of which 79% (1,446,842) are family farms. Of the total number of family farms, 346,096 (or 23.9%) are managed by women and 156,500 (or 10.8%) by young people under the age of 35.

12. The majority of farms owned by family farmers in the region are smaller than 20 hectares. Despite some variations, they generally combine rain-fed agriculture (mainly corn, beans and manioc - for home consumption and sale) with the raising of small animals (mainly sheep and goats). Families also tend to have vegetable gardens in their backyards, some fruit trees and poultry. The population of the municipalities in the Project's area of intervention is among the poorest in Brazil - 45.7% (14.1 million) of them live in poverty compared to 26.2% in the country, with limited access to basic social services, high levels of social, environmental and climatic vulnerabilities and high rates of food and nutritional insecurity (approximately 68%).

13. High levels of social vulnerability in the northeast of Brazil make this region one of the most susceptible to the impacts of climate change in the country. Gori Maia et al. concluded that increases in

temperature and episodes of drought from 1974 to 2014 reduced the productivity of livestock (milk and meat from cattle, sheep and goats) of family farmers in the Brazilian semi-arid region. The historical reduction in rainfall had more negative effects on family dairy farming with the impact becoming greater the poorer the farmer. According to the authors, family livestock farmers in the region are more vulnerable, as they have fewer financial means to protect themselves by investing, for example, in "replacing natural pasture with other forage (silage) as needed in more extreme climatic conditions"³.

14. The NEB is also the area where family farming is concentrated and currently faces the country's most significant challenge regarding poverty eradication. Projections estimate possible losses of up to 79.6% in agro-productive areas and subsequent increase in food insecurity and health issues due to climate change. There is a significant correlation between average precipitation and agricultural production, but the effect is statistically significantly higher for crops produced by family farmers than average agricultural production. The average crop area lost due to droughts in the 1990-2016 period was 221,973 hectares per year. Due to climate change, staple food crops, such as beans, corn and cassava, can suffer productivity losses up to 5% by 2030 in the Northeast, and some scenarios project that cassava (*Manihot esculenta*), a key crop in local diet, can even disappear from the region.

15. The main trends in climate change in the region include reduced rainfall and increased water scarcity, increased temperature and increase in the frequency and intensity of extreme events. These changes in climate can cause significant losses in productivity for some key crops for family farmers, such as cassava, beans, bananas and corn⁴⁵⁶. Studies show productivity losses of up to 92% for corn and 88% for beans. The states most at risk of losses are Ceará, Piauí, Pernambuco and Paraíba. Even with the use of irrigation, temperature extremes would have considerable negative impacts on productivity.

16. The main issues affecting agricultural productivity will result from increasing temperatures, changes in amount and distribution of rainfall, and increased droughts intensity and occurrence, maladaptation practices derived from agricultural intensification. This negative consequence is particularly relevant considering that the current productivity in the semiarid is already low. Hence, any further losses would mean a more significant threat to food security and poverty reduction in the region, with consequent repercussions on both local and national food security. From 2017 to 2030 a 10% precipitation reduction scenario could cause an average annual loss of R\$ 96.7 million in family farmer's agriculture production value. If the rainfall reduction is 20%, these losses increase to annual loss of R\$ 193.3 million in family farmer's agriculture production value. Besides, the expected climate changes may exacerbate other environmental problems that already affect family farming in the semiarid, like overgrazing, deforestation, soil degradation, incidence of pests, dissemination of diseases and weeds, and desertification.

³ Gori Maia, A.; Cesano, D.; Miyamoto, B. C. B.; Eusebio, G. S.; Silva, P. A. O. Climate change and adaptation at farm level: the Brazilian hinterland. *International Journal of Climate Change Strategies and Management*, v. 10, n. 5, p. 1-23, 2018. <https://doi.org/10.1108/IJCCSM-04-2017-0088>.

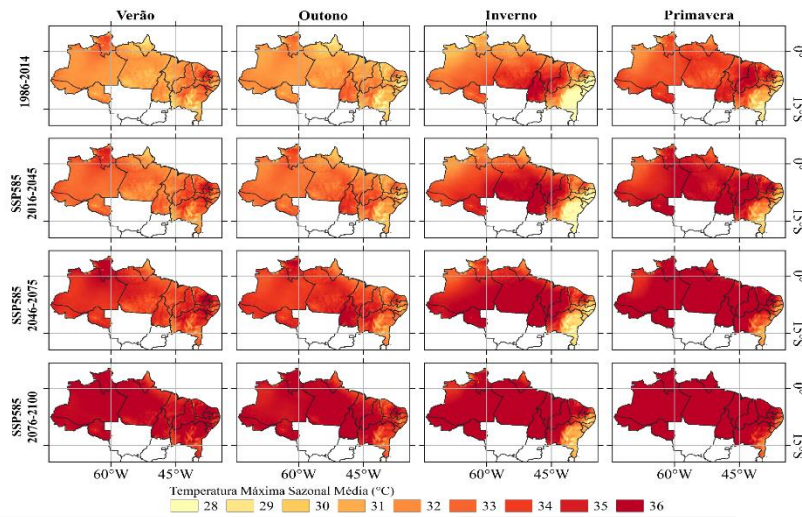
⁴ Tanure, T. M. P., Domingues, E. P., & Magalhães, A. S. Regional impacts of climate change on agricultural productivity: evidence on family and large-scale agriculture in Brazil. *Revista de Economia e Sociologia Rural*, v. 62, n. 1, p. e262515, 2024. <https://doi.org/10.1590/1806-9479.2022.262515>.

⁵ Martins, M. A.; Tomasella, J.; Dias, C. G. Maize yield under a changing climate in Northeast Brazil: Impacts and adaptation. *Agricultural Water Management*, v. 216, p. 339-350, 2019. <https://doi.org/10.1016/j.agwat.2019.02.011>.

⁶ Vale, T. M. C.; Spyrides, M. H. C.; Andrade, L. M. B.; Bezerra, B. G.; Silva, P. E. Subsistence Agriculture Productivity and Climate Extreme Events. *Atmosphere*, v. 11, p. 1287, 2020. <https://doi.org/10.3390/atmos11121287>.

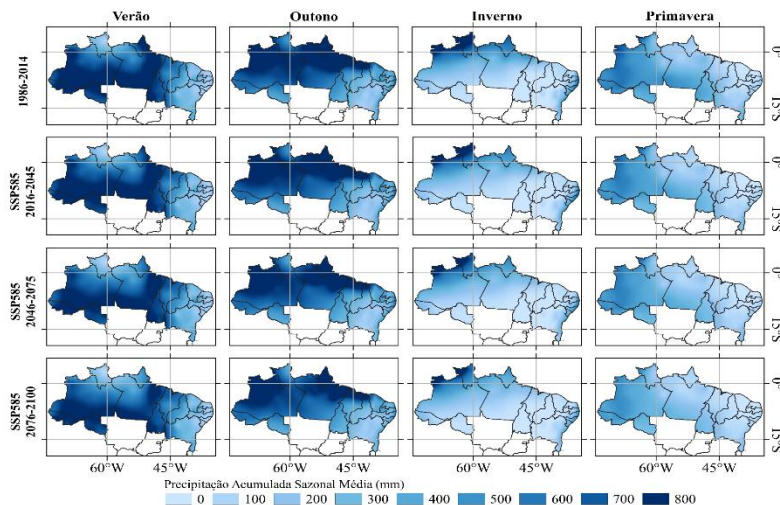
17. It is possible to identify an increase in temperature from 1901 to 2000 of about 0.8 °C in NEB, and an important acceleration in warming during the last three decades. An analysis on drought events that occurred in the Semi-arid from 1981 to 2016 reveals that drought intensity for the last 36 years has been increasing, and that recent droughts were more frequent, more severe and affected a larger area with significant impacts for population, as well as economical activities. As shown in figures 1 and 2, the future IPCC-AR6 scenarios (2021) indicate that the Northeast will suffer an increase in the extremes of minimum and maximum temperature and a reduction in the volume of precipitation. The effects are also expected to be more intense from the second half of the 21st century and in the most pessimistic scenario (SSE5-8.5). For the semi-arid region, the greatest extremes of heat and, above all, much lower rainfall volumes are expected.

Figure 3: Average seasonal maximum temperature (°C), historical trend and future scenario SSP5-8.5 (Source: Prepared by Dênis Antônio Da Cunhaⁱⁱ and Lais Rosa de Oliveiraⁱⁱⁱ based on NEX-GDDP-CMIP6 (2021 Figure 4:: Average seasonal accumulated rainfall (mm), historical trend and future scenario SSP5-8.5 Source: Prepared by



Dênis Antônio Da Cunha and Lais Rosa de Oliveira based on NEX-GDDP-CMIP6 (2021).

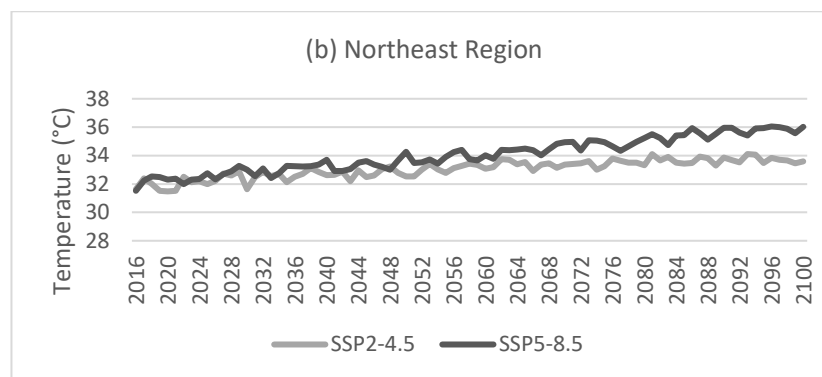
).



18. The conditions of water scarcity to which they are systematically subjected are one of the most important challenges for agricultural production and livelihoods. In this case, data from the 2017 Agricultural Census shows that cisterns are the main means of storage (used by 43% of farmers), followed by conventional wells (20%) and deep wells (13%). Despite this, there are approximately 579,000 establishments without access to water resources (a third of the total).

19. Figure 3 shows the behavior of the maximum temperature (annual average) and shows a very significant warming trend. In relation to the present, in the Northeast the models predict increases in maximum temperature of between 0.92°C and 2.74°C by 2050 and between 1.98°C and 4.51°C by 2100. In particular, an increase in the number of very hot days above 35°C, a greater number and frequency of consecutive dry days and heat waves, a reduction in the number of consecutive wet days, and an increase in the length of the dry season are predicted. Impacts on agriculture and livestock include crop failures, reduced productivity.

Figure 5:: Average annual maximum temperature (°C), future scenarios



Source: Prepared by Dênis Antônio Da Cunha and Lais Rosa de Oliveira based on NEX-GDDP-CMIP6 (2021).

Figure 4 shows the annual evolution of future rainfall estimates. In the Northeast, both scenarios show great variability in rainfall, but without major differences between the scenarios.

