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**Informe del Presidente**  
**Propuesta de préstamo**  
**República Federativa del Brasil**  
**Desarrollo de Capacidades para Superar el Hambre**  
**y Mitigar los Efectos de la Pobreza Rural y la**  
**Pobreza Extrema (Proyecto Paulo Freire II)**

N.º de identificación del proyecto: 2000004317

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**Para aprobación**

**Medida:** Se invita a la Junta Ejecutiva a que apruebe la recomendación que figura en el párrafo 75.

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**Preguntas técnicas:**

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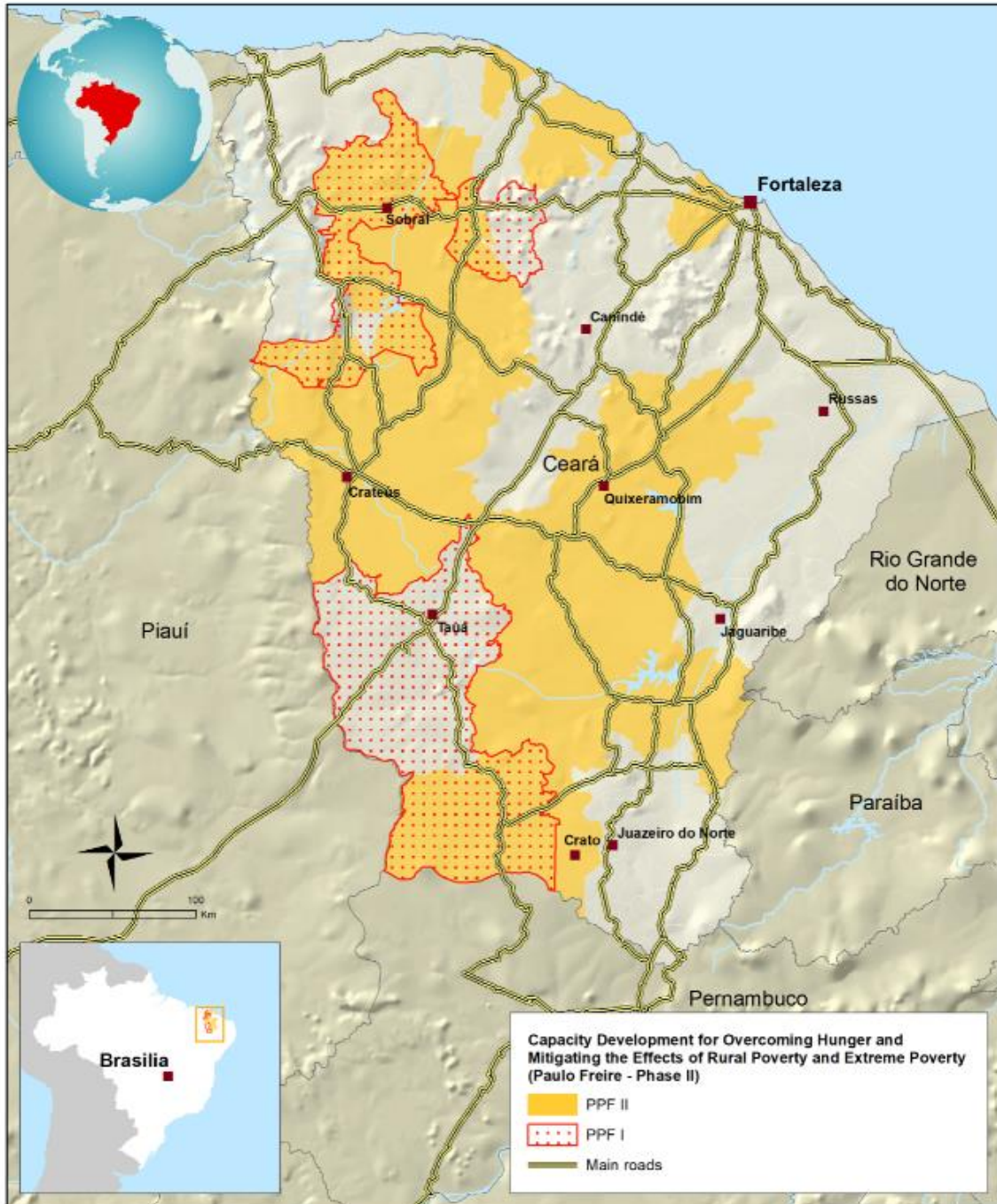
## Equipo encargado de la ejecución del proyecto

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## Mapa de la zona del proyecto



Las denominaciones empleadas y la forma en que aparecen presentados los datos en este mapa no suponen juicio alguno del FIDA respecto de la demarcación de las fronteras o límites que figuran en él ni acerca de las autoridades competentes.

