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**President's report**

**Proposed loan**

**Federative Republic of Brazil**

**Capacity Development for Overcoming Hunger and Mitigating the Effects of Rural Poverty and Extreme Poverty (Paulo Freire Project – Phase II)**

Project ID: 2000004317

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**Action:** The Executive Board is invited to approve the recommendation contained in paragraph 75.

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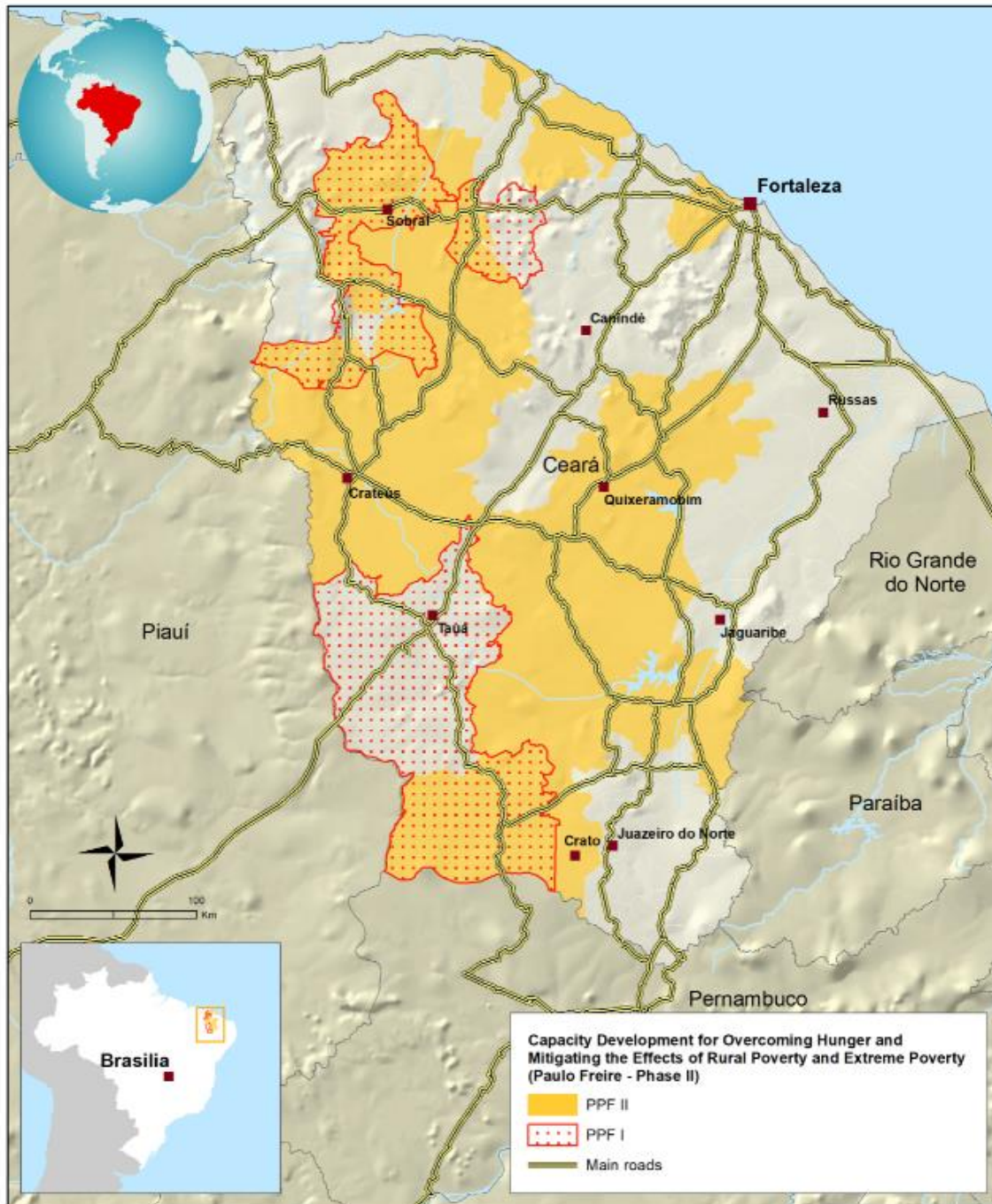
### Project delivery team

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## Map of the project area



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 11-04-2024

## Financing summary

<b>Initiating institution:</b>	IFAD
<b>Borrower:</b>	State of Ceará of the Federative Republic of Brazil
<b>Executing agency:</b>	Secretariat for Agrarian Development (SDA)
<b>Total project cost:</b>	EUR 139.0 million (equivalent to US\$148.8 million)
<b>Amount of IFAD Borrowed Resources Access Mechanism (BRAM) loan:</b>	EUR 8.0 million (equivalent to US\$8.6 million)
<b>Terms of IFAD loan:</b>	Ordinary, with a maturity period of 18 years, and a grace period of 3 years, at an interest rate equal to the IFAD reference interest rate including a variable spread
<b>Cofinanciers:</b>	Spanish Agency for International Development Cooperation (AECID)
<b>Amount of cofinancing:</b>	EUR 92.0 million loan (equivalent to US\$98.5 million) EUR 4.0 million grant (equivalent to US\$4.3 million)
<b>Contribution of borrower:</b>	EUR 25.0 million (equivalent to US\$26.8 million)
<b>Contribution of beneficiaries:</b>	EUR 10.0 million (equivalent to US\$10.7 million)
<b>Amount of IFAD climate finance:</b>	EUR 8.0 million (equivalent to US\$8.6 million)
<b>Cooperating institution:</b>	Directly supervised by IFAD

## I. Context

### A. National context and rationale for IFAD involvement

#### National context

1. In 2020, the GDP of the State of Ceará was BRL 166.915 billion, and the GDP per capita was BRL 18,168.35, which is 49 per cent below the national average.
2. Ceará has an estimated population of 9,240,580 inhabitants. In 2017, there were 297,862 family farms in the state, occupying 3 million hectares (48 per cent of the agricultural area) and employing 686,473 people.
3. Only 11 per cent of family farms in the project area received technical assistance and rural extension (ATER), and only 14 per cent of this was directed at women. The limited scope of ATER is reflected in the low adoption of conservation practices.

#### Poverty

4. The project area has a population of 2.4 million people, of which 45 per cent live in poverty; in comparison, 29.4 per cent of the Brazilian population as a whole is poor. In the project area, there are 178,143 farms, with 76.2 per cent of these being family farms. Around 18.5 per cent of family farms are run by women, and 11.7 per cent by young people under the age of 35.

#### Special aspects relating to IFAD's corporate mainstreaming priorities

5. In line with IFAD's mainstreaming commitments, the project has been validated as:
  - Nutrition-sensitive
  - Youth-sensitive
  - Prioritizing Indigenous Peoples
  - Including adaptive capacity
  - Including climate finance
  - Gender-transformational
6. The project (PPF II) will adopt a youth-sensitive, nutrition-sensitive, gender-transformative and climate-centred approach, and prioritize Indigenous Peoples.
7. **Nutrition.** As seen in the rest of Brazil, in Ceará adults and children are increasingly affected by overweight and obesity, with adult obesity affecting 28.2 per cent of women and 21 per cent of men. Despite the efforts of public policies to encourage breastfeeding, nationwide the prevalence of exclusive breastfeeding remains low, at 45.8 per cent. This situation has negative long-term health impacts, including an increased risk of obesity and excess weight during childhood and adolescence. Micronutrient deficiencies, diseases and inadequate care practices lead to stunting, which still affected 8.2 per cent of children in the State of Ceará in 2017.
8. **Gender.** In Ceará, the Gender Inequality Index is 0.66, which indicates that women are 34 per cent less likely to have access to the same opportunities as men. This disparity is more pronounced in the areas of economic opportunity and political empowerment. Gender inequalities manifest in rural areas in the devaluation of women's productive work and restriction of their control and access to natural, social and financial resources. Only 18.5 per cent of family farms in the project area are run by women. Women's contributions often go unnoticed due to their absence from the formal labour market and monetized activities. In addition, rural women face a double workload, as they are responsible for both domestic and care work in families, which limits women's participation in training, and access to technical assistance and education to improve their opportunities.

9. **Rural youth.** The main challenges faced by rural youth in the project area include: (i) lack of opportunities for decent work and income generation; (ii) lack of access to and control over resources, credit, bio-inputs, goods and adapted technologies; and (iii) low participation and decision-making power in rural and community organizations. Around 25 per cent of young people in Ceará are considered vulnerable to poverty, especially those of African descent. Rural areas in general do not offer attractive job opportunities for young people, as they combine low income-generation capacity with precarious working conditions. The lack of public policies that focus on the demands and needs of rural youth is among the main causes of rural youth emigration. In the project area, only 11.7 per cent of family farms are managed by young people under the age of 35, and only 10 per cent of young people in this age group have access to ATER.
10. **Traditional peoples and communities, and Afro-descendants.** Indigenous Peoples and traditional communities, such as Quilombolas, are particularly vulnerable to poverty due to historical dynamics of exclusion and structural racism, their high dependence on natural resources, the marginalization of their ways of life, their exclusion from the formulation of public policies and poor access to services, including health care, education, sanitation, infrastructure, social assistance and ATER services. In the project area, some 76.6 per cent of Indigenous Peoples and 71.9 per cent of Quilombolas live in poverty or extreme poverty.
11. **Climate change and adaptive capacity.** The main threats of climate change in the project area are the concentration and irregularity of rainfall, the rising temperatures and more frequent, longer and more severe droughts. The Caatinga biome is the most vulnerable biome to climate change in South America, and is expected to be exposed to an increase in temperature of 2° C to 4° C by the end of the 21<sup>st</sup> century. The climate risks are soil degradation, desertification, reduced availability of natural resources (especially fresh water) and loss of biodiversity. In the Brazilian semi-arid region, approximately 200,000 km<sup>2</sup> are highly susceptible to desertification. Water scarcity is one of the major challenges for agricultural production.
12. According to the methodologies employed by multilateral development banks for monitoring financing allocated to climate change adaptation and to the mitigation of its effects, the estimated total amount of climate finance granted by IFAD to the project is EUR 8 million, divided as EUR 4 million for adaptation and EUR 4 million for mitigation, representing 100 per cent of IFAD's total financing.