20. Another problem that increases the vulnerability of family farming in the semi-arid region is desertification. The phenomenon, whose causes involve interactions between biophysical, socioeconomic and demographic variables, could be accelerated by projected climate change trends⁷. Depending on the climate scenario considered, areas with high susceptibility to desertification could increase by between 12.3% (RCP 4.5) and 19.6% by 2045 (RCP 8.5). The combination of expectations of high drought risks, increased desertification and more heat extremes could jeopardize agricultural activities, especially those of family farmers, and disrupt local and regional food markets with dire impacts of food security⁸.

⁷ Vieira, R. M. D.; Tomasella, J.; Barbosa, A.; Martins, M. A.; Rodriguez, D. A.; Rezende, F. S. D.; Carriello, F.; Santana, M. D. O. Desertification risk assessment in Northeast Brazil: current trends and future scenarios. *Land Degradation & Development*, v. 32, n. 1, p. 224-240, 2021. <https://doi.org/10.1002/ldr.3681>.

⁸ Pinho, P. F.; Anjos, L. J. S.; Rodrigues-Filho, S.; Santos, D. V.; Toledo, P. M. Projections of resilience of Brazilian biomes and socio-environmental risks to climate change. *Sustentabilidade em Debate*, v. 11, n. 3, p. 225-259, 2020. <https://doi.org/10.18472/SustDeb.v11n3.2020.33918>.

21. The Brazilian National Institute for Space Research (INPE) produced regional climate scenarios by downscaling global climate models. Four sets of downscaling simulations based on the Eta Regional Climate Model forced by two global climate models, the HadGEM2-ES and the MIROC5, and two RCP scenarios—8.5 and 4.5, have been carried out **68**. Projections point to the warming of the entire continent.

22. For the NEB, accordingly, the simulations (HadGEM2-ES and MIROC5 for two RCP scenarios—8.5 and 4.5) predicted a temperature increase from 0.5 – 2.0 °C in the period 2011- 2040 compared to a baseline period of 1961-1990 **69**. It is expected that the hinterland – which is already becoming drier – would be more affected than the coastal areas. Despite the rise of precipitation in the summer, the projected annual cycle shows a dominating annual reduction of rainfall in the region.

23. Furthermore, an increase in the length of consecutive dry days and wide climate variability are common features in these and other simulations for the NEB. Dry summer months are expected to perceive a moderate increase between 2 and 6 °C in NEB. Impacts are expected to grow exponentially within a range temperature increase of approximately 4.5 °C for the period 2041 and 2070, in line with IPCC projections. A more specific study in the Northeast confirmed the findings of the South American downscaling scenarios discussed above. Both station data analysis and numerical simulations (for the periods of 1960-2000 and 2010-2050) revealed trends of increasing maximum temperature and diminishing precipitation.

24. The water-balance calculations showed reduced soil moisture availability and total rainfall. The atmospheric model simulations were consistent with the station data regarding the present warming. The climate change scenarios for 2010-2050 indicated a faster increase of daily maximum temperature over the Northeast compared to that simulated for the recent past. An analysis on drought events that occurred in the Semiarid region of Northeast Brazil from 1981 to 2016 reveals that drought intensity for the last 36 years has been increasing and that recent droughts were more frequent, more severe and affected a more substantial area with significant impacts for population, as well as economic activities.

25. The modelling surface and groundwater supplies per water basin, the results for the Northeast region are alarming, estimating a sudden reduction in flows by 2100 in the river basins that supply the region: São Francisco, Atlântico Norte e Nordeste and Atlântico Leste. Such a scenario is of particular concern, given that the Northeast's interior is already becoming drier and experiencing a seven-year continuous cycle of prolonged severe droughts from 2011-2017.

1.1. PROJECT'S CLIMATE RISK CATEGORY

26. Given the project's location, climate trends and prevailing social conditions of the beneficiary population the project is therefore, classified as "substantial" in accordance with IFAD guidelines and standards. This categorization responds to the review of current and projected climate impacts and vulnerability of NEB. It is affected by increased annual variability of rain cycles, aggravated droughts, and is affected by significant watershed and land degradation. The target population, rural smallholder and subsistence farmers are particularly affected due to their lack of access to resources to adapt to or recover from extreme climate event impacts and limited access to public policies that support the response to shocks or to planned adaptation.

27. Family farms account for almost all (generally over 90%) 80 of agricultural properties in the drylands of Brazil. These farms are usually smallholdings, with a significant proportion of them covering less than twenty hectares. They generally blend annual dryland agriculture harvesting food crops – mainly maize, beans and cassava – for home consumption and sale, in addition to raising livestock. Families often have backyard gardens, a few fruit trees and poultry. Few also have small irrigated areas. There are 2 million family farms employing over 6.5 million people in the Northeast, covering 28 million ha, which represent 52% of the value of production and 87% of the total labor in the sector. In the Semiarid, brackish or salty groundwater is common. Around 25% of wells have freshwater (< 500 mg/l TDS⁸⁴), 33% are brackish (501 to 1,500 mg/l TDS), and 42% salty (> 1,500 mg/l TDS).⁸⁵ Thus an estimated 75% of the wells in the Semiarid are unfit for human and animal consumption.

28. In summary, the Project's climate change vulnerabilities result of the following sensitivity and adaptive capacity factors that can exacerbate the impacts of climate change: 1) high poverty incidence and low absorption capacities of climate and economic shocks, 2) water scarcity, 3) inadequate agricultural practices (reliance on a limited number of crops, deforestation, use of fire, poor soil management leading to erosion, etc.) which further degrade the soils productive capacity, and 4) deforestation of the Caatinga Biome depleting the ecosystem services. Superimposing the temperature rise, increase in droughts and rainfall variability upon pre-existing social-economic vulnerabilities place intense pressure on freshwater availability and quality in the region translating into losses of arable land, desertification, increased food insecurity and reduced local economic activities that lower farmers' income and result in permanent or seasonal rural exodus.

1.2. POSSIBLE CLIMATE CHANGE RELATED IMPACTS ON PROJECT ACTIVITIES

29. Based on the above, one concludes that climate variability the increase in the frequency and intensity of extreme events present a challenge for the Project's development objectives and to investments overall long-term sustainability. The following section analyzes the vulnerabilities of the principal agricultural activities supported by the Project

1.2.1. Agroforestry Systems – AFS

30. Agroforestry Systems (AFS) - Agroforestry is the intentional integration of trees or shrubs with crops and/or livestock at the plot, farm, and/or landscape scale for developing agroecosystems that mimic natural ecosystems in terms of nutrient cycling and biodiversity (structurally and functionally). AFS are in itself a climate change adaptation strategy to increase the resilience of farmers and agricultural systems against climate risk, providing a range of biophysical and socioeconomic benefits through the taxonomic and spatial diversification of agricultural outputs and microclimates, therefore, reducing farmer vulnerability to climate variability and their dependence on external outputs (e.g. fertilizers and biocides).

31. Moreover, AFS are a promising agroecological approach to climate change because of the multitude of co-benefits that many agroforestry systems provide in addition to climate change adaptation, including synergies with climate change mitigation through carbon sequestration, enhanced food security and income opportunities, the provisioning of ecosystem services, and biodiversity conservation. Nonetheless, the establishment and development of such systems is vulnerable to climate vagaries at different stages: planting, tree growth and trees productive stage (especially for fruit and forage trees).

32. Water shortages, droughts or heavy rains may negatively affect seedling production, tree planting, tree fructification, tree establishment and growth

1.2.2. Vegetables gardens.

33. The biggest concern for horticulture is low production and productivity caused by excessively high temperatures, water scarcity for crop production, and advent of heavy rains. Weather related Impacts may include:

- Fruit development hindered by pollination failures during the flowering season on very hot days (> 35°C), by excessive rainfall or other extreme events. Increased winter temperatures often lead to poor pollination, staggered flowering, reduced fruiting and poor quality fruits;
- Changes in the distribution of existing pests, diseases, and weeds, and increase threat of new species of insects and diseases;
- Increase incidence of physiological disorders due to excess evapotranspiration and hidrical deficits such as burnt tips and blossom rot;
- Increase downgrading potential in product quality, e.g., due to rise incidence of sunburn on fruits or leaves;
- Increase risk of spread and proliferation of soil-borne diseases as a result of rainfall heavier events (together warmer temperatures);
- Increase risk of soil erosion and off-farm effects from spread of nutrients and pesticides in extreme rainfall events;
- Increase costs of production especially fertilizers and pesticides by soil leaching and arising pests.

1.2.3. Livestock and Free-Range Poultry

34. Free-range poultry and small livestock (pigs, goats and sheep) are extensive faming systems and do not confine animals. Therefore, there is a low risk of animals dying by excess heat, especially if in the presence of shading (e.g. agroforests). However, ensuring animal thermal comfort is key to ensure animal health and consequent productivity of meat and milk and adequate rates of herd reproduction.

35. Abrupt changes in temperatures, extreme temperatures and high levels of humidity can result in an increase of pests and diseases leading farmers to respond with an intensive use of pesticides. This entails health risks for farmers, animals and the contamination of the environment. In general, part of the solution is related to a better management of the agroecosystems with the spatial diversification of plant strata and species allowing for an Integrated Pest Management (IPM) approach.

1.2.4. Increase in the Use of Pesticides

36. However, achieving an equilibrium between predators, preys and pathogens is a medium to long-term venture and pest outbreaks may occur during the transition from conventional agricultural practice to agroecological production systems leading to severe economic losses. Therefore, the use of pesticides cannot be ruled out during such occurrences. In order to avoid the misuse of these substances TARE personnel and farmers need to be knowledgeable about the substances (their selectivity, toxicity and persistence in the environment) an the requirements for their proper use (use of personal protective equipment -PPE, observance of prevailing weather conditions, and appropriate disposal) in order to make

a judicious use in case of necessity. It is also important to note that farmers with limited resources are often unwilling or unable to purchase the appropriate personal protective equipment (PPE).

1.2.5. Water Resources scarcity or over-abundance

37. The main consequences of climate change related to water resources include both the reduction in their availability or excess water during extreme events. Hence, agroecosystem need to be designed to address these two extremes, through the adoption of infrastructure, agronomic, silvicultural and animal husbandry measures along with common watershed management practices (restoration of riparian vegetation, contour planting, conservationist road lay outs, etc.) .

38. Furthermore, climate change can have a significant impact on agriculture by increasing water demand, limiting crop yields, and reducing water availability for different uses. This situation may create or exacerbate conflicts on water extraction and use rights. Hence, TARE personnel and farmers should become familiar with the Brazilian National Policy on Water Resources (Law 9.4333-/1997⁹), and its instruments (notably the watershed committees) in order to prepare for or manage eventual conflicts.