Mapa elaborado por el FIDA | 11-4-2024

## Resumen de la financiación

<b>Institución iniciadora:</b>	FIDA
<b>Prestatario:</b>	Estado de Ceará de la República Federativa del Brasil
<b>Organismo de ejecución:</b>	Secretaría de Desarrollo Agrario del Gobierno del Estado de Ceará
<b>Costo total del proyecto:</b>	EUR 139,0 millones (equivalentes a USD 148,8 millones)
<b>Monto del préstamo del FIDA con arreglo al Mecanismo de Acceso a Recursos Ajenos (BRAM):</b>	EUR 8,0 millones (equivalentes a USD 8,6 millones)
<b>Condiciones del préstamo del FIDA:</b>	Ordinarias, con un plazo de reembolso de 18 años y un período de gracia de 3 años, a una tasa de interés equivalente a la tasa de referencia del FIDA, incluido un diferencial variable
<b>Cofinanciadores:</b>	Agencia Española de Cooperación Internacional para el Desarrollo (AECID)
<b>Monto de la cofinanciación:</b>	Préstamo de EUR 92,0 millones (equivalentes a USD 98,5 millones) Donación de EUR 4,0 millones (equivalentes a USD 4,3 millones)
<b>Contribución del prestatario:</b>	EUR 25,0 millones (equivalentes a USD 26,8 millones)
<b>Contribución de los beneficiarios:</b>	EUR 10,0 millones (equivalentes a USD 10,7 millones)
<b>Monto de la financiación del FIDA para el clima:</b>	EUR 8,0 millones (equivalentes a USD 8,6 millones)
<b>Institución cooperante:</b>	Supervisado directamente por el FIDA

## I. Contexto

### A. Contexto nacional y justificación de la actuación del FIDA

#### Contexto nacional

1. En 2020, el PIB del Estado de Ceará era de BRL 166 915 millones, con un producto interno bruto (PIB) per cápita de BRL 18 168,35, un 49 % menor que la media nacional.
2. Ceará tiene una población estimada de 9 240 580 habitantes. En 2017, había 297 862 explotaciones agrícolas familiares en el estado, que ocupaban una superficie de 3 millones de hectáreas (el 48 % de la superficie agrícola) y proporcionaban empleo a 686 473 personas.
3. Solo el 11 % de las explotaciones agrícolas familiares de la zona del proyecto recibían servicios de asistencia técnica y extensión rural, y tan solo el 14 % de ellos se dirigían a mujeres. El limitado alcance de los servicios de asistencia técnica y extensión rural se refleja en la escasa adopción de prácticas de conservación.

#### Pobreza

4. La zona del proyecto tiene una población de 2,4 millones de personas, de las cuales el 45 % vive en situación de pobreza; en comparación, el 29,4 % de la población brasileña en su conjunto es pobre. En la zona del proyecto hay 178 143 explotaciones agrícolas, de las cuales el 76,2 % son familiares. Alrededor del 18,5 % de las explotaciones agrícolas familiares están dirigidas por mujeres y el 11,7 %, por jóvenes menores de 35 años.