#### **Rationale for IFAD involvement**

13. The Spanish Agency for International Development Cooperation (AECID) cofinanced the Productive and Capacity Development in the State of Ceará – Paulo Freire Project (PPF I) through the Spanish Trust Fund Facility. According to the project's impact assessment, PPF I resulted in a 23 per cent reduction of the Multidimensional Poverty Index among the beneficiaries and a 60 per cent increase in family production.
14. As the project enters its second phase, it will introduce innovations such as: (i) the scaling of social technology solutions for water access, renewable energy and sanitation; (ii) digital ATER; (iii) nutrition-sensitive interventions; (iv) gender-transformative activities; (v) the promotion of gender-sensitive and nutrition-sensitive environmental and climate education in rural schools; (vi) the support for land and environmental regularization, especially for traditional peoples and communities (PCTs); and (vii) knowledge management, South-South and Triangular Cooperation (SSTC) and policy dialogue.

## **B. Lessons learned**

15. The high-quality ATER and participatory approach of PPF I were essential to meeting the needs of the beneficiaries, maximizing the project's impact and ensuring sustainability. The experience with remote ATER pilots in PPF I was successful and there are reports of a robust strategy for using digital tools.
16. The agroecological approach has been widely adopted by family farmers in Ceará, largely based on PPF I support. This approach has been proven to increase resilience, especially in highly degraded and vulnerable biomes, such as the semi-arid region. The PPF I experience offers different lessons for the inclusion of young people. These include the strengthening of youth agendas through media and communication techniques.
17. The IFAD Office in Salvador played a fundamental role in project identification, design, supervision and implementation support, and was key to a successful implementation of phase I.
18. To avoid delays in the start-up phase, the project management unit (PMU), should prioritize the selection and signing of agreements with entities providing ATER services.

## **II. Project description**

### **A. Objectives, geographical area of intervention and target groups**

19. The project goal is to reduce rural poverty, food insecurity and malnutrition in family farming. The development objective is to increase the sustainability of production systems and the resilience of family farmers.
20. The project will cover 74 municipalities in the semi-arid region of the State of Ceará. The population of the project area is estimated at 2.5 million, of which 50.9 per cent are women and 23.7 per cent are young people aged between 15 and 29. The population of the municipalities in the project area is among the poorest in Brazil (45 per cent or 1.1 million people living in poverty or extreme poverty), with limited access to basic social services, high levels of social, environmental and climatic vulnerabilities and high rates of food insecurity and malnutrition (with 26.3 per cent or about 631,200 people suffering from hunger in 2022).
21. The selection of the participating municipalities is based on the Municipal Alert Index, developed by the Institute for Research and Economic Strategy of Ceará, which measures climatic, agricultural and social vulnerability with 12 indicators. The index also considers the areas of other IFAD-supported interventions in Ceará, and combines new areas with some territories from the first phase of the project, which will serve as a reference for replicating experiences and consolidating results.
22. Around 80,000 families (some 320,000 people) will benefit directly from the project, of which at least 50 per cent will be represented by women, 15 per cent by young people and 5 per cent by PCTs. The project's main target groups are: (i) family farmers living in poverty or extreme poverty; (ii) rural women; (iii) rural youth; (iv) traditional peoples and communities; and (v) LGBTQIAPN+ people.

### **B. Components, outcomes and activities**

#### **Component 1: Rural development with environmental sustainability based on agroecology**

23. This component aims to intensify, diversify and adapt family farming while ensuring better market access. It will promote the adoption of agroecological practices through ATER, favouring the conservation and sustainable use of natural resources.
24. At the territorial level, the project will work with local rural development plans (PDRLs) to invest in productive development, restoration and environmental

sustainability. These plans will be elaborated and implemented by producer families with the support of ATER, and include distinct productive and environmental sections. The ATER will be contracted by the PMU and provided by NGOs, with a focus on sustainable productive and organizational development at a community and family level. Training events to raise awareness of public policies at a state and federal level will promote access to these policies, thereby facilitating access to credit and government purchase schemes. In addition, PPF II will support smallholders' land ownership through land and environmental regularization (Rural Environmental Registry).

### **Component 2: Access to water, sanitation and social technologies**

25. Component 2 will make investments in small-scale water access, household sewage and renewable energy at a family or community level. Whether for community or family use, the investments will guarantee consistent and high-quality access to water for human consumption or agricultural production, and reduce soil and water contamination. The focus will be on efficient water use practices and technologies to adapt to climate change.

### **Component 3: Knowledge management and cooperation to adapt to climate change and combat desertification in the semi-arid region (INOVA CLIMA)**

26. This component will be entirely financed by a grant from AECID. It will promote capacity-building among family farmers and ATER teams, environmental education to ensure food security and better nutrition in rural communities, and sustainable and inclusive technologies and innovations adapted to the semi-arid environment. Replicable pilot projects will be developed and exchanges organized, following the model of South-South and Triangular Cooperation. Component 3 also aims to provide support to the PMU to strengthen the State of Ceará's institutional capacity to implement the project and other public policies.

## **C. Theory of change**

27. The project seeks to reduce poverty, food insecurity and malnutrition through investments in family farming and ensuring the development and strengthening of sustainable local food systems. This will improve farmers' resilience and income, thus addressing the underlying causes of malnutrition. It will also address gender inequalities and social exclusion, and strive to empower women, youth, PCTs and the LGBTQIAPN+ community. The project will build on the solid foundation of PPF I, scaling successful initiatives and introducing innovative solutions to achieve its goals.

## **D. Alignment, ownership and partnerships**

28. PPF II will contribute directly to SDGs by supporting agroecological, resilient and sustainable production systems of poor family farmers, and promoting a consistent food and nutrition security strategy. In particular, the project supports SDGs 1 (no poverty), 2 (zero hunger), 4 (quality education), 5 (gender equality), 6 (clean water and sanitation), 10 (reduced inequalities), 12 (responsible consumption and production), 13 (climate action) and 15 (life on land). The project is aligned with the three goals of the IFAD Strategic Framework 2016–2025 and cross-cutting priorities linked to gender, youth, Indigenous Peoples, nutrition and climate change.
29. The project supports the United Nations Decade of Family Farming 2019–2028 and the National Action Plan, recognizing the enormous contribution of family farming to the achievement of the 2030 Agenda for Sustainable Development. Family farming, in fact, plays an important role in improving nutrition, ensuring global food security, eradicating poverty, ending hunger, conserving biodiversity and promoting environmental sustainability.
30. PPF II will contribute to the three Strategic Objectives of IFAD's country strategic opportunities programme in Brazil 2024–2029 by: (i) improving sustainable agricultural production, food security, nutrition and market access, with a focus on



environmental and climate sustainability, through components 1 and 2; (ii) enhancing public policies and programmes through evidence-based revision and scaling of best practices, through component 3; and (iii) strengthening the capacity of governmental institutions and organizations of rural poor people to drive inclusive and sustainable rural development, through component 3.

31. The project is strongly aligned with the Federal Government of Brazil's Pluriannual Plan 2024–2027. It also adheres to the objectives of some of Ceará 2050's strategic programmes, such as Mais Valor no Campo, Ativos Ambientais and Segurança Hídrica no Semiárido.
32. Project activities are complementary to programmes of the Federal Government: the National Programme for Technical Assistance and Rural Extension in Family Farming and Agrarian Reform, the National Programme for Strengthening Family Farming, the Food Acquisition Programme, the National School Feeding Programme, the Cistern Programme and the National Policy on Sustainable Development of Peoples and Traditional Communities and the National Plan for the Promotion of LGBTQIA+ Sexual Diversity.
33. PPF II will collaborate with IFAD's Centre for Knowledge and SSTC in Brasilia and with the AECID office for Brazil located in Montevideo, Uruguay.

## E. Costs, benefits and financing

### Project costs

34. Total project costs amount to EUR 139 million for six years. Around 95 per cent of the costs correspond to investment costs, and 5 per cent to recurring costs.
35. The project costs are divided into three operational components and one management component, of which 61.2 per cent is for component 1, 28.2 per cent for component 2, 2.9 per cent for component 3 and 7.8 per cent for project management, monitoring and evaluation, knowledge management and SSTC.