39. As for the issues caused by prolonged or severe rains, these may also be addressed by the adoption of infrastructure, agronomic, silvicultural and animal husbandry measures along with common watershed management practices mentioned above. One issue however, may deserve especial attention: soil erosion. At the farm level, adoption of contour planting, minimum tillage/mulching, and appropriate lay out of roads and accesses can prevent both laminar and gully erosion. However, the effectiveness of such measures may depend also on their adoption by neighbors within a (micro) watershed. The construction of underground dams or small drainage ditches¹⁰ along roadsides, or within pastures and fields, can store storm water in soil, at the farm or watershed, mitigating the effect of drought or hot spells.

40. The table below summarizes the impacts of likely climate events (given the trends discussed in above sections) and the risks and impacts associated to each. The following section presents the suggested adaptation measures to be used by the Project.

⁹ https://www.planalto.gov.br/ccivil_03/leis/l9433.htm

¹⁰ <https://www.embrapa.br/en/busca-de-solucoes-tecnicas/-/produto-servico/134/barraginhas>

Table 1: Summary of activities risks and impacts

Climate events	Irrigated Vegetables	Agroforestry Systems – AFS	Livestock and Free-Range Poultry	Water Resources	Excessive Increase in the Use of Pesticides
Variability in average rainfall regime	<p>Plant development impaired by irregular rainfall (excess/under). Increased incidence of physiological disorders such as burnt tips and blossom rot. Increased risk of soil erosion and off-farm effects of nutrients and pesticides from extreme precipitation events. Increased production costs, especially for fertilizers and pesticides due to soil leaching and the emerged of pests. Increased risk of spread and proliferation of soil-borne diseases as a result of heavier rainfall events (along with warmer temperatures). Changes in the distribution of existing pests, diseases, and weeds, and increased threat of new insects and diseases.</p>	<p>Plant development impaired by irregular rainfall. Excess moisture in the AFS or crops leading to plant and animal diseases. Increased risk of spread and proliferation of soil-borne diseases because of heavier rainfall events (along with warmer temperatures).</p>	<p>Animal thermal discomfort may cause productivity losses.</p>	<p>Excessive reduction in river flows, affecting the biota and dependent communities. Reduction in overall water availability.</p>	<p>Increased frequency of pesticide use due to weed or pest outbreaks.</p>
Increased intensity and frequency of extreme	<p>Flooding/crop damage due to flooding, with the potential to destroy entire cultivars. Dry spells</p>	<p>SAF integrity (floods, landslides).</p>	<p>Health and integrity of creations.</p>		

Climate events	Irrigated Vegetables	Agroforestry Systems – AFS	Livestock and Free-Range Poultry	Water Resources	Excessive Increase in the Use of Pesticides
	weather events	High temperatures			
Longer and more intense periods of drought	Crop failure due to lack of rainfall.	Resilience threshold of SAF reached by drought for a very long period.			
Increasing Frequency of Droughts	Changes in the distribution of existing pests, diseases, and weeds, and increased threat of new insects and diseases.	Risk of fire.	Excess of Pesticides.		
Excess Heat flashes	Pollination failures during flowering on very hot days (> 35°C). Changes in the distribution of existing pests, diseases, and weeds, and increased threat of new insects and diseases.	Risk of fire.		Increased surface water temperature, affecting aquatic biota.	Increase in pests requiring a greater amount of pesticides.
Instability in the annual cold heat system	Impaired flowering and fruiting.	Impaired flowering and fruiting.			
Excessive and strong winds					Increased dispersal of pests (by spores).

Climate Change Adaptation measures.

41. Climate change adaptation relates to the process of natural and human systems adjustment related to behavior of climate in present and future. In human systems, adaptation seeks to reduce and avoid potential harm or exploit beneficial opportunities arising from climate change. In natural systems, human intervention attempts to support the adjustment of these systems to the current and future climate and its effects (IPCC, 2014). This chapter presents the main adaptation measures for the possible impacts identified. It is important to highlight that there is a high degree of uncertainty about when and how strong impacts could be. In this way, all propose of adaptation process should have monitoring that shall indicate any additional needs for the adaptation process to continue consistency.

42. Adaptation measures can vary significantly in relation to the issue of climate change. Usually there will be strategic measures (e.g., represented by national plans, public policies), and support systems (e.g., warning systems for critical events). Lastly, there are local actions that will be employed by communities (modification of agricultural practices, introduction and use of adapted plant and animal varieties, land management, irrigation, etc.). There needs to have synergy and complementarity among various categories of adaptation measures.

43. Both strategic and operational measures need to be considered by the Project team(s) and communities in planning and decision-making. At a strategic level, several public policies and policy instruments can be important in considering alternatives in community organization and design of production systems. It is key for the Project to provide TARE within the scope of the Project for communities are able to become aware about and, understand how to access and use existing national and/or state programs. Furthermore, as witnessed in other projects TARE may need to support family farmers in accessing basic conditions to access the aforementioned policies and programs. Activities here may include supporting family farmers in obtaining basic (a basic condition of the exercise of citizenship often lacking), personal and landholding documentation necessary to access credit and forms of government support.

1.3. Strategic measures

44. **Capacity building of TARE agents in climate change and agroecology:** a key measure to ensure the successful roll out of climate adaptation measures is the capacity building and strengthening of TARE personnel about climate change and agroecology. Given the limited number of extension agents already familiar with these themes and the size of beneficiary's population capacity building, training and learning activities are necessary to supply the necessary human resources to implement the project.

45. As example of the kind of effort necessary, the Universidade do Vale do São Francisco, (UNIVASF) created the "Low Carbon Emission Technologies Strengthening Coexistence with the Semi-Arid" course, in 2021. The course was created in partnership with the Brazilian Foundation for Sustainable Development (FBDS) a non-profit organization (NGO) based in Rio de Janeiro specialized in environmental research and extension projects under the Low Carbon Agriculture for Avoided Deforestation and Poverty Reduction in Brazil. Phase II – Sustainable Rural Development in the Caatinga Project (PRS-Caatinga).

46. The PRS -Caatinga sought to respond to some of the Caatinga's development challenges. It aimed at developing and disseminating sustainable low carbon/agroecological agricultural technologies to rural communities through knowledge management, capacity building and direct funding to agricultural activities. The Project was part of a broader initiative supported by the government of the United Kingdom, through its Department of Environment, Forestry and Rural Affairs (DEFRA), that consists of similar projects in the Cerrado and Amazon biomes.

47. The "Low Carbon Emission Technologies Strengthening Coexistence with the Semi-Arid" course trained professionals who work as extension workers in rural communities in technologies and practices aimed at Low Carbon Agriculture/agroecology. The TARE agents and family farmers were familiarized with new alternative models aimed at environmental preservation, participatory planning and the construction of a social project that values rural populations and their traditions, complemented by the knowledge generated in academia. The course has a total workload of 450 hours, of which 390 hours are theoretical and practical classes and another 60 are dedicated to the preparation of the monograph. The first course was delivered during the COVID 19 pandemic, and relied initially on on-line courses, that were complemented by presential courses once vaccine coverage allowed it. The course was highly successful in terms of results (graduating 800 people, instead of the 125 original target), thanks to the blending of remote and presential teaching. Hence, making partnerships with institutions and programs that are already ongoing and with proven results can be a cost effective manner of scaling up extension services capacity.

48. **Capacity building of TARE agents about government policies and programs.** In addition to becoming proficient in climate change and agroecology, the Project's extension workers will need to become knowledgeable about the government programs and government information systems created to support small family farmer's adaptation to climate change and agroecology. The following list presents a non-exhaustive list of government plans, policies and information services that should be considered in the Project.

- NATIONAL PLAN FOR ADAPTATION TO CLIMATE CHANGE (PNA).
- NATIONAL LOW CARBON AGRICULTURE PLAN (Plano ABC+)

- PROAGRO and PROAGRO Plus¹¹
- PRONAF, PRONAF AGROECOLOGIA
- INMET – Decision Support System in Agriculture – SISDAGRO (<http://sisdagro.inmet.gov.br/sisdagro/app/index>)
- INMET – Fire Risk (<https://portal.inmet.gov.br/paginas/incendio>)
- SISZARC – Climate Risk Agricultural System and Zoning¹²

49. Policy coordination between MDA/PMU and government agencies, academia and NGOs. In order to achieve project objective in a cost effective manner the MDA may consider a number of partnerships with other government agencies, academia and NGO to benefit from possible synergies and consequent cost savings in implementing project activities. Among such partnerships, academia may play a pivotal role in expanding climate change and agroecology knowledge among TARE agents and farmers (as it was done by UNIVASF and discussed in the above paragraphs).

50. Another example of partnership is the experience with the joint efforts (“mutirões”) to document rural women, carried out in collaboration with the MDA's National Institute for Colonization and Agrarian Reform (INCRA). This was an important activity to guarantee women's access to basic documents, such as identification and access to other public policies, and also supported women in dealing with domestic violence under the previous phase of the Project are good example of this need and of its solution.

1.4. On farm and community level climate adaptation measures

51. At the operational level, adaptation measure will be part of the menu of agroecological production models to be adopted at the farm level. The choice of possible adaptation measures will result from the dialogue between farmers and TARE agents. In order to increase sustainability of those measures farmer ownership of what is to be done is essential. In that sense factors such as, among others, farmer’s skills and education, availability of labor, aversion to risk, level of dependence on farm revenues for livelihood will largely determine what one chooses to do. The following tables present a non-exhaustive list of possible adaptation measures for the chosen project investments, considering the likely climate events to affect the Project are in short to medium run.

¹¹ Actions aimed to support financial and payment capacity of rural producers, faced to fluctuations market of product prices. The Crop Guarantee, which also includes a specific type of Agricultural Insurance for Family Farming, is a strategy for the productive sector, seeking provide guarantee to the producer in the face of crop losses caused by climatic events.

¹² Developed with objective of producing Ministerial Ordinances that guide the cultivar-producing community and stakeholders, regard to the periods of year and regions of country that are suitable for orderly planting and offering less climatic risk of crop losses, always based on the study of agricultural zoning carried out by consultancies hired by MAPA, as well as providing systemic resources capable of analyzing the studies produced, processing and criticizing it, producing different means of queries as well as reports that aim to add value to the work development under Coordination of Agricultural Zoning of the Ministry of Agriculture responsibility.