#### Aspectos específicos relativos a las esferas transversales prioritarias del FIDA

5. En consonancia con los compromisos transversales asumidos por el FIDA, el proyecto ha recibido las clasificaciones que se detallan a continuación:
  - Es sensible a la nutrición
  - Tiene en cuenta a la juventud
  - Prioriza las cuestiones relacionadas con los Pueblos Indígenas;
  - Tiene en cuenta la capacidad de adaptación;
  - Abarca la financiación para el clima
  - Incluye una perspectiva transformadora de género
6. El proyecto (Proyecto Paulo Freire - Fase II) adoptará un enfoque que tenga en cuenta a la juventud, sea sensible a la nutrición, contribuya a transformar las relaciones de género y esté centrado en el clima, y dará prioridad a los Pueblos Indígenas.
7. **Nutrición.** Al igual que en el resto del Brasil, los adultos y los niños de Ceará se ven cada vez más afectados por el sobrepeso y la obesidad. Entre los adultos, la obesidad afecta al 28,2 % de las mujeres y al 21 % de los hombres. A pesar de los esfuerzos de las políticas públicas para fomentar la lactancia materna, la prevalencia de la lactancia materna exclusiva sigue siendo baja en todo el país, del 45,8 %. Esta situación tiene repercusiones negativas a largo plazo para la salud, como un mayor riesgo de obesidad y sobrepeso durante la infancia y la adolescencia. Las carencias de micronutrientes, las enfermedades y las prácticas de atención inadecuadas conducen al retraso en el crecimiento, que todavía afectaba al 8,2 % de la población infantil del Estado de Ceará en 2017.
8. **Género.** En Ceará, el índice de desigualdad de género es de 0,66, lo que indica que las mujeres tienen un 34 % menos de probabilidades de acceder a las mismas oportunidades que los hombres. Esta disparidad es más pronunciada en los

ámbitos de las oportunidades económicas y el empoderamiento político. En las zonas rurales, las desigualdades de género se manifiestan en la desvalorización del trabajo productivo de las mujeres y la restricción de su acceso a los recursos naturales, sociales y financieros y su control sobre ellos. Tan solo el 18,5 % de las explotaciones familiares de la zona del proyecto están dirigidas por mujeres. La contribución de las mujeres suele pasar desapercibida debido a que no participan en el mercado laboral estructurado ni en las actividades monetizadas. Además, las mujeres del medio rural se enfrentan a una doble carga de trabajo, ya que se encargan tanto de las tareas domésticas como de los cuidados de las familias, lo que limita su participación en la formación y el acceso a asistencia técnica y educación para mejorar sus oportunidades.

9. **Jóvenes del medio rural.** Los principales problemas a los que se enfrentan los jóvenes del medio rural en la zona del proyecto comprenden: i) la falta de oportunidades de trabajo decente y generación de ingresos; ii) la falta de acceso a los recursos, el crédito, los bioinsumos, los bienes y las tecnologías adaptadas, así como de control sobre ellos, y iii) la escasa participación y poder de adopción de decisiones en las organizaciones rurales y comunitarias. Se considera que alrededor del 25 % de la población joven de Ceará es vulnerable a la pobreza, especialmente los afrodescendientes. Las zonas rurales en general no ofrecen oportunidades de trabajo atractivas para la gente joven, debido al efecto simultáneo de una baja capacidad de generación de ingresos y de condiciones de trabajo precarias. La falta de políticas públicas que se centren en las demandas y necesidades de la juventud del medio rural es una de las principales causas de la emigración de este colectivo. En la zona del proyecto, solo el 11,7 % de las explotaciones familiares están gestionadas por jóvenes menores de 35 años, y únicamente el 10 % de las personas de este grupo de edad tienen acceso a servicios de asistencia técnica y extensión rural.
10. **Pueblos y comunidades tradicionales y afrodescendientes.** Los Pueblos Indígenas y las comunidades tradicionales, como las comunidades quilombolas, son especialmente vulnerables a la pobreza debido a dinámicas históricas de exclusión y racismo estructural, a su gran dependencia de los recursos naturales, a la marginación de sus modos de vida, a su exclusión de la formulación de políticas públicas y a su escaso acceso a los servicios, como la atención de salud, la educación, el saneamiento, las infraestructuras, la asistencia social y los servicios de asistencia técnica y extensión rural. En la zona del proyecto, alrededor del 76,6 % de los Pueblos Indígenas y del 71,9 % de las comunidades quilombolas viven en situación de pobreza o extrema pobreza.
11. **Cambio climático y capacidad de adaptación.** Las principales amenazas del cambio climático en la zona del proyecto son la concentración y la irregularidad de las precipitaciones, el aumento de las temperaturas y las sequías más frecuentes, largas e intensas. El bioma de la Caatinga es el más vulnerable al cambio climático en América del Sur, y se prevé que se vea expuesto a un aumento de temperatura de entre 2º C y 4º C para finales del siglo XXI. Los riesgos climáticos conciernen a la degradación del suelo, la desertificación, la menor disponibilidad de recursos naturales (especialmente agua dulce) y la pérdida de diversidad biológica. En la región semiárida brasileña, hay aproximadamente 200 000 km<sup>2</sup> muy susceptibles a la desertificación. La escasez de agua es uno de los principales problemas para la producción agrícola.
12. De acuerdo con las metodologías que emplean los bancos multilaterales de desarrollo para el seguimiento de la financiación destinada a la adaptación al cambio climático y la mitigación de sus efectos, el monto total estimado de la financiación para el clima concedida por el FIDA al proyecto es de EUR 8 millones, divididos en EUR 4 millones para la adaptación y EUR 4 millones para la mitigación, lo que representa el 100 % de la financiación total del FIDA.