Table 1  
Project costs by component and financier  
(Thousands of euros)

Component	IFAD loan		AECID loan		AECID grant		Ceará State Government		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1. Rural development with environmental sustainability based on agroecology	8 000	100	57 530	62	-	-	13 910	56	5 568	56	85 008	61
2. Access to water, sanitation and social technologies	-	-	28 450	31	-	-	6 264	25	4 432	44	39 146	28
3. Knowledge management and cooperation to adapt to climate change and combat desertification in the semi-arid region (INOVA CLIMA)	-	-	-	-	4 000	100	-	-	-	-	4 000	3
4. Project management, monitoring and evaluation, knowledge management and SSTC	-	-	6 020	7	-	-	4 826	19	-	-	10 846	8
<b>Total</b>	<b>8 000</b>	<b>100</b>	<b>92 000</b>	<b>100</b>	<b>4 000</b>	<b>100</b>	<b>25 000</b>	<b>100</b>	<b>10 000</b>	<b>100</b>	<b>139 000</b>	<b>100</b>

Table 2  
**Project costs by expenditure category and financier**  
 (Thousands of euros)

Expenditure category	IFAD loan		AECID loan		AECID grant		Ceará State Government		Beneficiaries		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Investment costs</b>												
1. Technical assistance and rural extension (ATER)	8 000	100	5 130	6	-	-	12 870	52	-	-	26 000	19
2. Technical assistance (TA)	-	-	-	-	4 000	100	-	-	-	-	4 000	3
3. Grants and subsidies	-	-	49 172	52	-	-	1 040	4	5 568	56	55 780	40
4. Goods, services and inputs	-	-	30 720	33	-	-	6 536	26	4 432	44	41 688	30
5. Training, workshops and meetings	-	-	450	0	-	-	100	0	-	-	550	0
6. Civil works	-	-	3 151	3	-	-	645	3	-	-	3 796	3
<b>Total investment costs</b>	<b>8 000</b>	<b>100</b>	<b>88 623</b>	<b>96</b>	<b>4 000</b>	<b>100</b>	<b>21 191</b>	<b>85</b>	<b>10 000</b>	<b>100</b>	<b>131 814</b>	<b>95</b>
<b>Recurrent costs</b>												
1. Salaries and operating costs	-	-	3 377	4	-	-	3 809	15	-	-	4 828	3
<b>Total recurrent costs</b>	<b>-</b>	<b>-</b>	<b>3 377</b>	<b>4</b>	<b>-</b>	<b>-</b>	<b>3 809</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>7 186</b>	<b>5</b>
<b>Total</b>	<b>8 000</b>	<b>100</b>	<b>92 000</b>	<b>100</b>	<b>4 000</b>	<b>100</b>	<b>25 000</b>	<b>100</b>	<b>10 000</b>	<b>100</b>	<b>139 000</b>	<b>100</b>

Table 3  
**Project costs by component and project year (PY)**  
 (Thousands of euros)

Component	PY1		PY2		PY3		PY4		PY5		PY6		Total
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount
1. Rural development with environmental sustainability based on agroecology	15	0	6 963	51	22 365	63	33 315	74	22 320	68	30	0	85 000
2. Access to water, sanitation and social technologies	1 898	33	4 320	33	10 610	30	9 547	20	8 572	26	4 199	68	39 100
3. Knowledge management and cooperation to adapt to climate change and combat desertification in the semi-arid region (INOVA CLIMA)	410	7	999	7	938	3	683	2	590	2	380	6	4 000
4. Project management, monitoring and evaluation, knowledge management and SSTC	3 437	60	1 257	9	1 468	4	1 598	4	1 478	4	1 608	26	10 800
<b>Total</b>	<b>5 760</b>	<b>100</b>	<b>13 539</b>	<b>100</b>	<b>35 381</b>	<b>100</b>	<b>45 143</b>	<b>100</b>	<b>32 961</b>	<b>100</b>	<b>6 217</b>	<b>100</b>	<b>139 000</b>

### Financing and cofinancing strategy and plan

36. The project will be financed by: (i) an IFAD loan of EUR 8 million (6 per cent of total costs) from the BRAM, with a sovereign guarantee; (ii) an AECID loan of EUR 92 million (66 per cent of total costs) through the Instituto de Crédito Oficial of the Spanish Government, with a sovereign guarantee; (iii) an AECID grant of EUR 4 million (3 per cent of total project costs) through the Secretariat of International Cooperation of the Spanish Government; and (iv) the Government of the State of Ceará with a counterpart contribution in cash of EUR 25 million (18 per cent of total costs). In addition, project beneficiaries will contribute an estimated EUR 10 million (7 per cent of total costs), mainly through in-kind contributions. The Federal Government of Brazil will provide its sovereign guarantee for the operation.
37. As the largest project financier, AECID will finance 69.1 per cent of the total project cost and 100 per cent of local rural development plans. IFAD financing will be applied in full to the technical assistance to family farmers' organizations for implementation of PDRLs as part of component 1.
38. The AECID grant consists of a cash contribution towards component 3's knowledge management of the amount of EUR 2.8 million, and an in-kind contribution

consisting of a technical expert based within the PMU in Fortaleza, valued at EUR 1.2 million.

39. The Government of the State of Ceará will contribute EUR 25 million in cash across components 1 and 2, and project management.

#### **Disbursement**

40. The State of Ceará will open separate designated accounts in euros for the IFAD loan, AECID loan and AECID grant, in order to receive disbursements from the various instruments. A separate designated account in Brazilian Reais will be opened to receive funds from the respective IFAD loan designated account and AECID loan designated account, based on signed exchange contracts.
41. Disbursements for both AECID and IFAD funding will be made based on quarterly interim financial reports (IFRs) and will provide for a cash flow of six months of execution. Requests for disbursements will be submitted through the IFAD Client Portal. The IFRs will disclose execution and cash forecast separate for all funding sources, including AECID. Based on a cofinancing agreement signed between AECID and IFAD, IFAD shall review the disbursements requests, corresponding IFRs and other documentation, and based on this review IFAD will recommend AECID whether or not to authorize the requested disbursements.
42. Disbursements of funds for the implementation of local rural development plans designed with technical support from third sector entities will be disbursed directly from the project's operational accounts.

#### **Summary of benefits and economic analysis**

43. The projected benefits of the project are an increased income of producers and their organizations in the family farming sector, the generation of new jobs and the bringing about of substantial improvements to both the environment and the project's direct beneficiaries. The results of the financial analysis show that the project's activities are financially viable for the producers and their organizations, for all six production models.
44. The results of the economic analysis show that, overall, PPF II is economically viable and represents a good investment for the State of Ceará: the internal rate of return was calculated at 23.5 per cent, the net present value of the incremental net benefit at BRL 706,289 million and the benefit-cost ratio at 4.1.

#### **Exit strategy and sustainability**

45. The alignment of the project with the priorities of the Secretariat for Agrarian Development (SDA) and the Government of the State of Ceará in general will create favourable conditions for strong ownership, both during and after implementation. Several factors will contribute to this, some of which are: (i) the integration of PPF II activities in microregional forums and in the municipal commissions for life in the semi-arid, which will open strategic channels to maintain the initiatives beyond the end of the project; (ii) the training and support activities for access to public policies, which should create favourable conditions for the beneficiaries; (iii) the strengthening of the knowledge and experience of in-person and remote ATER technical teams; (iv) the strengthened capacity and infrastructure of farmers' organizations; (v) the methodology for identifying, elaborating and implementing PDRLs and business plans, based on participatory processes and support by ATER, which will create strong ownership of the activities by the beneficiaries; and (vi) the sustainability of the interventions, which will depend on increasing the production of healthy food, diversification in production, nutrition and income, and greater resilience to climate change and shocks.

### III. Risk management

#### A. Risks and mitigation measures

46. The integrated project risk matrix was prepared according to IFAD's guidelines. The overall inherent project risk is moderate, and the residual risk is low.

Table 4

##### Overall risk summary

<i>Risk areas</i>	<i>Inherent risk rating</i>	<i>Residual risk rating</i>
Country context	Moderate	Low
Sector strategies and policies	Low	Low
Environment and climate context	Substantial	Moderate
Project scope	Moderate	Low
Institutional capacity for implementation and sustainability	Substantial	Moderate
Financial management	Moderate	Moderate
Project procurement	Moderate	Moderate
Environment, social and climate impact	Substantial	Low
Stakeholders	Moderate	Low
<b>Overall</b>	<b>Moderate</b>	<b>Low</b>

47. The financial management risk is rated as moderate, with principal risks being: (i) timing differences between AECID funding and the IFAD loan, which could affect the availability of funds and delay project implementation; (ii) delays in the disbursement of government funding, which could affect project implementation; (iii) delays in signing of and unclear reporting requirements in agreements with third sector entities for technical assistance (ATER), resulting in delays in project implementation. The mitigating measures to be implemented are: (i) close coordination between AECID and IFAD during negotiations and in the signing and approval of the respective financing agreements; (ii) timely submission by the SDA of the request for fiscal space and counterpart funds, complemented by ongoing coordination with the Secretariat of Finance; (iii) terms of reference for contracting third sector organizations for ATER with no objection from IFAD within six months, as a timed covenant in the financing agreement.

#### B. Environment and social category

48. The project's environmental and social category risk is moderate.
49. The moderate environmental risks relate to: (i) the possibility of increased encounters with wildlife as a result of the ecological restoration processes, which may create more favourable foraging niches for these species; (ii) the acquisition of natural resources as inputs for the agroforestry activities supported by the project; (iii) the acquisition of agrochemicals (pesticides and fertilizers); and (iv) the support for sheep and goat husbandry, which can contribute to the common problem of overgrazing.

#### C. Climate risk classification

50. The project's climate risk category is substantial. The factors that contribute to this assessment are: (i) the exposure of the target population to natural hazards, especially temporal and spatial rainfall variability, high temperatures and droughts; (ii) the high level of poverty of the target population and their dependence on agriculture for their food security and income; and (iii) the relative lack of access of the target population to instruments, resources and public policies aimed at strengthening their capacity to adapt to climate change.