Table 1 - Agricultural Activities - Irrigated Vegetables

Climate event	Identified Risks/Impacts	Adaptation Measures
Instability in Rainfall regime	<ul style="list-style-type: none"> • Plant development impaired by irregular rainfall (excess/under). • Increased incidence of physiological disorders such as burnt tips and blossom rot. • Increased risk of soil erosion and off-farm effects of nutrients and pesticides from extreme precipitation events. • Increased production costs, especially for fertilizers and pesticides due to soil leaching and the emergence of pests. • Increased risk of spread and proliferation of soil-borne diseases (e.g. nematodes) as a result of heavier rainfall events (along with warmer temperatures). • Changes in the distribution of existing pests, diseases, and weeds, and increased threat of new insects and diseases. 	<ul style="list-style-type: none"> • Enlist ATER consultancy. • Turn to protections of ProAgro and ProAgro Mais. Check weather and climate forecast systems (INMET or Regional). • Use of covers and simple systems to reduce direct incidence of rain, if necessary. • Prepare the soil with adequate drainage systems (e.g. contours, water retention basin, energy dissipators) and cover with local material (antlers, leaves, pebbles) to reduce leaching and to prevent erosion. • Apply treatment for any erosion process immediately. • Apply soil disease control practices to reduce spread of diseases and take control and constant visual inspection (e.g. crop rotation, fallow, introduction of allelopathic species, soil fertility management¹³). •
Increased intensity and frequency of extreme weather events	<ul style="list-style-type: none"> • Flooding/crop damage due to flooding, with the potential to destroy entire cultivars 	<ul style="list-style-type: none"> • Check rain forecast systems (INMET or Regional). • Implement adequate drainage systems to prevent water accumulation in crops. • Be careful with the choosing location of crops in places that naturally flood

¹³ SOUZA, Wesley dos Santos. Uso da rochagem para remineralização de solos de baixa fertilidade. Wesley dos Santos Souza. 2019. 54 f. Dissertação (Mestrado em Ciência do Solo) - Universidade Federal do Ceará, Fortaleza, 2019 for an example of agroecological practices in that area.

Climate event	Identified Risks/Impacts	Adaptation Measures
		<p>or that There are easily flooded like places very close to rivers.</p> <ul style="list-style-type: none"> • Use of screens or other protection in case of hail.
<p>Longer and more intense periods of drought</p>	<ul style="list-style-type: none"> • Crop failure due to lack of rainfall 	<ul style="list-style-type: none"> • Irrigation. • Construction of water storage infrastructure (production wells). • Diversification and use of animal and plant breeds and crops, including new crops and plant and animal breeds developed by Embrapa and regional agrobiodiversity. At a strategic level, the enrolment of botanical gardens as project partners may provide a key resource for the storage and distribution of germplasm at a regional level. • Development of seed banks and promotion of germplasm exchanges between farmers. • Increase soil organic matter content to improve soil structure and water and nutrient retention capacity.
<p>Increasing Frequency of Droughts</p>	<ul style="list-style-type: none"> • Increase frequency of crop failures • Changes in the distribution of existing pests, diseases, and weeds, and increased threat of new insects and diseases 	<ul style="list-style-type: none"> • Construction of water storage infrastructure (production wells). • Integrated Pest Management with practices geared toward increasing agroecosystem structural and functional diversity (to foster predator-prey equilibrium and allelopathy¹⁴) • Manual weed control. • Chemical pest and weed control using pesticides, biopesticides and mechanical controls.

¹⁴ Allelopathy is a biological phenomenon by which an organism produces one or more biochemicals that influence the germination, growth, survival, and reproduction of other organisms from the same community thus promoting the exclusion of individuals or communities of species noxious to agricultural production.

Climate event	Identified Risks/Impacts	Adaptation Measures
Excess Heat flashes	<ul style="list-style-type: none"> • Pollination failures during flowering on very hot days (> 35°C). • Changes in the distribution of existing pests 	<ul style="list-style-type: none"> • Diversification and use of animal and plant breeds and crops, including new crops and plant and animal breeds developed by Embrapa and regional agrobiodiversity. At a strategic level, the enrolment of botanical gardens as project partners may provide a key resource for the storage and distribution of germplasm at a regional level. •
Excess Sunstroke	<ul style="list-style-type: none"> • Increased potential for product quality downgrading, e.g. due to increased incidence of sunburn on fruits or leaves.. 	<ul style="list-style-type: none"> • Use of physical protection to prevent excessive insolation. • Look for crops that are more suitable for warmer climates, including improvements developed by Embrapa and regional and local agrobiodiversity.
Instability in the annual cold heat system	<ul style="list-style-type: none"> • Impaired flowering and fruiting. 	<ul style="list-style-type: none"> • Deploy in conjunction with AFS to contribute to temperature regulation. • Look for crops that are more suitable for warmer climates, including improvements developed by Embrapa and regional and local agrobiodiversity.

Table 2 – Agroforestry Systems - AFS

Trigger	Identified Risks/Impacts	Adaptation Measures
Instability in Rainfall regime	<ul style="list-style-type: none"> • Plant development impaired by irregular rainfall. • Excess moisture in the AFS. • Increased risk of spread and proliferation of soil-borne diseases as a result of heavier rainfall events (along with warmer temperatures). 	<ul style="list-style-type: none"> • Build TARE capacity for delivering IPM practices to family farmers. • Build TARE capacity to use, raise awareness and, promote the use of climate and weather information systems to family farmers (INMET or Regional). • Apply soil management practices to reduce spread of diseases (e.g. crop rotation, use of allelopathic species) along with constant visual inspection

Trigger	Identified Risks/Impacts	Adaptation Measures
		<p>of crops to determine the need for additional treatment methods (e.g. use of bio or regular pesticides).</p> <ul style="list-style-type: none"> • Provide adequate ventilation in AFS implantation through adequate plant spacing and management practices (thinning and pruning). •
Increased intensity and frequency of extreme weather events	<ul style="list-style-type: none"> • SAF integrity (floods, landslides). 	<ul style="list-style-type: none"> • Build TARE capacity to use, raise awareness and, promote the use of climate and weather information systems to family farmers (INMET or Regional). • Implement adequate planting practices (e.g. contour planting) and drainage systems to prevent water accumulation in crops. • Choosing location of tree-crops in places that naturally flood or that are easily flooded like places very close to rivers requires the choice of tree and palm species that are tolerant to flooding (e.g. <i>Callophylum brasiliensis</i>, <i>Mauritia spp.</i>, <i>Xylopia brasiliensis</i>).
Longer and more intense periods of drought	<ul style="list-style-type: none"> • Resilience threshold of SAF reached by drought for a very long period. 	<ul style="list-style-type: none"> • Use of reserved water • Use of water well. • Soil organic matter management. • Use of hydrogel to support root systems during drought periods in addition to adequate irrigation practices (e.g. micro dripping) • Use of drought resistant tree species that are non-invasive (e.g. <i>Moringa sp.</i>).
Increasing Frequency of Droughts	<ul style="list-style-type: none"> • Risk of fire. 	<ul style="list-style-type: none"> • Build TARE capacity to use, raise awareness and, promote the use of Integrated Fire Management (IFM) practices (e.g. prescribed fires, firebreaks).

Trigger	Identified Risks/Impacts	Adaptation Measures
		<ul style="list-style-type: none"> • Check INMET fire risk monitoring system. • Provide community fire brigades. • Provide fire-fighting systems and equipment (heat mufflers).
Instability in the annual cold heat system	<ul style="list-style-type: none"> • Impaired flowering and fruiting. 	<ul style="list-style-type: none"> • Look for crops and crop varieties, including improvements developed by Embrapa and regional and local agrobiodiversity, to allow for temperature variability adaptation.

Table 3 – Free-Range Poultry and small livestock.

Trigger	Identified Risks/Impacts	Adaptation Measures
Increased intensity and frequency of extreme weather events	<ul style="list-style-type: none"> • Health and integrity of poultry, ovine, caprine and swine livestock. 	<ul style="list-style-type: none"> • Simple forms of livestock protection should be chosen (protections with straw, not too high perches, and installation of physical barriers to prevent access to unwanted locations); • Build refuges to provide protection, thermal comfort; • Introduce, produce and store fodder/rations and clean water storage and distribution systems for the poultry and small-livestock as part of the agroforestry systems. This may include the procurement of feed choppers and construction of small facilities to support ration production and storage; • Take proactive measures to monitor animal health (visual inspection, laboratorial exams) to determine the need for prophylactic and remedial measures.
Increasing Frequency of Droughts	<ul style="list-style-type: none"> • Excess of Pesticides. 	<ul style="list-style-type: none"> • Build TARE capacity to use, raise awareness and, promote farmer training to use of Integrated Pest Management (IPM) practices (e.g.

Trigger	Identified Risks/Impacts	Adaptation Measures
		<p>habitat manipulation, allelopathy, use of allowed chemical pesticides, pests population and damage monitoring, soil fertility management).</p> <ul style="list-style-type: none"> • Use of biocalda, composts, biochemicals, mechanized mowing; • Installation of physical barriers to prevent access to unwanted locations;

Source: <https://sebrae.com.br/sites/PortalSebrae/artigos/saiba-como-manejar-uma-criacao-de-galinha-caipira,e6c89e665b182410VqnVCM100000b272010aRCRD> e

<https://ainfo.cnptia.embrapa.br/digital/bitstream/item/213153/1/SPOCriacaoGalinhasCaipiras2018.pdf>

Table 4 – Water Resources

Trigger	Identified Risks/Impacts	Adaptation Measures
Instability in Rainfall regime	<ul style="list-style-type: none"> • Excessive reduction in river flows, affecting the biota and dependent communities. 	<ul style="list-style-type: none"> • Use of wells to improve the guarantee of access to water and reducing pressure on surface water; • Guidance for communities on the rational use of water.
Excess Heat flashes	<ul style="list-style-type: none"> • Increased surface water temperature and evaporation, affecting aquatic biota. 	<ul style="list-style-type: none"> • Recovery of permanent preservation areas (riparian forest) around rivers and lakes in order to create suitable microclimates and avoid extreme heat, mainly due to excess sunlight directly on the water.

Table 5 –Increase in the Use of Pesticides

Trigger	Identified Risks/Impacts	Adaptation Measures
Instability in Rainfall regime	<ul style="list-style-type: none"> • Increased frequency of pesticide use (leaf wetting) in the event of heavy or continued rains. 	<ul style="list-style-type: none"> • Build TARE capacity to use, raise awareness and, promote farmer training to use of Integrated Pest Management (IPM) practices (e.g. habitat manipulation, allelopathy, use of allowed chemical pesticides, pests
Excess Heat flashes	<ul style="list-style-type: none"> • Increase in pests requiring a greater amount of pesticides. 	

Trigger	Identified Risks/Impacts	Adaptation Measures
Excessive and strong winds	<ul style="list-style-type: none"> • Increased dispersal of pests (by spores). • Increased evapotranspiration. • Damage to plants and animals. 	<p>population and damage monitoring, soil fertility management).</p> <ul style="list-style-type: none"> • Installation of physical barriers (windbreaks) to reduce animal and plant exposure to strong winds.

MONITORING AND EVALUATION

52. It is important that the selection and ranking presented here is timely discussed among Project beneficiaries and TARE teams. Making decisions about adaptation options is a complex process, involving family farmers, decision-makers from various sectors and experts who must deal with high levels of uncertainty. It is critical to choose adaptation options that are effective in increasing resilience as well as socially, economically, and politically feasible.