### **Razones que justifican la intervención del FIDA**

13. La AECID cofinanció el Proyecto de Desarrollo Productivo y Aumento de las Capacidades en el Estado de Ceará (Proyecto Paulo Freire - Fase I) a través del Fondo Fiduciario de España. Según la evaluación del impacto del proyecto, la primera fase dio lugar a una reducción del 23 % del índice de pobreza multidimensional entre los beneficiarios y un aumento del 60 % de la producción familiar.
14. Al entrar en su segunda fase, el proyecto introducirá innovaciones como: i) la ampliación de escala de las soluciones tecnológicas sociales para el acceso al agua, la energía renovable y el saneamiento; ii) la digitalización de los servicios de asistencia técnica y extensión rural; iii) intervenciones que tengan en cuenta la nutrición; iv) actividades transformadoras en materia de género; v) la promoción de una educación ambiental y climática que tenga en cuenta las cuestiones de género y la nutrición en las escuelas rurales; vi) el apoyo a la regularización ambiental y de la tierra, en particular en beneficio de los pueblos y comunidades tradicionales, y vii) la gestión de los conocimientos, la cooperación Sur-Sur y triangular, y el diálogo sobre políticas.

### **B. Enseñanzas extraídas**

15. La gran calidad de los servicios de asistencia técnica y extensión rural y el enfoque participativo de la primera fase del Proyecto Paulo Freire fueron esenciales para satisfacer las necesidades de los beneficiarios, lograr el máximo impacto del proyecto y garantizar su sostenibilidad. Las pruebas piloto de servicios de asistencia técnica y extensión rural que se llevaron a cabo en zonas remotas en el marco de la primera fase del Proyecto Paulo Freire fueron un éxito y existen informes relativos a una estrategia sólida para el uso de herramientas digitales.
16. El enfoque agroecológico ha sido ampliamente adoptado por los agricultores familiares en Ceará, en gran medida gracias al apoyo recibido en la primera fase del Proyecto Paulo Freire. Se ha demostrado que este enfoque aumenta la resiliencia, especialmente en biomas extremadamente degradados y vulnerables, como es el caso de la región semiárida. La experiencia de la primera fase del Proyecto Paulo Freire permite extraer diversas enseñanzas para la inclusión de la gente joven; entre ellas, el fortalecimiento de los programas dirigidos a la juventud a través de medios y técnicas de comunicación.
17. La oficina del FIDA en Salvador desempeñó un papel fundamental en la determinación del proyecto, en su diseño y supervisión, y en el apoyo a la ejecución, y fue decisiva para la ejecución satisfactoria de la primera fase.
18. Para evitar retrasos en la fase de puesta en marcha, la Unidad de Gestión del Proyecto (UGP), debe dar prioridad a la selección y firma de convenios con las entidades prestadoras de servicios de asistencia técnica y extensión rural.

## **II. Descripción del proyecto**

### **A. Objetivos, zona geográfica de intervención y grupos objetivo**

19. La finalidad del proyecto es reducir la pobreza rural, la inseguridad alimentaria y la malnutrición en la agricultura familiar. El objetivo de desarrollo es aumentar la sostenibilidad de los sistemas de producción y la resiliencia de los agricultores familiares.
20. El proyecto abarcará 74 municipios de la región semiárida del Estado de Ceará. Se estima que la zona del proyecto alberga 2,5 millones de habitantes, de los cuales el 50,9 % son mujeres y el 23,7 % son jóvenes de entre 15 y 29 años. La población de los municipios de la zona del proyecto se encuentra entre las más pobres del Brasil (el 45 %, esto es, 1,1 millones de personas viven en situación de pobreza o pobreza extrema), con un acceso escaso a los servicios sociales

básicos, altos niveles de vulnerabilidad social, ambiental y climática y elevadas tasas de inseguridad alimentaria y malnutrición (un 26,3 %, es decir, alrededor de 631 200 personas padecían hambre en 2022).