#### D. Debt sustainability

51. Brazil's debt sustainability risk is assessed as moderate. Brazil's debt is high and projected to rise further in the coming years, with debt stabilizing at around 97 per

cent of GDP in 2032. The debt trajectory remains highly sensitive to shocks to borrowing costs and real GDP growth, and the materialization of fiscal risks, in particular the sizable stock of judicial claims, the postponement of settling court-ordered payments and delays in tax litigation.<sup>1</sup>

## IV. Implementation

### A. Organizational framework

#### Project management and coordination

52. The SDA will be the project's executing agency within the Government of the State of Ceará. The PMU will be located at the SDA, in Fortaleza, and be responsible for project planning, implementation, management and monitoring.
53. The PMU's key staff, exclusively dedicated to the project, includes: (i) a project coordinator, (ii) a procurement and contracts specialist, (iii) a financial management specialist, and (iv) a monitoring and evaluation specialist.
54. To ensure the project's presence in the field, focal points will be allocated in dedicated physical spaces at the regional offices of the State Technical Assistance and Rural Extension Agency of Ceará (EMATERCE).
55. The project will have a strategic management committee to foster collective management. This committee will provide technical assistance and general support to the PMU in the main strategic decisions and will consist of representatives from the SDA's coordinating departments and related entities such as EMATERCE, Agrarian Development Institute of Ceará (IDACE) and Food Supply Centre of Ceará (CEASA).

#### Financial management, procurement and governance

56. IFAD procedures on financial management, including reporting and audits, will be applied to all cofinancing sources, including AECID.
57. The PMU will be under the guidance of the SDA's planning coordination and financial administrative coordination responsible for the project's financial management, including maintaining accounting records, ensuring adequate levels of internal control, submitting financial reporting to IFAD, and handling disbursement requests and the submission of audited annual financial statements.
58. The Secretariat of Finance will be responsible for administering the project's designated accounts and processing payments from the project's operational accounts based on instructions by the PMU.
59. All projects implemented by governmental entities are subject to Law No. 4.320/64, which establishes the norms and principles for budgeting, accounting and financial management within the public sector.
60. **External Audit.** The project's annual financial statements will be prepared in accordance with national accounting standards for governmental entities, which are aligned with International Public Sector Accounting Standards. Project financial statements will be audited by the State Court of accounts, which is experienced in the audit of externally financed projects, with application of International Standards of Supreme Audit Institutions. Audited financial statements will be submitted to IFAD no later than six months after the end of every fiscal year, as per general conditions. Annual project audit reports will be furnished to AECID.
61. It is the mandate of the Office of the Comptroller General in Ceará to investigate notifications of fraudulent practices, and to ensure accountability and transparency in public administration.

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<sup>1</sup> Source: IMF Article IV Consultation July 2023.

62. For governance, the project will have a strategic management committee to foster collective management. This committee will provide technical assistance and general support to the PMU in strategic decisions and consist of representatives from the SDA's coordinating departments and related entities.
63. **Procurement.** The project will follow IFAD's procurement framework with the exception of the selection of service providers to provide rural technical assistance. This will be carried out by the Special Tenders Commission of the State of Ceará and will follow national rules while also including evaluation criteria, IFAD policies on fraud and corruption and sexual exploitation and abuse, and IFAD's eligibility self-certification form. An agreement will be signed with the Inter-American Institute for Cooperation on Agriculture, which will be doing the procurement of individual consultants, goods and non-consultancy services.

#### **Target group engagement and feedback**

64. Target group engagement and feedback will be ensured through the project's participatory mechanisms and the local governance mechanisms outlined above.

#### **Grievance redress**

65. In accordance with IFAD's environmental and social policies, a public and accessible complaints and grievance mechanism will be made available to the individuals, authorities or community representatives affected by the project. It will take advantage of the SDA's consolidated system for receiving and handling complaints, adopting the existing ombudsman channel.

### **B. Planning, monitoring and evaluation, learning, knowledge management and communications**

66. The monitoring and evaluation system will support the planning, monitoring and evaluation of results based on the project's logical framework. Baseline, midterm and final impact surveys will evaluate the project's impact. The activities relating to donations will be monitored and evaluated by means of specific studies and procedures established by AECID.
67. In addition, knowledge management and SSTC will enable the preparation of materials and documentation on good practices, and foster a demand-based exchange of knowledge in the State of Ceará, the semi-arid region of Brazil and with other countries.

#### **Innovation and scaling up**

68. The project's main areas of innovation are: (i) the support for digital agroecological ATER; (ii) the environmental section of the PDRLs; (iii) the existence of a subcomponent dedicated to gender and youth; (iv) the solutions for collecting, treating and reusing water; and (v) the support to the development of machinery and services dedicated to family farming.

### **C. Implementation plans**

#### **Implementation readiness and start-up plans**

69. Project start-up and early implementation will be facilitated by the structures and capacities created during the first phase of the project.

#### **Supervision, midterm review and completion plans**

70. The project will be supervised directly by IFAD, in dialogue with the executing entity. AECID will be invited to join supervision and implementation support missions as an observer. The IFAD Office in Salvador will be directly responsible for supervising and supporting the implementation of PPF II.
71. The missions will review progress in achieving the objectives, the performance of the project and compliance with contractual conditions. The following missions will be carried out: (i) a start-up mission after entry into force; (ii) at least one supervision mission and one implementation support mission annually; (iii) a

midterm review mission, possibly in year three of the project; and (iv) the completion mission to prepare the technical and administrative closure and plan the project completion report.

## **V. Legal instruments and authority**

72. A financing agreement between the State of Ceará of the Federative Republic of Brazil and IFAD, and a separate guarantee agreement between the Federative Republic of Brazil and IFAD, will constitute the legal instrument for extending the proposed financing to the borrower. A copy of the negotiated financing agreement and the guarantee agreement will be made available subsequently.
73. The State of Ceará of the Federative Republic of Brazil is empowered under its laws to receive financing from IFAD and to sign the financing agreement with IFAD, as was done before with PPF I. The financing agreement will require approval by the Federal Senate.
74. I am satisfied that the proposed financing will comply with the Agreement Establishing IFAD and the Policies and Criteria for IFAD Financing.

## **VI. Recommendation**

75. I recommend that the Executive Board approve the proposed financing in terms of the following resolution:

RESOLVED: that the Fund shall provide a loan on ordinary terms to the State of Ceará of the Federative Republic of Brazil in an amount of eight million euros (EUR 8,000,000) through the Borrowed Resources Access Mechanism and upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented herein.

Alvaro Lario  
President

## **Negotiated financing agreement**

(to be presented to Executive Board representatives)



# Logical framework

## Capacity Development for Overcoming Hunger and Mitigating the Effects of Rural Poverty and Extreme Poverty

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
<b>Outreach</b>	<b>1 Persons receiving services promoted or supported by the project</b>				Project M&E System	Annual	Project M&E Unit	Continuity of public policies and programmes that support rural poverty reduction.
	Males - Males	0	16000	40000				
	Females - Females	0	16000	40000				
	Young - Young people	0	4800	12000				
	Indigenous people - Indigenous people	0	1600	4000				
	Total number of persons receiving services - Number of people	0	32000	80000				
	<b>1.a Corresponding number of households reached</b>				Project M&E System	Annual	Project M&E Unit	
	Households - Households	0	32000	80000				
	<b>1.b Estimated corresponding total number of households members</b>				Project M&E System	Annual	Project M&E Unit	
Household members - Number of people	0	128000	320000					
<b>Project Goal</b> Contribute to reduce rural poverty and improve food security and nutrition for family farming.	<b>Poverty reduction (multidimensional)</b>				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 - Percentage (%)	0	5	20				
<b>Development Objective</b> Increase the sustainability of production systems and the resilience of family farmers.	<b>1.2.8 Women reporting minimum dietary diversity (MDDW)</b>				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.
	Women (%) - Percentage (%)	0	50	50				
	Women (number) - Females	0	3420	8550				
	Households (%) - Percentage (%)	0	50	50				
	Households (number) - Households	0	6840	17100				
	Household members - Number of people	0	27360	68400				
	Women-headed households - Households	0	3420	8550				

<b>2.2.1 Persons with new jobs/employment opportunities</b>				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm		
Males - Males	0	200	500					
Females - Females	0	200	500					
Young - Young people	0	60	150					
Total number of persons with new jobs/employment opportunities - Number of people	0	400	1000					
<b>IE.2.1 Individuals demonstrating an improvement in empowerment</b>				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm		
Young - Percentage (%)	0	15	15					
Young - Young people	0	410	1026					
Total persons - Percentage (%)	0	20	20					
Total persons - Number of people	0	2736	6840					
Females - Percentage (%)	0	50	50					
Females - Females	0	1368	3420					
Males - Percentage (%)	0	50	50					
Males - Males	0	1368	3420					
<b>3.2.1 Tons of Greenhouse gas emissions (tCO2e) avoided and/or sequestered</b>				Impact Survey - Carbon-Balance Tool (EX-ACT)	Baseline, Mid-term and End of Project	External consultant		
Hectares of land - Area (ha)	0	0	16258					
tCO2e/20 years - Number	0	0	-1096055					
tCO2e/ha - Number	0	0	-63.3					
tCO2e/ha/year - Number	0	0	-3.2					
<b>Outcome</b> C1. Family farmers, young people and rural organizations adopt sustainable environmental practices and improve their production systems, nutrition and access to markets.	<b>3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices</b>			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.	
	Total number of household members - Number of people	0	43776					109440
	Households - Percentage (%)	0	80					80
	Households - Households	0	10944					27360
	<b>1.2.2 Households reporting adoption of new/improved inputs, technologies or practices</b>			Impact Survey	Baseline, Mid-term and End of Project	Independent consultancy firm		
	Total number of household members - Number of people	0	41040					102600
	Households - Percentage (%)	0	75					75
Households - Households	0	10260	25650					