53. The recommendations of this Targeted Adaptation Assessment should be implemented by MDA with active participation of the ATER. Proper monitoring is essential for the results to be achieved since it is through technical assistance that many communities will be aware of the challenges presented by Climate Change and by the possible responses it may enact to enhance its resilience and adaptive capacity. Monitoring is critical to ensure the long-term success of climate adaptation initiatives, plans and actions. It plays an important role in the following aspects of adaptation:

- Monitors the performance of the activities carried out during the development of the adaptation plan (e.g., AFS implementation activities).
- It determines whether the planned results and the results of adaptation actions have been achieved (e.g., AFS evolution indexes).
- Determines what adjustments should be made.
- It helps to determine if the actions are generating unforeseen side effects.

MDA shall be responsible for the preparation of monitoring reports, procurement plans, cost estimates, and corrective action mechanisms that shall be implemented during the activities of this Target Adaptation Assessment.

FINAL CONSIDERATIONS

54. The Key to success of the Project is ATER's performance, with, who have not only the technical mastery and trained technicians, but also the ability to communicate adequately with the communities, creating bonds of trust and promote the transmission of knowledge that has expected. All costs to deliver climate adaptation content to family farmers is already included in the Project's budget (especially under component 2). The key consideration for IFAD and for the PMU is to ensure that the terms of reference, MoU and other documents that lead to the TARE capacity building and hiring are explicit concerning the need of a strong grasp on climate change and agroecology. It may be that there are not enough human

resources knowledgeable on climate change and agroecology (simultaneously) to deliver the Project. Hence, the capacity building measures may have to be blended with the hiring of TARE personnel (in some case as precondition to hiring, in others, possibly and “on-the-job” training). In both cases, careful monitoring of capacity building and concomitant delivery of TARE services will be necessary to gauge the effectiveness of the uptake of climate change adaptation measures by the Project’s beneficiaries.

ⁱ Vieira, R. D. S. P., Tomasella, J., Alvalá, R. C. S., Sestini, M. F., Affonso, A. G., Rodriguez, D. A., De Oliveira, S. B. P. (2015). Identification of areas susceptible to desertification in the Brazilian Northeast. *Solid Earth*, 6(1), 347-360.

ⁱⁱ PhD in Applied Economics. Associate Professor, Department of Rural Economy - Federal University of Viçosa. E-mail address: denis.cunha@ufv.br.

ⁱⁱⁱ PhD student in Applied Meteorology, Department of Agricultural Engineering - Federal University of Viçosa. E-mail address: lais.rosa@ufv.br.

Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex: L Agroecology Ifad Brazil

Mission Dates: 26/10/2023 - 03/11/2023

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Latin America and the Caribbean
Programme Management Department

Promoting Agroecological Transitions in PDHC III

What is Agroecology?

Agroecology (AE) is a dynamic, transdisciplinary approach that has gained prominence in recent years. It combines science, practice and social dynamics while addressing the economy, ecology and society within food systems. Agroecology is concurrently a science, a set of practices and a social movement that encompasses the ecological, socio-cultural, technological, economic and political dimensions of food systems, from production to consumption (FAO, 2024)¹. The AE transition is understood as a gradual and multilinear process of change, which occurs over time in the forms of management of agroecosystems.

Agroecology at IFAD

For having a systemic approach, agroecology brings solutions to many areas in which IFAD operates, including Food Sovereignty, Poverty alleviation, Gender Equality, Climate Resilience and market access. To identify as well as promote agroecology-related support in its portfolio, IFAD has developed the IFAD Agroecology Framework, taking into account the 10 Elements of Agroecology. In this framework, agroecology-relevant interventions are grouped in four levels: i) farm level; ii) landscape level; iii) markets supporting agroecology; and iv) policies and instruments enabling agroecology and sustainable food systems (IFAD, 2021). In this annex, we are highlighting agroecological interventions in each of these levels, considering the context of northeastern Brazil.

i) farm level

At the farm level, agroecology combines several agronomic practices such as synergistic soil conservation, crop diversification, green fertilizers, nutrient cycling, and integrated pest management (INRAE, 2022), with the goal of maximizing farmers' resilience and access to nutritious food. At the same time, agroecology brings several environmental benefits for farmers practicing it and the communities surrounding them. Hence, agroecology assumes that family farming (FF) is at the same time a unit of production, consumption and conservation.

Soil conservation practices like mulching, hedgerows and intercropping help control erosion processes and increase water availability, reducing the need for irrigation (INRAE, 2022). Agroforestry, one of the best-known agroecological practices, is widely used to restore degraded water sources and to help protect existing ones, to the point that many refer to this practice as "water planting" (Brazilian Education Ministry, 2019). It is also known to provide local climate regulation, improving the microclimate for plants and animals (Gomes et al, 2020).

Crop diversification is inherent to family farming, as agriculture is not only a source of income, but also subsistence. Diversification is a natural hedging mechanism that makes production less vulnerable against climate conditions, price variations, diseases and pests (Piedra-Bonilla et al, 2020, INRAE, 2022). When comparing agroecological and conventional systems, monocultures sometimes have a higher yield of their main crop, but diversified systems more than compensate

¹ Within the global United Nations system, agroecology is framed by the interlinked and interdependent 10 Elements of Agroecology, approved by the FAO Council in 2019, including: i) diversity; ii) synergies; iii) efficiency; iv) resilience; v) recycling; vi) co-creation and sharing of knowledge; vii) human and social values; viii) culture and food traditions; ix) responsible governance; and x) circular and solidarity economy (FAO,2018).

with the yields of additional crops, resulting in higher yields overall (Santos, 2023). Crop diversification also brings nutritional benefits to agricultural families, facilitating their access to diversified diets, reducing their dependence on ultra-processed foods, and increasing availability of micronutrients, improving food and Nutrition Security (Pradhan et al, 2021, Luna-Gonzalez & Sørensen, 2018, Kabir et al, 2022). The utilization of native species in agroecological systems also increases climate resilience and agrobiodiversity, as these species are more adapted to the local climate.

With **Integrated Pest Management**, the need for insecticides is significantly reduced, bringing benefits to water quality, local pollinators and human health. Green fertilizers and nutrient cycling help reduce the need for chemical fertilizers, while soil conservation practices help reduce erosion processes, further increasing water quality (INRAE, 2022). The reduced adoption of biocides also brings health benefits to farmers, who are by far the most affected by the negative consequences associated with these products (Ribeiro et al. 2016, Bortolotto et al, 2020). The use of green and organic fertilizers further reduces farmer's dependence on imported chemical fertilizers, whose supply is vulnerable to exchange rates and geopolitical conflicts (INRAE, 2022). These agroecological practices also reduce the associated costs with chemical fertilizers and biocides, increasing profits.

Farmers who transition to agroecological systems feel the advantages not only in terms of productivity, but also in terms of risk management, environmental quality and social relations (Figueiredo, 2021).

ii) landscape level

Beyond the farm level, agroecological practices also contribute to public goods through the production of external benefits (ecosystem services), such as water provision. With increased water availability, source preservation, and vegetation cover, agroecological practices contribute to the water cycle and increase water access to populations far away from the farm. For example, preserving water sources in the Brazilian Cerrado can maximize river flows that will go through the Northeast region. Moreover, the loss of vegetation in the Amazon region can negatively affect rain patterns in Southeastern Brazil (FAPESP, 2009 and Paltan et al, 2017). For this reason, several programs have been developed in recent years in Brazil and abroad to provide Payments for Environmental Services (PES) as retribution for farmers adopting agroecological practices, bridging the gap between water producers and consumers (Forest News, 2023).

Beyond the generation of ecosystem services, agroecology promotes landscape land-use planning, governance and co-learning techniques, such as: participatory land-use planning, building/strengthening community institutions for natural resource governance, community-owned research and learning agenda (co-creation and sharing) and traditional knowledge. It also encourages the adoption of landscape and shared resources management, including community/local seed systems, community gardens/cultivation, community pasture, rangeland/fodder management, community forest/woodland management, community land & water management, community weather monitoring for climate change adaptation actions and community renewable energy (IFAD, 2021).

Agroecology also has an impact on a global scale, for example through carbon mitigation. The use of green and organic fertilizers reduces N₂O emissions from chemical nitrogen fertilizers, which contribute to 6 percent of global GHG emissions (C2ES, 2024). Soil conservation practices increase soil carbon and agroforestry

systems sequester carbon in the form of woody biomass, making agroecology a powerful set of tools for carbon mitigation (INRAE, 2022).

iii) Markets supporting Agroecology

At the market level, agroecological interventions happen in two main fronts: value addition and market access. Simple value addition measures at the farm, farmer group or cooperative can lead to higher income for producers. In the same line, the establishment of Participatory Guarantee Systems (PGS), community-based certification mechanisms in which farmers guarantee the quality of their agroecological and/or organic produce through the application of protocols agreed on with consumers, can also generate higher income.

As for market access, agroecology seeks to connect producers and consumers, prioritizing local markets and supporting local economic development. However, such specialized markets are not (yet) widely established. Despite the limited spread of specialized markets, Agroecological products have a dynamic access to markets, since they are commercialized in both conventional and agroecological markets. The conventional market is the largest in Brazil, and family farmers (smallholders) produce 70% of all food consumed in the country (Câmara dos Deputados, 2023). Even when sold as conventional products, agroecological farming has profit levels in general similar or higher than conventional farming, since they are often more productive and have lower costs (Santos, 2023).

In addition to the conventional markets, there are other important distribution channels for agro-ecological products, such as fairs and markets, solidarity marketing networks, specialized stores and buying clubs. The development of this value chain is also strengthened by diversified and shortened Marketing chains, and Cooperatives.

Data from the survey "Panorama of Organic Consumption in Brazil 2023" (CI Orgânicos, 2023) showed that organic consumption in Brazil increased from 15% in 2017 to 36% in 2023. The Northeast stood out as the region with the biggest increase in organic consumption/demand, rising from 32% in 2021 to 45% in 2023 (percentage of people who consume organic products in the last 30 days). Companies such as Grupo Pão de Açúcar (GPA), Carrefour and other medium-sized enterprises like Rede Xique-Xique have taken advantage of this scenario to invest in their own brands of organic products, creating special sections in their units for this type of product.

Outside conventional and agroecological markets, another channel to be considered for the sale of agroecological production is institutional purchases by government organizations. Programs such as the Food Acquisition Program (PAA) and the National School Feeding Program (PNAE) are aimed at acquiring production from family farming, giving value to agroecological production. Data from IPEA shows that programs like PAA and PNAE have contributed to an increase in the average income and the diversification of the production of family farmers, benefiting the poorest farmers in greater magnitude (IPEA, 2022)

iv) Policies and Instruments enabling Agroecology and Sustainable Food Systems

At last, the systemic approach of agroecology was made stronger by social movements who integrated important aspects of the food system, such as access to land, gender equality, and the rights of Traditional Peoples and Communities (including indigenous and quilombolas). These social movements are responsible

for making agroecology go beyond a toolset of productive practices to include crucial parts of rural populations' quality of life and autonomy.