21. La selección de los municipios participantes se basa en el Índice Municipal de Alerta, elaborado por el Instituto de Investigación y Estrategia Económica de Ceará, que mide la vulnerabilidad climática, agrícola y social mediante 12 indicadores. El índice también tiene en cuenta las zonas de otras intervenciones apoyadas por el FIDA en Ceará, y combina nuevas zonas con algunos territorios de la primera fase del proyecto, que servirán de referencia para reproducir experiencias y consolidar resultados.
22. Alrededor de 80 000 familias (unas 320 000 personas) se beneficiarán directamente del proyecto, de las cuales al menos el 50 % estarán representadas por mujeres, el 15 % por personas jóvenes y el 5 % por pueblos y comunidades tradicionales. Los principales grupos objetivo del proyecto son: i) los agricultores familiares en situación de pobreza o extrema pobreza; ii) las mujeres del medio rural; iii) los jóvenes del medio rural; iv) los pueblos y comunidades tradicionales, y v) las personas LGBTQIAPN+.

## **B. Componentes, efectos directos y actividades**

### **Componente 1: Desarrollo rural con sostenibilidad ambiental basado en la agroecología**

23. El objeto de este componente es intensificar, diversificar y adaptar la agricultura familiar, al tiempo que se garantiza un mejor acceso a los mercados. Promoverá la adopción de prácticas agroecológicas a través de servicios de asistencia técnica y extensión rural, y favorecerá la conservación y el uso sostenible de los recursos naturales.
24. En el ámbito territorial, el proyecto trabajará con los planes de desarrollo rural local para invertir en el desarrollo productivo, la restauración y la sostenibilidad ambiental. Estos planes los elaborarán y ejecutarán las familias productoras con el apoyo de los servicios de asistencia técnica y extensión rural, e incluirán secciones diferenciadas sobre desarrollo productivo y medio ambiente. La UGP contratará los servicios de asistencia técnica y extensión rural, que serán proporcionados por ONG, y se centrarán en el desarrollo productivo y organizativo sostenible en los ámbitos comunitario y familiar. Mediante actividades de formación para dar a conocer las políticas públicas estatales y federales, se fomentará el acceso a estas políticas y se facilitará así el acceso al crédito y a los planes de compra gubernamentales. Además, en esta segunda fase del Proyecto Paulo Freire se apoyará la propiedad de la tierra de los pequeños productores a través de la regularización ambiental y de la tierra (Registro Ambiental Rural).

### **Componente 2: Acceso al agua, saneamiento y tecnologías sociales**

25. En el marco del componente 2 se realizarán inversiones en sistemas en pequeña escala de acceso al agua, saneamiento doméstico y energías renovables, en los ámbitos familiar o comunitario. Ya sea para uso comunitario o familiar, las inversiones garantizarán un acceso continuo y de gran calidad al agua para consumo humano o la producción agrícola, y reducirán la contaminación del suelo y el agua. La atención se centrará en las prácticas de uso eficiente del agua y en las tecnologías de adaptación al cambio climático.

### **Componente 3: Gestión de los conocimientos y cooperación para adaptarse al cambio climático y luchar contra la desertificación en la región semiárida (INOVA CLIMA)**

26. Este componente será financiado en su totalidad mediante una donación de la AECID. Promoverá la creación de capacidad entre los agricultores familiares y los equipos de asistencia técnica y extensión rural, la educación ambiental para



garantizar la seguridad alimentaria y una mejor nutrición en las comunidades rurales, y tecnologías e innovaciones sostenibles e inclusivas adaptadas al entorno semiárido. Se crearán proyectos piloto que puedan reproducirse y se organizarán intercambios, siguiendo el modelo de la cooperación Sur-Sur y triangular. El componente 3 también tiene como objetivo proporcionar apoyo a la UGP para fortalecer la capacidad institucional del Estado de Ceará para ejecutar el proyecto y aplicar otras políticas públicas.