	<b>1.2.4 Households reporting an increase in production</b>			Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm			
	Total number of household members - Number of people	0	32832				82080		
	Households - Percentage (%)	0	60				60		
	Households - Households	0	8208	20520					
	<b>2.2.5 Rural producers' organizations reporting an increase in sales</b>			Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm			
	Number of Rural POs - Organizations	0	5				13		
	Total number of POs members - Number	0	364				910		
	Women PO members - Number	0	182				455		
	Men PO members - Number	0	182				455		
	Young PO members - Number	0	55				137		
	Indigenous people PO members - Number	0	18				46		
<b>Output</b> C1. Families and their organizations receive inputs for diversified and environmentally sustainable production.	<b>Families benefiting from Local Rural Development Plans (PDRL)</b>			Project M&E System	Annual	Project M&E Unit	Droughts or climate change are managed with appropriate adaptation measures/ Agricultural products' prices remain favorable for family farmers.		
		Households - Number	0					13680	34200
		<b>1.1.4 Persons trained in production practices and/or technologies</b>			Project M&E System	Annual		Project M&E Unit	
		Total number of persons trained by the project - Number of people	0	13680					34200
		Men trained in crop - Males	0	2736					6840
		Women trained in crop - Females	0	2736					6840
		Young people trained in crop - Young people	0	821					2052
		Men trained in livestock - Males	0	4104					10260
		Women trained in livestock - Females	0	4104					10260
		Young people trained in livestock - Young people	0	1231					3078
	Total persons trained in crop - Number of people	0	5472	13680					
	Total persons trained in livestock - Number of people	0	8208	20520					

	<b>1.1.8 Households provided with targeted support to improve their nutrition</b>				Project M&E System	Annual	Project M&E Unit	
	Total persons participating - Number of people	0	13680	34200				
	Males - Males	0	6840	17100				
	Females - Females	0	6840	17100				
	Households - Households	0	13680	34200				
	Household members benefitted - Number of people	0	54720	136800				
	Indigenous people - Indigenous people	0	684	1710				
	Young - Young people	0	2052	5130				
	<b>Cooperatives receiving support</b>				Project M&E System	Annual	Project M&E Unit	
	Cooperatives - Number	0	10	25				
	Households - Number	0	700	1750				
	<b>Families receive training to access public policies</b>				Project M&E System	Annual	Project M&E Unit	
	Households - Number	0	3600	9000				
<b>Outcome</b> C2. Rural families and communities improve agricultural production and their living conditions through increase access to sanitation through social technologies.	<b>1.2.3 Households reporting reduced water shortage vis-à-vis production needs</b>				Impact Survey	Baseline, Mid-term and End of Project	Independent consultancy firm	Droughts or climate change are managed with appropriate adaptation measures.
	Households - Percentage (%)	0	80	80				
	Households - Households	0	2278	5696				
	Total number of household members - Number of people	0	9114	22784				
<b>Output</b> C2. Rural community and family basic sanitation systems implemented, as well as other infrastructure for energy generation/consumption	<b>Households with access to water for consumption and production and recycling actions</b>				Project M&E System	Annual	Project M&E Unit	Droughts or climate change are managed with appropriate adaptation measures.
	Households with drinking water - Number	0	16400	41000				
	Households with water for production - Number	0	2848	7120				
	Households with recycling actions - Number	0	300	750				
	<b>3.1.3 Persons accessing technologies that sequester carbon or reduce greenhouse gas emissions</b>				Project M&E System	Annual	Project M&E Unit	
	Males - Males	0	1000	2500				
	Females - Females	0	1000	2500				
	Young - Young people	0	300	750				

	Total persons accessing technologies - Number of people	0	2000	5000				
<b>Outcome</b> C3. Enabling policy environment and developed capabilities to support the generation of sustainable, diverse and inclusive food systems.	<b>Policy 3 Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment</b>				Qualitative surveys administered to relevant stakeholders	Mid-Term, and End of Project	Independent consultancy firm	
	Number - Number	0	4	8				
	<b>SF.2.1 Households satisfied with project-supported services</b>				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	
	Household members - Number of people	0	96000	240000				
	Households (%) - Percentage (%)	0	75	75				
	Households (number) - Households	0	24000	60000				
	<b>SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers</b>				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	
	Household members - Number of people	0	89600	224000				
	Households (%) - Percentage (%)	0	70	70				
	Households (number) - Households	0	22400	56000				
<b>Output</b> C3. KM products produced and disseminated. Capacity building for technical staff, family farmers and their organizations.	<b>Government staff and ATER technicians receive training</b>				Project M&E System	Annual	Project M&E Unit	Products made according to family farmers' needs
	Technicians - Number	0	380	380				
	<b>Environmental and climate education courses with a gender focus in rural schools</b>				Project M&E System	Annual	Project M&E Unit	
	Courses - Number	0	72	180				
	<b>Pilot Projects developed and implemented</b>				Project M&E System	Annual	Project M&E Unit	
	Pilot Projects - Number	0	42	104				
<b>Policy 1 Policy-relevant knowledge products completed</b>				Project M&E System	Annual	Project M&E Unit		
Number - Knowledge Products	0	8	20					

## Integrated project risk matrix

### I. Overall Summary

Risk Category / Subcategory	Inherent risk	Residual risk
<b>Country Context</b>	<b>Moderate</b>	<b>Low</b>
Fragility and Security		No risk envisaged - not applicable
Macroeconomic	Substantial	Moderate
Governance	Moderate	Low
Political Commitment	Low	Low
<b>Sector Strategies and Policies</b>	<b>Low</b>	<b>Low</b>
Policy Development and Implementation	Low	Low
Policy alignment	Low	Low
<b>Environment and Climate Context</b>	<b>Substantial</b>	<b>Moderate</b>
Project vulnerability to climate change impacts	Substantial	Moderate
Project vulnerability to environmental conditions	Substantial	Moderate
<b>Project Scope</b>	<b>Moderate</b>	<b>Low</b>
Technical Soundness	Moderate	Low
Project Relevance		No risk envisaged - not applicable
<b>Institutional Capacity for Implementation and Sustainability</b>	<b>Substantial</b>	<b>Moderate</b>
Monitoring and Evaluation Arrangements	Moderate	Low
Implementation Arrangements	Substantial	Moderate
<b>Project Financial Management</b>	<b>Moderate</b>	<b>Moderate</b>
Project External Audit	Moderate	Moderate
Project Accounting and Financial Reporting	Substantial	Moderate
Project Internal Controls	Low	Low
Project Funds Flow/Disbursement Arrangements	Substantial	Substantial
Project Budgeting	Moderate	Moderate
Project Organization and Staffing	Moderate	Low
<b>Project Procurement</b>	<b>Moderate</b>	<b>Moderate</b>
A.1 Legal, Regulatory and Policy Framework	Moderate	Moderate
A.2 Institutional Framework and Management Capacity	Low	Low
A.3 Accountability, Integrity and Transparency of the Public Procurement System	Low	Low
A.4 Public Procurement Operations and Market Practices.	Substantial	Substantial
B.1 Assessment of Project Complexity	Moderate	Moderate
B.2 Assessment of Implementing Agency Capacity	Low	Low
Project Procurement Overall	Moderate	Moderate
<b>Environment, Social and Climate Impact</b>	<b>Substantial</b>	<b>Low</b>
Vulnerability of target populations and ecosystems to climate variability and hazards	Substantial	Moderate
Greenhouse Gas Emissions	Low	Low
Physical and Economic Resettlement	Low	Low

Risk Category / Subcategory	Inherent risk	Residual risk	
Community health, safety and security	Low	Low	
Labour and Working Conditions	Moderate	Low	
Indigenous People	Moderate	Low	
Cultural Heritage	Low	Low	
Resource Efficiency and Pollution Prevention	Moderate	Moderate	
Biodiversity Conservation	Moderate	Low	
<b>Stakeholders</b>	<b>Moderate</b>	<b>Low</b>	
Stakeholder Grievances	Moderate	Low	
Stakeholder Engagement/Coordination	Low	Low	
<b>Overall</b>	<b>Moderate</b>	<b>Low</b>	
Country Context	Moderate	Low	
Fragility and Security		No risk envisaged - not applicable	
There are no identified security-related risks in the project area.			
Macroeconomic	Substantial	Moderate	
<b>Risk:</b> Difficulty in mobilizing a counterpart from the Ceará Government.	Substantial	Moderate	
<b>Mitigations:</b> 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 Ceará Government, guaranteeing budget provision for a counterpart. In addition, the counterpart funds will come from various sources, mainly from SDA and other secretariats' programs and policies, thus diversifying the sources and reducing the risk.			
Governance	Moderate	Low	
<b>Risk:</b> The Project Management Unit and partner institutions do not have all the knowledge and capacities to implement the new project actions (concerning phase 1 actions).	Moderate	Low	
<b>Mitigations:</b> The lessons learned from the implementation of phase I have been incorporated into the PMU design, thus contributing to stronger governance. The institutional arrangements with the main partners will be defined considering these lessons learned to ensure the best possible governance by the PMU and good implementation of the innovative actions. A project management committee will also be established, which will be a space for applying good governance. Capacity-building actions targeting the implementing teams from the state and other institutions will be important mitigating measures. PPF II will ensure that specialized service providers for implementation of innovative actions and for capacity building on government institutions.			
Political Commitment	Low	Low	