Several grassroots organizations have emerged in Brazil in the past decades, with the goal of promoting agroecology at a national level, including the Brazilian Agroecology Association (ABA) and the National Agroecology Articulation (ANA). They organize workshops, conferences and working groups, providing resources to support farmers in the agroecological transition. The Brazilian Government built on these efforts to create its own agroecological policies, such as the National Commission for Agroecology and Organic Production (CNAPO) and National Agroecology and Organic Production Plan (PLANAPO). One of the main contributors to the advance of the agroecological transition in Brazil are the institutional purchases programs mentioned above (PNAE and PAA).

Agroecology in Brazilian IFAD Projects

Several IFAD projects in Brazil, such as those in Ceara and Bahia States, have demonstrated how the participatory nature of the project fosters robust collaboration between beneficiaries and technical experts. This collaboration spans planning, implementation, evaluation, and adjustment of actions, leading to the development of numerous innovations tailored to specific needs and contexts.

The IFAD stock-take report on agroecology further highlights the high incorporation of agroecology in IFAD's portfolio in Brazil. Out of the 8 projects classified as AEbased in the LAC region, 6 are from the North-East of Brazil portfolio, where IFAD has consistently supported the government and invested in communities shifting to agroecological practices for the management of farms and landscapes. These projects contributed to the creation of innovative ways of connecting producers to markets, e.g. through public procurement or through linkages with local tourist services rediscovering and serving local food. Agroecological innovations also included engagement of small-scale producers and their communities through multi-stakeholder territorial platforms to discuss solving systemic barriers to income generation and agroecological transition. (IFAD, 2021)

Agroecology in PDCH III

PDHC III will take a demand-driven and participatory territorial approach, engaging marginalized local communities in promoting sustainable and diversified agricultural production, as well as responsible utilization of natural resources. It will advocate for decentralized strategies that align with ecological conditions and incorporate cultural values, reflecting the historical relationship between social groups and their ecosystems. This approach will be realized through participatory territorial planning, aiming to identify interest groups and develop rural territorial development plans along with associated investments. This ensures a holistic and systemic approach to project activities, addressing the priorities, issues, and needs of the communities involved. This illustrates the comparative advantage of integrating agroecological approaches within IFAD's operations.

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Brazil

Climate Resilience, Food Security and Nutrition in the Northeast Semiarid of Brazil Project Project Design Report

Annex: M Financial Management Arrangements

Mission Dates: 26/10/2023 - 03/11/2023

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Project No. 2000003598

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Latin America and the Caribbean
Programme Management Department



(PDR) (Annex M)

I. Summary of Financial Management arrangements¹

PDHC III is the third phase of a project with the federal government and will build on the lessons learned from the two previous projects. IFAD has a long-standing cooperation with the federal Government in Brazil in Brazil's Northeast semiarid region spanning 25 years and successive investment projects.

The borrower will be the Ministry of Finance of the Federative Republic of Brazil. Federal Government will contribute to the project a combination direct counterpart funding (US\$10 million and an additional amount of US\$90 million related to public policies and programs from Federal Budget in the form of indirect counterpart funding.

The Executing Agency for PDHC III will be the Secretariat for Land Governance, Territorial and Socio-Environmental Development (SFTD) of the Ministry of Agrarian Development and Family Farming (MDA) with similar implementing arrangements as for the current PDHC II project.

MDA has an adequate structure for the Project and arrangements for financial management are in place with mature policies and procedures and systems and extensive experience with implementing similar IFAD and World Bank financed projects of similar size.

Within SFTD in Brasilia a dedicated Project Management Unit (PMU) will be established which include Finance Manager and an accountant. PMU staff will be responsible for financial management of the project in particular: (i) Maintaining accurate and complete accounting records ii) Ensuring adequate levels of internal control; (iii) Submitting the quarterly IFRS and presentation of justifications of expenditure disbursement requests based on the same; (iv) Preparation of annual financial statements; and (v) Coordinating timely submission of external audit including all funding sources and in accordance with Handbook for Financial Reporting and Auditing of IFAD-Financed Projects.

The project covers a large geographic area covering 9 Northeastern States of Brazil and the implementation approach is decentralized through the hiring of a substantial number of partner entities /subcontractors for implementation of project activities. To manage the complexities of the large geographic area and number of entities involved in implementation requires close coordination and oversight by the PMU. The financial management capacity of the partner/contracted entities and the flow of funds will be assessed during the contracting phase before issuance of No objections by IFAD to the agreements with partner entities /subcontractors.

The overall conclusion is that the Project's financial management arrangements are satisfactory with Financial Management Risk classified as Substantial.

The risks related to the Project's financial management are considered substantial based on the experience in the Dom Helder Phase II project and further evaluation during design. Full details of the risks identified

¹ Normally this summary will be included only in the main design report under Financial / Fiduciary section, Annex 7.

and corresponding mitigation measures are included in the section IV Financial Management Risk Assessment below.

Main risks identified are: i) Lack of discipline around submission of financial reporting (IFRs) and corresponding justifications to IFAD; ii) Use of auxiliary spreadsheets for budget monitoring by component category and financier and preparation of quarterly IFR resulting in high risk of human error; iii) Lack of oversight on decentralized operations carried out in a large geographic areas involving a significant number of partner entities/subcontractor iv) Failure to include in contracts with implementing partners entities/subcontractors relevant clauses on disbursements proportional to implementation of activities, reporting requirements and justification of expenditure; (v) Incomplete recording and lack of supporting documentation to substantiate indirect government counterpart funding;

The applicable mitigation measures are: (i) Emphasis during start-up phase in induction sessions on the importance of compliance with reporting requirements as communicated in the FMFCL; ii) Implementation of a complementary automated reporting system to generate budget versus actual reports by component, category, and funding source and IFRs based on data from SIAFI system to avoid human errors and delays in reporting as a condition for first disbursement; (ii) Further development of the PIM to ensure adequate supervision of decentralized implementation by partners entities/subcontractors; (iv) Review by IFAD and required No Objections by IFAD of d contracts signed between PDHC III and the partner entities/subcontractors; v) Establish and document in the PIM clear criteria for recording and valuation of both direct and indirect counterpart funding from government.

The Gvt will intends to make use of the retroactive financing option to expedite start-up and cover expenditure incurred between date of clearance of the PDR and date of entry into force. No further exceptions to the General Conditions are foreseen for the project.

During the design phase an evaluation of the Financial Management Financial Management capacity of SFTD was carried out through the application of the FMAQ at design.

Meetings were held in the presence of representatives of the SFTD and staff of the currently ongoing PDHC II project, covering the following aspects: (i) existing financial management systems that will be employed in monitoring, accounting and reporting by the Project; (ii) evaluation of staffing requirements; (iii) mapping of flow of funds foreseen; (iv) review of existing internal control mechanisms; (v) summary of reporting requirements, including the format and content of reports desirable to IFAD; and (vi) examination of internal and external audit institutions operating in the MDA or wider Government.

II. Project financial profile

The total cost of the project is US\$ 155 million over 6 years. The financing plan includes an IFAD loan of US\$ 35 million (23%). The Brazilian government will contribute US\$ 100 million (64%), of which US\$ 10 million will be a direct counterpart and US\$ 90 million related to public policies and programs from Federal Budget in the form of indirect counterpart funding. In addition to the beneficiaries are expected to contribute US\$ 20 million (13%)

Table 2: Project costs by expenditure category and financier

(Thousands of United States dollars)

Expenditure category	IFAD loan		Federal Government - Direct		Federal Government - Indirect		Beneficiaries		Total
	Amount	%	Amount	%	Amount	%	Cash	%	Amount
Investment costs									
1. Goods, services, equipment and materials	8 250	21%	1 808	5%	29 109	74%			39 167
2. Workshops, meetings and training	3 269	75%	948	22%	168	4%			4 384
3. Grants and Subsidies	-	0%	-	0%	55 135	73%	20 000	27%	75 135
4. Studies and technical assistance	19 293	63%	6 368	21%	5 090	17%			30 751
Total Investment costs	30 812	21%	9 124	6%	89 502	60%	20 000	13%	149 437
Recurrent costs									
5. Operating Costs	457	34%	876	66%	-	0%			1 333
6. Wages	3 732	88%		0%	498	12%			4 230
Total Recurrent costs	4 189	75%	876	16%	498	9%	-	0%	5 563
Total	35 000	23%	10 000	6%	90 000	58%	20 000	13%	155 000

Most of the Gvt Counterpart funding will be met by public policies and programs Financial and non-financial resources that do not flow through the project's PMU. It will be important based on the details of the counterparts provided for in the project, to establish clear criteria for the monitoring, valuation, supporting documentation and registration and reporting to IFAD on indirect counterpart funding in the PIM. Indirect contributions from other Federal Government actions will be accepted as counterpart funding provided they consist off in activities adhering to the scope of the Project, and are agreed in the AWPB. The indirect counterpart funding from Government include: of project provision of cisterns (US\$ 38.8 million); MDS Fomento (US\$ 4.7 million) and ATER/DATER Calls for Proposals (US\$ 14.4 million) for component 1; PAA (US\$ 30.6 million); and key personnel of US\$ 613,000 for component 3

Contribution of beneficiaries consist of access to credit and/or other sources. Beneficiary contribution will have to be collected from beneficiary organization in other M&E data with support from implementing entities /subcontractors to be hired for provision of technical support.

Eligible disbursement categories: The following table presents the eligible disbursement categories to be financed by the IFAD loan and the allocation of loan amounts to each category and the percentages of expenditure of the elements to be financed in each category.

The estimated recurrent costs for IFAD and Direct Government funing combined are 11% of projects cost. This is slightly higher that actual recurrent cost to date for Dom Helder Phase 2 of 8.5%. Project management costs are close to proportionally split between IFAD and Federal Government direct contribution to the project.

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Table 1: Programme/project costs by component (and sub-components) and financier

(Thousands of United States dollars)

Component	IFAD loan		Federal Government - Direct		Federal Government - Indirect		Beneficiaries		Total
	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1. Promoting Food Security and Nutrition from an Agroecological Perspective	24 382	17%	7 337	5%	89 335	63%	20 000	14%	141 054
2. Capacity Building, Innovation, and Dissemination	4 740	76%	1 359	22%	168	3%	-	0%	6 268
3. Project Management and Monitoring and Evaluation	5 879	77%	1 304	17%	498	6%	-	0%	7 680
Total	35 000	23%	10 000	6%	90 000	58%	20 000	13%	155 000

Conditions for first disbursement to be included in Financing Agreement: i) opening of the designated account in US dollars; ii) As per general conditions approval of first POA iii) appointment/selection of project coordinator and the Financial Administrative Manager; iii) Program Implementation Manual with No Objection IFAD; iv) Contract an auxiliary which allows tracking of budget versus expenditure by category and component for all funding sources and the automated generation of the interim financial reports (IFR) required by IFAD for justification of expenditure and request for disbursement.