### **C. Teoría del cambio**

27. Con el proyecto se pretende reducir la pobreza, la inseguridad alimentaria y la malnutrición mediante inversiones en la agricultura familiar y lograr el desarrollo y fortalecimiento de sistemas alimentarios locales sostenibles. Esto mejorará la resiliencia y los ingresos de los agricultores, por lo que se atajarán las causas que subyacen a la malnutrición. Asimismo, el proyecto atenderá las desigualdades de género y la exclusión social, y procurará empoderar a las mujeres, las personas jóvenes, los pueblos y las comunidades tradicionales y la comunidad LGBTQIAPN+. El proyecto aprovechará los sólidos cimientos establecidos en la primera fase del Proyecto Paulo Freire, ampliando las iniciativas que hayan tenido buenos resultados e introduciendo soluciones innovadoras para alcanzar sus objetivos.

### **D. Armonización, sentido de apropiación y asociaciones**

28. La segunda fase del Proyecto Paulo Freire contribuirá directamente al cumplimiento de los Objetivos de Desarrollo Sostenible (ODS) mediante el apoyo a los sistemas de producción agroecológicos, resilientes y sostenibles de los agricultores familiares pobres y la promoción de una estrategia coherente de seguridad alimentaria y nutricional. En concreto, el proyecto apoya los ODS 1 (Fin de la pobreza), 2 (Hambre cero), 4 (Educación de calidad), 5 (Igualdad de género), 6 (Agua limpia y saneamiento), 10 (Reducción de las desigualdades), 12 (Producción y consumo responsables), 13 (Acción por el clima) y 15 (Vida de ecosistemas terrestres). El proyecto está armonizado con los tres objetivos del Marco Estratégico del FIDA (2016-2025) y las cuestiones transversales prioritarias vinculadas al género, la juventud, los Pueblos Indígenas, la nutrición y el cambio climático.
29. El proyecto apoya el Decenio de las Naciones Unidas de la Agricultura Familiar (2019-2028) y el Plan de Acción Nacional, reconociendo la enorme contribución de la agricultura familiar al cumplimiento de la Agenda 2030 para el Desarrollo Sostenible. De hecho, la agricultura familiar desempeña un papel importante en la mejora de la nutrición, la garantía de la seguridad alimentaria mundial, la erradicación de la pobreza, el fin del hambre, la conservación de la biodiversidad y la promoción de la sostenibilidad ambiental.
30. La segunda fase del Proyecto Paulo Freire contribuirá a cumplir los tres objetivos estratégicos del programa sobre oportunidades estratégicas nacionales del FIDA para el Brasil para el período 2024-2029, a saber: i) mejorar la producción agrícola sostenible, la seguridad alimentaria, la nutrición y el acceso a los mercados, con énfasis en la sostenibilidad ambiental y climática, mediante los componentes 1 y 2; ii) mejorar las políticas y los programas públicos mediante la revisión sustentada en datos empíricos y la ampliación de escala de las mejores prácticas, mediante el componente 3, y iii) fortalecer la capacidad de las instituciones gubernamentales y las organizaciones de la población rural pobre para impulsar el desarrollo rural inclusivo y sostenible, mediante el componente 3.
31. El proyecto está en estrecha consonancia con el Plan Plurianual 2024-2027 del Gobierno Federal del Brasil. También se adhiere a los objetivos de algunos de los programas estratégicos de la plataforma Ceará 2050, como "Mais Valor no Campo", "Ativos Ambientais" y "Segurança Hídrica no Semiárido".

32. Las actividades del proyecto son complementarias a otros programas del Gobierno Federal, como el Programa Nacional de Asistencia Técnica y Extensión Rural en la Agricultura Familiar y la Reforma Agraria, el Programa Nacional de Fortalecimiento de la Agricultura Familiar, el Programa de Adquisición de Alimentos, el Programa Nacional de Alimentación Escolar, el Programa Cisternas y la Política Nacional de Desarrollo Sostenible de los Pueblos y Comunidades Tradicionales y el Plan Nacional de Promoción de la Diversidad Sexual LGBTQIA+.
33. El proyecto colaborará con el Centro de Conocimiento y Cooperación Sur-Sur y Triangular del FIDA en Brasilia y con la oficina de la AECID para el Brasil ubicada en Montevideo (Uruguay).

## E. Costos, beneficios y financiación

### Costos del proyecto

34. El costo total del proyecto asciende a EUR 139 millones en un período de seis años. Alrededor del 95 % del costo corresponde a costos de inversión y el 5 %, a gastos recurrentes.
35. El costo del proyecto se divide en tres componentes operacionales y un componente de gestión. El 61,2 % corresponde al componente 1, el 28,2 % al componente 2, el 2,9 % al componente 3 y el 7,8 % a la gestión, seguimiento y evaluación del proyecto, la gestión de los conocimientos y la cooperación Sur-Sur y triangular.