<b>Risk:</b> Considering that the project meets a demand from the Ceará Government and, in particular, from the SDA, there is a high level of political commitment from the state, and PPF II will be an important instrument for combating rural poverty in the state.	Low	Low
<b>Mitigations:</b> The SDA was directly involved in the different phases of the project design. Part of the team that managed PPF I, as well as those responsible for various SDA departments, were also involved in the project elaboration.		
Sector Strategies and Policies	Low	Low
Policy Development and Implementation	Low	Low
<b>Risk:</b> In the current context and considering that the PPF II is being designed considering the government's new priorities, there is no risk that the project proposal is not representative of these priorities, including the beneficiary population and the main programs to combat rural poverty.	Low	Low
<b>Mitigations:</b> Working in partnership and complementarity with various SDA coordinators and agencies (EMATERCE, IDACE, COAGUA, agroecological production, "Fomento" program, access to water, animal production, marketing), universities, research institutes (EMBRAPA), other projects (PSJ IV), other secretariats (SEMA) and civil society organizations should contribute to strengthen and guarantee the project's alignment with other government lines of action. The project will focus on knowledge management, valuing the results of the monitoring and evaluation system, good practices, and lessons learned. This will be the basis for the project's experience to contribute to improving public policies to combat rural poverty in Ceará.		
Policy alignment	Low	Low
<b>Risk:</b> The risk that PPF II is not aligned with the main policies of the Ceará Government is low.	Low	Low
<b>Mitigations:</b> 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 Ceará Government and the SDA, strengthening strategic alignment with the government's main other policies, projects (such as the São José IV project) and priorities (combating rural poverty and hunger, including nutritional issues, access to water, strengthening the capacities of rural women, youth and traditional peoples and communities, agroecological approach and preservation of natural resources). These alignments with the main policies of the Ceará Government are in line with IFAD's priorities. The actions that will be developed in the context of knowledge management will be another means of ensuring the project's alignment with the main policies underway.		
Environment and Climate Context	Substantial	Moderate
Project vulnerability to climate change impacts	Substantial	Moderate



<p><b>Risk:</b></p> <p>Risk(s): Climate models point to a significant increase in temperature (up to 1 degree C before 2040) and the frequency of extreme events in Ceará. The models also predict a drop in precipitation, but not a significant one (around 2%). These changes will have a negative impact on plant and animal production and productivity and biodiversity, as well as exacerbating problems resulting from water scarcity and fires. The tendency is for family farming incomes to fall, contributing to an increase in inequality, exacerbating existing conflicts (e.g., access to water) and migratory flows from the countryside to the city.</p>	<p>Substantial</p>	<p>Moderate</p>
<p><b>Mitigations:</b></p> <p>Mitigations: The Project aims to support the development and adoption of agroecological agriculture associated with environmental recovery and preservation, through the adoption of the following agroecological practices: (i) recovering pastures and agricultural soils, improving the supply of environmental services of interception and storage of rainwater; (ii) promotion, via ATER, of polycultural systems (more resilient than conventional monoculture systems) with animal and plant species adapted to the social and environmental conditions of the region; (iii) strengthening of production chains and valorization of local socio-biodiversity products; (iv) treatment and proper use of animal waste; and (v) agricultural production adapted to climate change. In addition, solutions will be promoted to provide access to water of better regularity and quality for the target communities.</p>		
<p>Project vulnerability to environmental conditions</p>	<p>Substantial</p>	<p>Moderate</p>
<p><b>Risk:</b></p> <p>Risk(s): The main environmental risks that could affect the Project are water scarcity, irregular rainfall, high temperatures, forest fires and desertification. Water scarcity: Ceará's climate is predominantly semiarid (except for its coastal strip), with rainfall ranging from 500-800 mm/year in the most arid regions. The temporal distribution of rainfall is irregular, and droughts are periodic. The lack of water resources is the main obstacle to the development of agriculture, with family and subsistence farming being particularly vulnerable. High temperatures: associated with irregular rainfall, high temperatures affect plant and animal productivity by increasing plant evapotranspiration (resulting in deciduousness and, therefore, a lack of biomass in the driest and hottest periods). Forest fires: Ceará is the fourth state in the Northeast with the highest number of fires in 2022, according to data from the National Institute for Space Research (INPE). According to INPE, the state recorded 311 fires between January and the beginning of September. Fires and forest fires are more frequent in the second half of the year, especially in the last months of the year, due to favorable conditions such as low air and soil humidity, dry vegetation, high temperatures and the intensive use of burning to prepare land for agricultural crops. The spread of fires in this period is enhanced by the cultural habit of clearing the land with fire for agricultural practices and by the favorable weather conditions for fire (dryness and high temperatures). Desertification: Land degradation is the result of adverse soil and climate conditions, aggravated by the adoption of unsustainable agricultural practices such as deforestation, burning and overgrazing (especially by cattle). Ceará has three areas with desertification centers: Irauçuba, Inhamuns and Médio Jaguaribe.</p>	<p>Substantial</p>	<p>Moderate</p>

<p><b>Mitigations:</b></p> <p>Mitigations: The Project will support environmentally sustainable agrosilvopastoral practices (agroecology) and help farmers modify their production systems if they use unsustainable practices (e.g., use of fire and overgrazing). The Project will also contribute to increasing forest cover with reforestation practices and the recovery of degraded areas. Component 2 of the Project will support the improvement of water security through the promotion of social technologies for access to water, such as: cisterns for agricultural production, family grey water reuse systems, sanitary modules with treatment, community access to rural water, and community reuse of water for production.</p> <p>The Project will exclude funding for investments involving invasive exotic species and endangered species of flora and fauna, as well as hunting practices for endangered species. In the process of formulating the PDRs, specific Environmental, Social and Climate Management Plans will be drawn up to manage environmental risks, with a budget allocated for the implementation of restoration activities, the protection of springs and Creole seed banks</p>		
Project Scope	Moderate	Low
Technical Soundness	Moderate	Low
<p><b>Risk:</b></p> <p>The following risks have been identified: i) risk of maintaining the technical quality of implementation in a particularly large area, ii) limited institutional capacities to implement some innovative activities, iii) not sufficiently integrating the lessons learned in PPF I.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>The following mitigating measures will be implemented: i) the intervention will be carried out in a priority area and will not be implemented with the same intensity in all 175 municipalities, ii) the capacity building carried out through Component 3 will be an important contribution of the project, iii) the knowledge management products, the CPR and the fact that part of the SDA team participated in the implementation of PPF I, will be mitigating measures.</p>		
Project Relevance		No risk envisaged - not applicable
There is no risk envisaged.		
Institutional Capacity for Implementation and Sustainability	Substantial	Moderate
Monitoring and Evaluation Arrangements	Moderate	Low
<p><b>Risk:</b></p> <p>SDA has experience in monitoring its actions. However, there is a risk of not finding properly trained M&amp;E professionals. The M&amp;E system developed by PPF I will need to be adjusted to meet the new demands of PPF II.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>In component 3, resources should be allocated to strengthening the capacities of the project's M&amp;E team. In the Management component, the budget should be provided for adjustments to the M&amp;E system.</p>		
Implementation Arrangements	Substantial	Moderate

<p><b>Risk:</b></p> <p>The SDA has experience in implementing projects with international organizations, such as the 4th phase of the São José project, financed by the World Bank, and the 1st phase of the Paulo Freire project, financed by IFAD. The main change in the implementation arrangement for the 2nd phase of the PPF consists of defining a role for EMATERCE since it was not involved in the 1st phase. This is a substantial risk since the provision of Technical Assistance is fundamental to making field investments.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>The definition of EMATERCE's role should be aligned with stakeholders in the government and with IFAD, to ensure that everyone agrees with EMATERCE's obligations in PPF II.</p>		
Project Financial Management	Moderate	Moderate
Project External Audit	Moderate	Moderate
<p><b>Risk:</b></p> <p>It remains undecided whether external audits will be carried out by state court of auditors as is the case for world bank financed project or by private auditor</p>	Moderate	Moderate
<p><b>Mitigations:</b></p> <p>IFAD to insist on use Court of Accounts Ceará based on positive experience shared by Worldbank</p>		
Project Accounting and Financial Reporting	Substantial	Moderate
<p><b>Risk:</b></p> <p>i) use of auxiliary spreadsheets for budget monitoring by component category and financier and preparation of quarterly IFR resulting in risk of human error  ii) Delays in or incomplete recording of indirect or in kind counterpart funding from SDA  iii) Delays or incomplete recording of indirect or in kind counterpart funding from beneficiaries</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>i) Adaptation of SDA system to allow for monitoring by component, category and source of funding and IFRs based on data from the SIAFE/CE system as part of Special Covenant in FA;  ii) Establish and document in the PIM clear criteria for recording and valuation of government counterpart financing;  iii) Establish and document in the PIM the process for recording of counterpart funding from beneficiaries and follow up by IFAD based on IFRS and during supervision missions.</p>		
Project Internal Controls	Low	Low
<p><b>Risk:</b></p> <p>Adequate controls in place as confirmed during supervision Paulo Freire I and confirmed by audits , IFAD evaluation during design and Wordbank fiduciary evaluations for same implementing entity</p>	Low	Low
<p><b>Mitigations:</b></p> <p>No measures</p>		
Project Funds Flow/Disbursement Arrangements	Substantial	Substantial