Implementation Arrangements

The project will be implemented by the Department of Territorial and Socio-Environmental Development, of the Secretariat for Land Governance, Territorial and Socio-Environmental Development (SFTD), of the Ministry of Agrarian Development and Family Farming (MDA). Within SFTD in Brasilia a dedicated Project Management Unit (PMU) will be established with at least two dedicated finance staff. PMU staff will be responsible for financial management of the project in particular: (i) Maintaining accurate and complete accounting records ii) Ensuring adequate levels of internal control; (iii) Submitting the quarterly IFRS and presentation of justifications of expenditure disbursement requests based on the same; (iv) Preparation of annual financial statements; and (v) Coordinating timely submission of external audit including all funding sources and in accordance with Handbook for Financial Reporting and Auditing of IFAD-Financed Projects

As with PDHC II, implementation in the 9 Northeastern states will be decentralized. The implementation of the Investment plans will be carried out in part through public and private entities contracted by ANATER and civil society organization hired through a public call for tenders. The partner entities/subcontractors will be responsible for implementing the actions in the field, as well as ensuring that the procurement, accountability, and monitoring processes are carried out in accordance with the procedures defined by the PMU, and following IFAD's rules and guidelines. Before start-up the PIM will be further developed to include adequate supervision of decentralized implementation. The PMU team will make periodic visits to the intervention sites to ensure compliance with the actions and to certify their quality.

Agreements with partner entities/subcontractors will be reviewed by IFAD and require a no-objection. All agreements will include clear provisions on disbursements aligned with implementation of activities, clear reporting requirements and IFAD's anti-corruption and anti-harassment clauses incorporated.

III. Financial Management Risk Assessment

A. Inherent risks assessment pillars

- 1) **Country level:** Brazil is classified as an upper middle-income country (UMIC) and has ordinary financing conditions. The latest GNI per capita value published by the World Bank was 8,140 in 2022. Currently, the country classifies as having inherent as well as substantial GF risk, considering the aspects mentioned below.
- a) Transparency International: According to Transparency International's 2022 report, Brazil ranks 94th (out of 180 countries) with a Corruption Index score of 38/100, unchanged since 2021;
- b) PEFA: There are no recently published PEFA assessments. The last PEFA published was in 2009;
- c) Debt sustainability: Using a wide range of analyses, including the Sovereign Risk and Debt Sustainability Framework, debt sustainability risks are assessed as moderate. Gross debt declined to 86 percent of GDP in 2022 and net debt to 57 percent, both substantially higher than the average of emerging market peers. Debt projections are very sensitive to changes in interest rates, given the high proportion of short-term and floating coupon debt. Significant fiscal risks also arise from lawsuits. The overwhelming domestic investor base, low foreign currency debt, and large public sector cash reserves mitigate refinancing risks. In the baseline scenario, public sector debt is expected to continue rising over the medium term, before stabilizing at around 97% of GDP in the extended horizon projection. (Source IMF Article IV consultation, July 2023);
- d) World Bank Country Partnership Framework: The world bank assessed the fiduciary risk for Brazil as moderate as per the country partnership framework covering the period FY18-FY23. The federal government financial management systems are reasonably strong, provide reliable information, and are able to track the receipt and use of funds transparently. Reviews of subnational public finance management, including through PEFA assessments in selected states, reveal several strengths but also areas for improvement. The strengths include robust legal framework that helps to promote uniformity in practices. Internal controls are reasonably strong because of inbuilt controls in the information systems, combined with strong oversight from internal (Office of the Comptroller General of the State—Controladoria Geral do Estado (CGE)) and external control (State Court of Accounts—Tribunal de Contas do Estado (TCE)) agencies. Financial management arrangements and internal controls maintained by project implementing agencies for IBRD-financed projects have generally been adequate to ensure that funds have been used for their intended purposes. A (Source: World Bank 2017);
- e) Operational Risk Assessment Economist Intelligence Unit: "Brazil will continue to suffer from moderate operational risk, as reflected in its overall rating of C. Brazil's political situation lacks effectiveness and corruption affects all levels of government. An explosion of violent protests on January 8, 2023 highlights the polarized environment that President Luiz Inácio Lula da Silva will face throughout his term (ending in 2026). Social unrest remains possible as a sluggish economy will affect Lula's popularity. A polarized, right-wing Congress could alter the government's agenda and block legislation, which bodes poorly for governance. The unveiling of a new budget rule eased concerns about budget waste, as the framework sets a ceiling on public spending, but public debt-to-GDP ratio will still increase. The risk of armed conflict is low, but organized crime undermines security. The legal system is generally fair, but slow. (Source: Economist 2023)

- 2) **Entity level.** IFAD has a long-standing cooperation with the Govt of Brazil and successive investment projects both at Federal and at State level.

Brazil is the largest borrower from the International Fund for Agricultural Development (IFAD) in the Latin America and Caribbean region. Since 1980, IFAD has provided 11 loans (worth \$259 million) for a portfolio of projects with a total cost of \$870 million. National counterpart financing for the portfolio is \$510 million (60 percent of total portfolio costs). Four projects are currently under implementation (PDHC, PSA, PAGES and PSI); one is pending Board Approval (Parceiros da Mata) pending EIF (PCR); and three are under design (PDHC III, PFFII and PROCASE) totaling another US\$132 million in financing and co-financing leverage of US\$950 million.

Brazil's overall portfolio shows moderately satisfactory FM performance. The main problems encountered in the portfolio are: (i) Lack of fully satisfactory accounting systems resulting in manual preparation of IFAD reporting; (ii) Unreliable or delays in financial reporting; (iii) Weak internal controls; (iv) Insufficient administrative/accounting training for beneficiaries; and (v) Challenges related to the accuracy and completeness of recording of counterpart financing.

- 3) **Project level**

The Executing Agency for PDHC III will be the Secretariat for Land Governance, Territorial and Socio-Environmental Development (SFTD) of the Ministry of Agrarian Development and Family Farming (MDA) with similar implementing arrangements as for the current PDHC II project. MDA has an adequate structure for the Project and arrangements for financial management are in place with mature policies and procedures and systems and extensive experience with implementing similar IFAD and World bank financed projects of similar size. Within SFTD in Brasilia a dedicated Project Management Unit (PMU) will be established. Various staff members with previous experience in the phase 2 of the project remain employed by MDA and could potentially be reassigned to PFF phase 2.

- 4) **Use of Country systems**

Organization: A dedicated PMU with a finance function will be established for the project. The PMU finance team will work in close coordination with the MDA's Undersecretariat of Planning, Budget and Administration (SPOA) for budgeting and financial planning and with MDA Financial departments which monitors the accounting records of SIAFI system.

Budget: The funds required for Project implementation, both corresponding to IFAD loan and to counterpart will be included by MDA in the Annual Budget Law (LOA) and the Multiannual Plan (PPA) of the Union's General Budget (OGU). Approved budgets are entered in the Governments SIAFE system.

Treasury: A Designated Account in dollars (US\$) will be held at the Banco do Brasil to be used exclusively for funds from IFAD loan. There will be an operational account held at the Banco do Brasil in Brazilian reais (BRL) managed by the SFDT to receive the funds from the designated account based on exchange contract; and an additional pooled operational account held at the Banco do Brasil managed by the PMU, receive the funds from the operational account and the counterpart funds. From the PMU

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account, the project will make payments to service providers and suppliers, and transfer funds to implementing partners.

Accounting: The project will use the Government SIAFE system which is obligatory for processing of payments. For PDHC III IFAD will accept the application of accounting standards as per Law No. 4.320 which mandates the use of accrual accounting based on standard set by Federal Accounting Council which as per IFAC evaluation of adoption status is aligned with International Public Sector Accounting Standards (IPSAS). This will be confirmed through the FMFCL

Reporting: The Government SIAFI system does not have the capability to generate reports which allow for monitoring of budget by category and component and the generation of IFR is the IFAD required formats

Internal Control: The project is subject to Law No. 4.320 which establishes the norms and principles for budgeting, accounting, and financial management within the public sector. The MFA counts with an internal control department responsible for carrying out internal audits and compliance with financial and administrative regulations. MDA is subject to the oversight by the Comptroller General of the Union by way of public audits, fraud deterrence procedures, control, corruption prevention, and ombudsman activities.

External audits For PDHC III external audits will be carried out by Office of the Comptroller General of the Union (CGU/PR).

B. Project Control Risks

Table 2. Summary of FM Risks and mitigating actions:

Summary	Brief description of issues	Inherent Risk at design H/S/M/L	Agreed Mitigation Measures (covenants precedent to disbursement)	Residual Risk H/S/M/L
A. Inherent risk assessment pillars				
i. Country level	State fiscal space and the macroeconomic context of the country will put pressure on the availability of counterpart funding for the Project.	M		N/A
ii. Entity level	MDA has an adequate structure for the Project and	M		N/A

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	arrangements for financial management are in place with mature policies and procedures and systems and extensive experience with implementing similar IFAD and World bank financed projects of similar size.			
iii. Project level	Large geographic and decentralized implementation through a variety of implementing organizations requiring close coordination and extensive oversight	S		N/A
B. Control risk assessment pillars				
1. Organization and Staffing	Insufficient finance staff in SFDT to assume responsibility for the project and delays in contracting of dedicated finance positions to the project	S	Recruitment of at least 2 dedicated staff to the financial management of the project and hiring of the finance manager as a condition for first disbursement.	M
2. Budgeting	(i) Contribution of Beneficiaries not included in AWPB;) (ii) Detailed costs estimates used for AWPB not documented for future reference which does not allow for proper analysis of budget versus actuals. (iii) No consistent monitoring of Budget versus actuals is carried out resulting in failure to take corrective action to optimize use of resource.	S	(i) Ensure all funding sources including indirect Govt counterpart funding and beneficiary contributions are included in the AWPB submitted for No Objection to IFAD; (ii) Document assumptions used for preparation pf AWPB for future reference and analysis.; (iii) implement a practice of monthly budget versus actuals review between Finance Manager and Project Director and include explanation of variances in quarterly IFRS submitted to IFAD	M
3. Funds flow and Disbursement Arrangements	(i) Delays in disbursement of Government counterpart funding causing delays in implementation; (ii) delays in signing of agreements with partner entities/subcontractors causing delays in disbursements to farmers organizations for implementation of investment plans;	S	(i) Close Coordination with Treasury to ensure timely disbursement of direct Counterpart funding; (ii) Prioritize selection and signing of agreements with partner entities/subcontractors in start-up phase with clauses on disbursements aligned with implementation of activities and clear reporting requirements incorporated.	S
4. Internal Controls	(i)Lack of oversight on decentralized operations carried out in a large geographic area involving a	S	(i) Further development of the PIM to ensure adequate supervision of decentralized implementation. (ii) Review	M