Cuadro 1

### Costos del proyecto desglosados por componente y entidad financiadora

(en miles de euros)

Componente	Préstamo del FIDA		Préstamo de la AECID		Donación de la AECID		Gobierno del Estado de Ceará		Beneficiarios		Total	
	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%
	1. Desarrollo rural con sostenibilidad ambiental basado en la agroecología	8 000	100	57 530	62	-	-	13 910	56	5 568	56	85 008
2. Acceso al agua, saneamiento y tecnologías sociales	-	-	28 450	31	-	-	6 264	25	4 432	44	39 146	28
3. Gestión de los conocimientos y cooperación para adaptarse al cambio climático y luchar contra la desertificación en la región semiárida (INOVA CLIMA)	-	-	-	-	4 000	100	-	-	-	-	4 000	3
4. Gestión y seguimiento y evaluación (SyE) del proyecto	-	-	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>

Cuadro 2

**Costos del proyecto desglosados por categoría de gastos y entidad financiadora**  
(en miles de euros)

Categoría de gastos	Préstamo del FIDA		Préstamo de la AECID		Donación de la AECID		Gobierno del Estado de Ceará		Beneficiarios		Total	
	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%
<b>Costos de inversión</b>												
1. Asistencia técnica y extensión rural	8 000	100	5 130	6	-	-	12 870	52	-	-	26 000	19
2. Asistencia técnica	-	-	-	-	4 000	100	-	-	-	-	4 000	3
3. Donaciones y subvenciones	-	-	49 172	52	-	-	1 040	4	5 568	56	55 780	40
4. Bienes, servicios e insumos	-	-	30 720	33	-	-	6 536	26	4 432	44	41 688	30
5. Capacitación, talleres y reuniones	-	-	450	0	-	-	100	0	-	-	550	0
6. Obras públicas	-	-	3 151	3	-	-	645	3	-	-	3 796	
<b>Total de costos de inversión</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>Gastos recurrentes</b>												
1. Sueldos y gastos de funcionamiento	-	-	3 377	4	-	-	3 809	15	-	-	4 828	3
<b>Total de gastos recurrentes</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>

Cuadro 3

**Costos del proyecto, desglosados por componente y año del proyecto**  
(en miles de euros)

Componente	Primer año		Segundo año		Tercer año		Cuarto año		Quinto año		Sexto año		Total
	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto	%	Monto
1. Desarrollo rural con sostenibilidad ambiental basado en la agroecología	15	0	6 963	51	22 365	63	33 315	74	22 320	68	30	0	85 000
2. Acceso al agua, saneamiento y tecnologías sociales	1 898	33	4 320	33	10 610	30	9 547	20	8 572	26	4 199	68	39 100
3. Gestión de los conocimientos y cooperación para adaptarse al cambio climático y luchar contra la desertificación en la región semiárida (INOVA CLIMA)	410	7	999	7	938	3	683	2	590	2	380	6	4 000
4. Gestión y seguimiento y evaluación (SyE) del proyecto	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>

**Estrategia y plan de financiación y cofinanciación**

36. El proyecto se financiará mediante i) un préstamo del FIDA de EUR 8 millones (el 6 % del costo total) con arreglo al BRAM, con garantía soberana; ii) un préstamo de la AECID de EUR 92 millones (el 66 % del costo total), a través del Instituto de Crédito Oficial del Gobierno de España, con garantía soberana; iii) una donación de la AECID de EUR 4 millones (el 3 % del costo total del proyecto), a través de la Secretaría de Cooperación Internacional del Gobierno de España, y iv) una contribución de contrapartida en efectivo del Gobierno del Estado de Ceará de EUR 25 millones (el 18 % del costo total). Además, los beneficiarios del proyecto aportarán una contribución estimada de EUR 10 millones (el 7% del costo total), principalmente a través de contribuciones en especie. El Gobierno Federal del Brasil proporcionará su garantía soberana para la operación.