<p><b>Risk:</b></p> <p>(i) Timing differences AECID financing and IFAD loan which could affect the availability of funds and delay project implementation;  (ii) Delays in signing agreements with entities providing technical support (ATER) delaying implementation;  (iii) Farming Families or rural farming organizations organizations, which will manage the resources and implement the Local Rural Development Plans (PDRL), may have weak capacity around resource management and may have challenges opening bank accounts and report on the use of funds, which could delay disbursements, implementation and reporting.</p>	Substantial	Substantial
<p><b>Mitigations:</b></p> <p>i) Alignment of dates entry into force financing agreements AECID and IFAD through close cooperation during negotiations and approval processes;  ii) ToR for selection of third sector entities supporting Local Rural Development Plans (PDRL) with No IFAD as a condition for first disbursement.</p>		
Project Budgeting	Moderate	Moderate
<p><b>Risk:</b></p> <p>Insufficient fiscal space and/or or delays in the disbursement of gvt funding affecting project implementation.</p>	Moderate	Moderate
<p><b>Mitigations:</b></p> <p>(i) SDA will ensure timely submission of request for fiscal space and counterpart funds to ensure sufficient and timely resources for Project implementation;  (ii) IFAD Team will ensure that SEPLAN is firmly committed to ensuring the allocation of sufficient counterpart financial resources for project implementation;  (iii) Monitoring by IFAD of the availability of counterpart funds at least every six months</p>		
Project Organization and Staffing	Moderate	Low
<p><b>Risk:</b></p> <p>i) While the PMU has not been set up SDA does not have enough staff to absorb the demands to manage the finances of the projects which might delay start-up;  (ii) Not enough staff assigned to support administrative aspects of Local Rural Development Plans (PDRL) might affect quality of and delay reporting on execution of and related counterpart funding .</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>(i) Hiring of Finance Manager within PMU dedicated to the project as a condition for first disbursement.  (ii) Include in Terms of Reference for third sector entities (ATER) which requires NO from IFAD as a condition for first disbursement, clear responsibilities, and the requirement to assign sufficient staff with the right profile to accompany administrative aspects of Local Rural Development Plans (PDRL).  (iii) During start-up phase SDA to provide training to staff selected third sector entities for technical support (ATER) on administrative processes Local Rural Development Plans (PDRL) as documented in the PIM.</p>		
Project Procurement	Moderate	Moderate
A.1 Legal, Regulatory and Policy Framework	Moderate	Moderate

<p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>- This limitation of methods can lead to inefficient procurement if it does not take into account the different Priority Elements that may be involved in determining the need for procurement (quality, time, etc);</li> <li>- Absence of a consolidated instrument, in the format of a manual, that contains detailed information about the procedures and content of the documents required for the contracting process;</li> <li>- National law does not contain express prohibitions regarding the disclosure of information during the evaluation phase;</li> <li>- National Law does not provide for an autonomous review body for procurement activities;</li> <li>- Lack of standard contractual conditions;</li> </ul>	Moderate	Moderate
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>- Development training and capacity building program on the procurement procedures for the entire procurement cycle;</li> <li>- Define in the PIM clear rules on: a) the content of bidding documents; b) evaluation stage; c) main management and monitoring documents; d) document storage and their respective deadlines; e) security protocols;</li> <li>- Consider the full use or adoption of international standards with their manuals and standardized instruments;</li> <li>- Intensify planning and preparation of consultancy procurement activities, taking into account the complexity of the object;</li> <li>- Evaluate the possibility of using international methods defined in clear policies and detailed in specific manuals;</li> <li>- Adopt a review committee and/or alternative conflict resolution methods;</li> <li>- Adopt a regulation proposed by an official body as a reference for good procedural practices;</li> <li>- Prepare standard bidding documents or use existing models that have been duly adapted;</li> <li>- Drawn up general clauses for the main types of contracts celebrated by the Project. IFAD GCC may be adopted with appropriate adaptations;</li> <li>- Standard contractual conditions should include provisions on Alternative Dispute Resolution (ADR), specifically through arbitration, in alignment with international standards;</li> <li>- Develop an acquisition procedures manual aligned with national laws and international good practices;</li> <li>- Capacity building on use of sustainable contracting criteria in the Project's procurement cycle;</li> <li>- Adhering to IFAD SECAP and IFAD policies.</li> </ul>		
A.2 Institutional Framework and Management Capacity	Low	Low
<p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>- Low priority for planning.;</li> <li>- Absence of extratified statistical information on procurement can make it difficult to evaluate policies and identify the efficiency of the system.</li> </ul>	Low	Low
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>- Facilitate capacity building on strategic planning;</li> <li>- Adopt procurement management systems that allow evaluation through statistical information, as well as market planning and analysis</li> </ul>		
A.3 Accountability, Integrity and Transparency of the Public Procurement System	Low	Low

<p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>- Fragility in the integration between procurement planning and technical areas;</li> <li>- Use of contracts templates with General Clauses is still not frequently used;</li> <li>- The rules to ensure the confidentiality of the evaluation procedure are not present in a clear way and a single manual;</li> <li>- Punctual delays in the execution of contracts.</li> </ul>	Low	Low
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>- Internal flows must promote the integration and participation of the procurement area in the planning cycle of Project activities;</li> <li>- Training on Project and IFAD's policies;</li> <li>- Adopt standard bid documents whenever possible;</li> <li>- Use of contractual clauses containing the general conditions of the contract is encouraged. (IFAD standard documents as well as their CGC can be adapted for use by the project);</li> <li>- The evaluation rules must be clearly defined in the Project implementation manual;</li> <li>- Use of IFAD's Contract Monitoring Tool (CMT) to gather information about the contracts implementation.</li> </ul>		
<p><b>A.4 Public Procurement Operations and Market Practices.</b></p>	Substantial	Substantial
<p><b>Risk:</b></p> <ul style="list-style-type: none"> <li>- The sharing of teams for technical assistance in different decision-making bodies;</li> <li>- The inclusion of standard contract clauses that provide for prohibited practices is not mandatory;</li> <li>- Low perception about the application of laws on fraud, corruption and other prohibited practices with the application of penalties declared;</li> <li>- Lack of information about special integrity training programs offered to procurement teams;</li> <li>- Stakeholders are not actively participating in promoting good practices and actions for integrity and ethics;</li> <li>- lack of standardized forms for archiving conflict of interest information;</li> </ul>	Substantial	Substantial
<p><b>Mitigations:</b></p> <ul style="list-style-type: none"> <li>- Define an independent appeals body or entity;</li> <li>- Clearly and expressly define in its compliance/integrity documents and policies what are considered prohibited practices and how to avoid them;</li> <li>- Development of Internal communication plans and training programs on the Project's fundamental policies and values;</li> <li>- Include clauses and policies that address prohibited practices in the main contractual documents;</li> <li>- Implement integrity and anti-corruption training as part of the project;</li> <li>- Establish clear documents on ethics and integrity as a requirement in the project;</li> <li>- Include IFAD's mandatory policies in all contractual documents, including for subcontractors;</li> <li>- Conduct comprehensive due diligence before formalizing any contracts;</li> <li>- Include evaluation criteria that recognize the adoption and appreciation of good practices and innovative practices by bidders;</li> <li>- Adopt clauses and policies that address prohibited practices in the main contractual documents;</li> <li>- Adopt forms of declaration on conflict of interest and property information and keep them filed in the procurement processes (IFAD standard forms can be adapted).</li> </ul>		
<p><b>B.1 Assessment of Project Complexity</b></p>	Moderate	Moderate

<b>Risk:</b> The project has a low complexity in terms of Procurement methods used with Procurement centralized in the PMU and with experienced teams. SECAP is moderate. Governance is strong and active.	Moderate	Moderate
<b>Mitigations:</b> The Procurement Plan will have little variation in procurement methods and the types of procurements are not complex. The PIU team has already undergone several IFAD training courses and has experience with the CMT, IFAD's contractual monitoring system, in addition to having participated in training on OPEN. The training will be repeated and made available to new members.		
B.2 Assesment of Implementing Agency Capacity	Low	Low
<b>Risk:</b> The risk presented are mostly low, with some moderate ones. PMU and other technical teams bring the experience gained in executing the previous phase of the project. The market is known and can meet the demands of the new phase of the project. The team has already been trained by IFAD.	Low	Low
<b>Mitigations:</b> With continuous monitoring and the application of mitigating measures, there is a great possibility of success in the execution of the new phase of the project.		
Project Procurement Overall	Moderate	Moderate
<b>Risk:</b> Country risk does not directly influence the activities of this project, and Brazil has good prospects for growth and effective control. The state of Ceará has the capacity to implement the project and manage procurement activities of projects financed with external resources thanks to an experienced procurement team at PMU. In addition, the project will have simple procurement activities carried out by rural farmers spread across numerous municipalities, it is evaluated that the risk is moderate for the whole project.	Moderate	Moderate
<b>Mitigations:</b> Implementing mitigation measures will reduce risk, including systematic tracking of beneficiaries and their purchases.		
Environment, Social and Climate Impact	Substantial	Low
Vulnerability of target populations and ecosystems to climate variability and hazards	Substantial	Moderate

<p><b>Risk:</b></p> <p>Risk(s): Climate models and scenarios point to a significant increase in temperature (up to 1 degree C before 2040) and frequency of extreme events, such as droughts and floods. They also predict a drop in average rainfall, but not a significant one (around 2%). Family farming is already extremely vulnerable to climate variability given the water restrictions and high temperatures in the state.</p> <p>According to the State Program to Combat Desertification, the implications of climate change on the rural population in the semiarid region of Ceará can be summarized as follows: loss of employment, migration, loss of access to land, loss of production, livestock, and income.</p> <p>Services to help the population already exist, such as funding for cisterns, agricultural insurance, and water trucks. However, their reach is limited, among other reasons, by land insecurity and the incipiency of environmental regularization.</p>	Substantial	Moderate
<p><b>Mitigations:</b></p> <p>Mitigations: The aim of this Project is to increase the climate resilience of target populations and ecosystems in the face of climate variability and hazards. It will promote the adoption of more diverse and resilient agroecological systems, using animal and plant species that are better adapted to environmental conditions and their climate change trends. The Project will promote water security for its beneficiaries and encourage access to and storage of water with cisterns for agricultural production, family water reuse, sanitary modules with treatment, etc. The Project will also finance reforestation activities, the recovery of degraded areas and the protection of springs.</p>		
Greenhouse Gas Emissions	Low	Low
<p><b>Risk:</b></p> <p>Risk(s): The calculation of GHG emissions is still being worked out while this document is being written, but it is estimated that the Project will have negative emissions due to: i) the increase in biomass and soil carbon promoted in agroecological and agroforestry systems (compared to monocultures), ii) reforestation and forest restoration activities, iii) greater access to water for production, and iv) the reduction in burning. It is estimated that the Project will sequester carbon.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>Mitigations: The Project will support environmentally sustainable practices and help farmers modify their production systems if they have unsustainable practices (for example overgrazing or slash and burn native vegetation). It will also contribute to increasing forest cover with reforestation practices, the implementation of agroforestry systems, the recovery of degraded areas, access to production water and the introduction of energy-efficient stoves. It will also finance access to renewable energies, such as solar panels.</p>		
Physical and Economic Resettlement	Low	Low
<p><b>Risk:</b></p> <p>Risk(s): 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.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>Mitigations: The Project has a solid targeting strategy and will promote positive social, physical, cultural, and economic impacts, especially for marginalized groups.</p>		