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	significant number of partner entities/subcontractors; (ii) Failure to include in contracts with implementing partners entities/subcontractors' relevant clauses on disbursements proportional to implementation of activities, reporting requirements and justification of expenditure;		by IFAD and required No Objections by IFAD of d contracts signed between PDHC III and the partner entities/subcontractors ;(iii) All contracts signed between PDHC III and partner entities/subcontractors contracts ito include IFAD's anti-corruption and anti-harassment clauses.	
5. Accounting and Financial Reporting	(i) Lack of discipline around submission of financial reporting (IFRs) and corresponding justifications to IFAD; (ii) Use of auxiliary spreadsheets to monitor budgets versus execution by Component, category and Funding source as per requirement IFAD and for the preparation of IFRs with high risk of human errors; (iii) Incomplete recording and lack of supporting documentation to substantiate indirect government counterpart funding.	S	(i) Emphasis during start-up phase in induction session teams on the importance of compliance with reporting requirements as communicated in the FMFCL; (ii) Implementation of a complementary automated reporting system to generate budget versus actual reports by component, category and funding source and IFRs based on data from SIAFI system to avoid human errors and delays in reporting as a condition for first disbursement; Include in the PIM the requirement of at a minimum quarterly review of Budget versus actual and explanation of variances in management Team and sign off on IFR by Project coordinator; (iii) Establish and document in the PIM clear criteria for recording and valuation of both direct and indirect counterpart funding from government;	M
6. External Audit	External audits which do not comply with requirements IFAD Handbook for Financial Reporting and Auditing of IFAD-Financed Projects in particular incomplete financial statements and missing reference to accounting standards applied	M	Agreement with Office of the Comptroller General of the Union (CGU/PR) on planning and terms of reference external audit and accounting standard to be used for preparation of project financial statements	
Overall FM Risk @ design²	Substantial			

² The Final Risk at design should reflect a combined consideration of inherent and control risks for the project.

IV. Financial Management and Disbursement Arrangements

1) Financial management organization and staffing

The SFTD finance team consists of qualified staff with knowledge and experience in financial management of projects financed by international institutions and knowledge of IFAD's policies and procedures. Additional staff is required to absorb the new project. Some staff have been involved in PHDC previous phases. PMU finance team will consist at a minimum of a Finance Manager and an accountant. The Job descriptions will be included in the Draft of the PIM.

The PMU finance team will work in close coordination with the MDA's Undersecretariat of Planning, Budget and Administration (SPOA) for budgeting and financial planning and with MDA Financial departments which monitors the accounting records of SIAFI system.

The PMU will be made up of government personnel and/or contractors, selected through a competitive process in accordance with the selection rules defined in the project and national legislation. In all cases, they must have appropriate experience and professional qualifications. With approval from IFAD, the MDA may contract a third-party company or a technical cooperation agreement with an international organization to administer the contracts for the necessary staff and consultants.

In order to ensure the continuity of proper execution in PDHC III, it is recommended to maintain the team that worked on PDHC II.

2) Budgeting

The funds needed to implement the project, both the IFAD loan and the counterpart, will be included by the MDA in the Annual Budget Law (LOA) and in the Multi-Year Plan (PPA) of the General Budget of the Union (OGU).

For each year, the PMU will submit to IFAD, no later than 60 days before the start of the year, an Annual Operational Plan (POA) containing a budget annex which will indicate a breakdown of expenditure by component, category, source of funding and quarter of execution.

The approved budget for the project as per the Annual Budget law (LOA) and all transactions for the project will be processed through the Integrated Financial Planning and Accounting System SIAFI. The SIAFI system includes a physical tracking module to monitor physical and financial goals.

Expenditures incurred are compared with those budgeted, but justifications for variances are only included in the annual management report submitted to the court of accounts in the year's accounts.

3) Disbursement Arrangements and Flow of Funds

Disbursements from IFAD loans will be made in USD and deposited in a designated account in USD held at the Banco do Brasil the name of the Brazilian government. A Brazilian reais (BRL) account will be maintained with Banco do Brasil to receive funds from the IFAD designated account based on signed exchange contracts. A pooled account Brazilian reais (BRL) at PMU

level will be established to receive the funds from the IFAD Brazilian reais account and direct counterpart funds. From the PMU pooled account, the project will make payments to service providers and suppliers, and transfer funds to other project partners. A Flow of Funds Chart is included in Appendix 1

In accordance with the provisions of the Financial Management and Control Letter (FMFCL), disbursements for IFAD loan will be made based on the Quarterly Interim Financial Reports (IFRS) and will provide for a cash flow of six months of execution. Request for disbursements will be submitted through IFAD Client Portal (ICP). Detailed instructions will be issued by IFAD in the Financial Management and Control Letter (FMFCL)

Expenditure paid in Brazilian reais (BRL) from the PMU pooled account financed by with funds from IFAD will be converted at the exchange rate applied by the bank when it transferred the funds from the Designated Account(s) to the project's operating account in local currency (FIFO).

The amounts withdrawn from the project's operating account to financed with resources from the Government (counterpart) must be converted as stipulated in the MIP or at the exchange rate of the last day of the month in which these expenses were incurred (Central Bank rate - Ptax Closing Rates/US DOLLAR - Dollar Purchase):

<https://www.bcb.gov.br/estabilidadefinanceira/historicocotacoes>

4) **Internal Controls and Internal audit arrangements**

All projects implemented by government entities including those at state level are subject to Law No. 4.320/64 which establishes the norms and principles for budgeting, accounting, and financial management within the public sector.

Internal control will be ensured by establishing the segregation of duties, periodic reconciliation of accounts, approval levels for expenditures supported and a financial procedures manual detailing staff duties and responsibilities. Payments will follow the workflows and built-in controls in the SIAFI system.

In the transfer of resources to other public or private entities, responsibilities will be established in the legal instruments signed with each party. These instruments will establish the technical and fiduciary obligations and safeguards, including those related to accountability for expenditure and IFAD's anti-corruption policies.

Assets purchased with project funds will be tracked in a dedicated module part of the SIAFE system.

All documentation supporting payments of expenditure (including contracts, invoices, payment vouchers, bank statements), will need to be duly archived for IFAD missions and audits for a minimum of 10 years after the end of the project.

Office of the Comptroller General of the Union – CGU Audit reports are published annually on the government transparency portal.

5) Accounting Systems and Financial Reporting mechanisms

The use of the SIAFI system is obligatory for payment processing and incorporates adequate measures to control user access based on user roles and responsibilities. The SIAFI system generates reports and financial statements that provide insights into the financial status and performance of government agencies but does not allow for monitoring of budgeting based on components and categories as is a requirement for IFAD and other external financing.

An auxiliary financial system will be contracted, which allows for based on data SIAFE system : i) accounting for all sources of funding including the non-financial counterpart, by disbursement category; ii) Generation of budget versus actual reports by Category and component; iii) Generation of the interim financial reports (IFR) required by IFAD for justification of expenditure and request for disbursement.

During the project execution period, the PMU will submit to IFAD through the Financial Execution Module in ICP on a quarterly basis the IFR , within 30 days of the end of quarter end period, which consist off specific forms: i) Cash Forecast (next 2 quarters); ii) Summary of Sources and Uses of Funds; iii) Designated Account Activity Report (bank reconciliation); iv) AWPB - Quarterly Variation Analysis; v) AWPB Yearly Variation Analysis; and vi) Cumulative Variation Analysis.

During the period of Project implementation, the Borrower shall submit through the Financial Execution module in ICP the unaudited financial statements, indicating in the accompanying notes the respective accounting standard adopted, within 120 days after the end of each fiscal year. The fiscal period of the Project comprises the period from January 1 to December 31 of each year.

The MDA follows: (i) the Brazilian Accounting Standards Applicable to the Public Sector (Normas Brasileiras de Contabilidade Aplicadas ao Setor Público-NBCASP); (ii) Law 4,320/64, that establishes certain high-level accounting principles (Normas Brasileiras de Contabilidade-NBC); and (iii) the Accounting Manual Applicable to the Public Sector (Manual de Contabilidade Aplicada Setor Público-MCASP) issued under Law 10,180 of February 6, 2001 and Decree 3,589 of September 6,

2000. Both the NBCASP and MCASP were revised via Portaria STN 467 of August 6, 2009 and updated in 2013 to incorporate the text of the International Public-Sector Accounting Standards (IPSAS), with adaptations for the Brazilian reality.

For PHDC III IFAD will accept the application of accounting standards as per Law No. 4.320 which mandates the use of accrual accounting based on standard set by Federal Accounting Council which as per IFAC evaluation of adoption status is aligned with International Public Sector Accounting Standards (IPSAS).

External Audit

The project accounts will be audited annually by the Office of the Comptroller General of the Presidency of the Republic (CGU/PR).

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As per IFAC evaluation of adoption status, Brazilian auditing standards since 2005 have been fully converged with ISA, with an ongoing system in place to incorporate new and revised ISA as they become available. New and revised ISA, are reviewed, translated, and republished as Brazilian auditing standards. As of 2022, the 2020 ISA is being applied.

Table 3: FM Actions Summary: The actions needed to mitigate FM risks are summarised below:

	Action	Responsible Party / Person	Target Date / Covenants³
1	Contract an auxiliary which allows for based on data SIAFE system : i) accounting for all sources of funding including the non-financial counterpart, by disbursement category; ii) Generation of budget versus actual reports by Category and component; iii) Generation of the interim financial reports (IFR) required by IFAD for justification of expenditure and request for disbursement.	MDA	Prior to entry into force
2	Agree with MDA Comptroller General the accounting standard to be applied for the preparation of the annual audited financial statements. •	MDA/IFAD	Prior to entry into force
3	Establish clear criteria for the monitoring, valuation, supporting documentation and registration and reporting to IFAD on indirect counterpart funding in the PIM.	MDA/IFAD	Prior to entry into force
4	Further development of the PIM in particular: <ul style="list-style-type: none"> • provisions to ensure adequate supervision of decentralized implementation. 	MDA in cooperation with IFAD	Prior to entry into force

³ Indicate if covenants are required in Financing Agreement for each of these: effectiveness condition or disbursement condition or dated covenant.

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	<ul style="list-style-type: none"> • Procedures for registering, valuation and reporting on contributions beneficiaries. • Job descriptions finance staff 		
5	Ensure SEPLAN is firmly committed to ensuring the allocation of sufficient counterpart financial resources for project implementation. Ensure sufficient funding is included in Annual Budget Law for 2025	MDA/IFAD	Prior to entry into force

FM Supervision plan

Financial supervision of the Project will be carried out by IFAD also on behalf of AECID without prejudice to other national control and inspection bodies and will consist of assessing the implementation of financial management and performance mechanisms, identifying corrective actions, where appropriate, and monitoring fiduciary risks.

The supervision by IFAD will be carried out through:

- i) Review of quarterly Interim Financial Reports - IFRs
- ii) Presential participation in supervision missions for the Project
- iii) Review of audited financial statements and follow-up of issues raised by the auditors in their Management Letters

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Appendix 1: Flow of Funds Chart