Community health, safety and security	Low	Low
<p><b>Risk:</b></p> <p>Risk(s): There is no risk that the project will have adverse effects on the health of any group or population. On the contrary, the Project aims to respond to health problems linked to malnutrition. Although recurrent gender-based violence is present in the project area, project activities will promote gender equity, women empowerment, and have positive effects on the physical, mental, and social well-being of individuals or groups, thereby ensuring that the project does not lead to gender-based violence.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>Mitigations: The Project will contribute to improving the health and diet of rural populations, promoting agroecological practices (which removes the effects of inappropriate use of pesticides on health), supporting access to water, improving food and nutrition security, and promoting appropriate nutritional practices for the health of mothers and children in particular.</p> <p>In accordance with IFAD's Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse (2020), 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 complaint of sexual harassment, exploitation or abuse received through the Project's complaint procedure will be referred immediately to the IFAD Ethics Office for further action.</p>		
Labour and Working Conditions	Moderate	Low
<p><b>Risk:</b></p> <p>Risk(s): Employment conditions in impoverished rural areas of Brazil, as is the case in the Project's area of intervention, may not be fully compliant with national labor regulations. This can lead to risks of payment below the minimum wage, child labor, unsafe conditions, or excessive hours, among others.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>Mitigations: 1) All contracts with contractors, suppliers and third parties to be financed with IFAD funds will include provisions prohibiting child labor and promoting decent working conditions. 2) The PMU will establish a mechanism to supervise and follow up on PPF 2 actions with beneficiaries, considering working condition issues. 3) IFAD's supervision and support missions will also monitor and follow up on the issue of working conditions and labor practices. 4) Through the Project's complaints and grievances mechanism, stakeholders and 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 potentially lead to an improvement in labor and working conditions.</p>		
Indigenous People	Moderate	Low
<p><b>Risk:</b></p> <p>Risk(s): The risk that the Project may affect the collective rights of indigenous peoples and that there is no effective participation of indigenous peoples in Project decisions that affect them.</p>	Moderate	Low

<p><b>Mitigations:</b></p> <p>Mitigations: i) The Project's eligibility/exclusion criteria prohibit the acquisition or restriction of land use in areas belonging to indigenous and traditional communities. ii) Stakeholder Engagement Plan have been prepared and will include a Public Disclosure and Consultation Plan, including the participation of quilombola, indigenous and other traditional communities, informing them about the Project and the location of the proposed interventions in the communities, reporting on the activities and location of any intervention in the area bordering the demarcated Territory. iii) The SEP also includes a Social Communication and Community Participation program that respects and includes forms of documentation and means of communication that are accessible and appropriate to the cultural specificities of the indigenous peoples and traditional communities in the Project area. iv) The Project's methodology is participatory and demand-driven, with peasant, indigenous and traditional communities presenting their development plans and co-creating the Project's activities in a process of self-determined development, in accordance with IFAD's Policy on Engagement with Indigenous Peoples (2022). v) A Free, Prior and Informed Consent Plan (FPIC Plan) and a Plan Framework for Indigenous Peoples were developed. vi) The Project strengthens the protection of indigenous peoples' cultural and physical resources, promotes their economic development through productive investments, values traditional agricultural systems, recognizes and rescues indigenous food culture</p>		
Cultural Heritage	Low	Low
<p><b>Risk:</b></p> <p>Risk(s): The Project will not cause any 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 that is already being used for agriculture.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>The Project will ensure that cultural considerations are made during the implementation of the proposed activities.</p>		
Resource Efficiency and Pollution Prevention	Moderate	Moderate
<p><b>Risk:</b></p> <p>Risk(s):</p> <ol style="list-style-type: none"> <li>1) The project could support small agricultural processing facilities that produce effluents.</li> <li>2) 60-80% of the energy used for cooking in the Project area comes from firewood, but this percentage will tend to fall with the installation of efficient stoves and biodigesters.</li> <li>3) Component 2 can support groundwater extraction on a small scale, but not significantly.</li> <li>4) Rural producers may independently of the project, use of soluble fertilizers and pesticides as a way of guaranteeing their production and income, with negative impacts on the atmosphere, soil, and biodiversity.</li> <li>5) The project will also support small-scale livestock production, so there may be an increase in herd size.</li> </ol>	Moderate	Moderate

<p><b>Mitigations:</b></p> <p>Mitigations:  1) The agricultural product processing facilities will comply with current Brazilian environmental licensing and plant and animal health regulations, which require the proper treatment of these effluents and do not allow them to be discharged into the environment.  2) The Project will support the reforestation and restoration of forest areas, with a positive impact on the supply of firewood in the medium and long term. The promotion of eco-efficient stoves and biodigesters will tend to reduce the demand for firewood.  3) Water extraction and well drilling is regulated by the government of Ceará, through its Secretariat of Water Resources, which assesses the availability of water before granting authorization for new abstractions.  4) The Project will promote Integrated Pest Management and provide training for ATER teams on the proper use of authorized pesticides according to the WHO classification (therefore, the use of Class IA and IB substances or Class II product formulas is prohibited). The Project will focus on green fertilizers and will not encourage or finance the purchase of pesticides, but independent purchases by farmers may occur.  5) Agroecological practices require animal production to be in line with the carrying capacity of the environment, including pastures. The Project will support the breeding of small animals (mainly goats and sheep) and the association with ecological practices for the production of pastures and fodder (e.g., silvopastoral systems) with local species.</p>		
Biodiversity Conservation	Moderate	Low
<p><b>Risk:</b></p> <p>The project will not lead to significant conversion or degradation of biodiversity and natural habitats. Risk(s): The Project will not lead to conversion or degradation of biodiversity and natural habitats. The agroecological practices to be supported by the Project include integrated pest management practices that are based, among other things, on the spatial heterogeneity of agroecosystems as a way of promoting predator-prey balance and thus avoiding outbreaks of species that can result in agricultural losses. Therefore, the Project's impact on biodiversity and natural habitats is considered positive. The recovery of degraded areas planned in the Project could result in an increase in foraging areas for various species, thus favoring more encounters between wild animals and humans. However, such encounters rarely result in conflicts.</p> <p>Invasive plant and animal species are already a problem in the Caatinga and some of them have been widely adopted by farmers in their production systems as sources of energy, fodder, honey, and protein. These include: <i>Prosopis juliflora</i> (Algaroba), <i>Apis mellifera</i> ("Europe" bee) and <i>Oreochromys</i> spp (Tilapia).</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>Mitigations: Measures to address the risk of invasive species will be included in the Project's safeguard instruments, procurement plans (negative list) and capacity building. The Project will not finance the introduction of exotic species with invasive potential and will not purchase GMO crops or support their introduction. The purchase of seeds and seedlings will preferably be made from local sources, prioritizing native and creole species.</p> <p>The Project will promote the strengthening of production chains with local socio-biodiversity species for the production of fruit, fodder, honey, oils, extracts, etc. Some of the species already identified are: Xique xique, Mandacaru, Juazeiro, Umu-cajá, Faveleira, Marmeleiro, Jucá, Jurema-preta, Oiticica, Aroeira, Sabiá, Feijão bravo, Catingueira, Emburana and Jandaíra (bee).</p>		
Stakeholders	Moderate	Low

Stakeholder Grievances	Moderate	Low
<p><b>Risk:</b></p> <p>The risk that the Project has ineffective grievance/complaint redress processes (including allegations of non-compliance with IFAD's E, S, C standards, fraud, corruption or SEA), leading to unaddressed stakeholder grievances that may jeopardize the Project implementation and the achievement of the Project's development objectives.</p>	Moderate	Low
<p><b>Mitigations:</b></p> <p>The project will raise awareness among stakeholders about the complaints and grievance mechanisms available, including those of IFAD. It will also include this information as part of IFAD missions, as well as part of the training of technical assistance teams that will work with beneficiaries.</p>		
Stakeholder Engagement/Coordination	Low	Low
<p><b>Risk:</b></p> <p>There is a low risk that the key stakeholders invited to take part in the project will show little interest in or commitment to the project's objectives and activities. The engagement and active involvement of stakeholders are essential to the project's success.</p>	Low	Low
<p><b>Mitigations:</b></p> <p>The SDA will coordinate the participation of stakeholders during the Project design and implementation. 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 all levels (local, regional, and state), starting at the Project design stage, and will foster visibility activities to publicize and clarify questions regarding the Project's activities and results, both for the target groups and for the partners involved in implementation. It is essential to promote the awareness and participation of local communities, farmers, and other key players to ensure adherence and commitment to the proposed activities.</p>		