37. Como principal financiador del proyecto, la AECID sufragará el 69,1 % del costo total del proyecto y el 100 % de los planes de desarrollo rural local. La financiación del FIDA se destinará íntegramente a la asistencia técnica a las organizaciones de agricultores familiares para la ejecución de los planes de desarrollo rural local como parte del componente 1.
38. La donación de la AECID consiste en una contribución en efectivo para la gestión de los conocimientos del componente 3, por valor de EUR 2,8 millones, y una contribución en especie, por valor de EUR 1,2 millones, correspondiente al empleo de un experto técnico en la UGP de Fortaleza.
39. El Gobierno del Estado de Ceará aportará EUR 25 millones en efectivo destinados a los componentes 1 y 2, y a la gestión del proyecto.

#### **Desembolsos**

40. El Estado de Ceará abrirá cuentas designadas independientes en euros para el préstamo del FIDA, el préstamo de la AECID y la donación de la AECID, con el fin de recibir los desembolsos de los distintos instrumentos. Se abrirá otra cuenta designada independiente en reales brasileños para recibir los fondos, respectivamente, de la cuenta designada para el préstamo del FIDA y de la cuenta designada para el préstamo de la AECID, de acuerdo con los contratos de divisas firmados.
41. Tanto los desembolsos de los fondos de la AECID como los del FIDA se realizarán sobre la base de informes financieros provisionales trimestrales y preverán un flujo de caja de seis meses de ejecución. Las solicitudes de desembolso se presentarán a través del Portal de los Clientes del FIDA. En los informes financieros provisionales se publicarán por separado las previsiones de ejecución y de tesorería de todas las fuentes de financiación, incluida la AECID. En virtud de un acuerdo de cofinanciación firmado entre la AECID y el FIDA, el Fondo examinará las solicitudes de desembolso, los informes financieros provisionales correspondientes y demás documentación, y sobre la base de este examen el FIDA recomendará a la AECID que autorice o no los desembolsos solicitados.
42. Los desembolsos de fondos para la ejecución de los planes de desarrollo rural local diseñados con el apoyo técnico de entidades del tercer sector procederán directamente de las cuentas operacionales del proyecto.

#### **Resumen de los beneficios y análisis económico**

43. Los beneficios previstos del proyecto son el aumento de los ingresos de los productores y de sus organizaciones en el sector de la agricultura familiar, la generación de nuevos puestos de trabajo y la consecución de mejoras sustanciales tanto para el medio ambiente como para los beneficiarios directos del proyecto. Los resultados del análisis financiero muestran que las actividades del proyecto son viables desde el punto de vista financiero para los productores y sus organizaciones, para los seis modelos de producción.
44. Los resultados del análisis económico muestran que, en general, la segunda fase del Proyecto Paulo Freire es económicamente viable y representa una buena inversión para el Estado de Ceará: la tasa interna de rendimiento se calculó en un 23,5 %, el valor actual neto del beneficio incremental neto, en BRL 706 289 millones y la relación beneficio/costo, en 4,1.

#### **Estrategia de salida y sostenibilidad**

45. La armonización del proyecto con las prioridades de la Secretaría de Desarrollo Agrario y del Gobierno del Estado de Ceará en general creará condiciones favorables para un sentido de apropiación firme, tanto durante como después de la ejecución. Son varios los factores que contribuirán a ello, entre los que cabe señalar: i) la integración de las actividades de la segunda fase del Proyecto Paulo Freire en foros microrregionales y en las comisiones municipales para la vida en la

región semiárida, lo que abrirá cauces estratégicos para mantener las iniciativas tras la finalización del proyecto; ii) las actividades de formación y apoyo para el acceso a las políticas públicas, que deberán crear condiciones favorables para los beneficiarios; iii) el fortalecimiento de los conocimientos y la experiencia de los equipos técnicos presenciales y remotos de asistencia técnica y extensión rural; iv) el fortalecimiento de las capacidades e infraestructuras de las organizaciones de agricultores; v) la metodología de determinación, elaboración y ejecución de los planes de desarrollo rural local y los planes de negocios, basada en procesos participativos y con el apoyo de los servicios de asistencia técnica y extensión rural, que creará un firme sentido de apropiación de las actividades entre los beneficiarios, y vi) la sostenibilidad de las intervenciones, que dependerá del aumento de la producción de alimentos saludables, la diversificación de la producción, la nutrición y los ingresos, y una mayor resiliencia al cambio climático y las perturbaciones.

### III. Gestión del riesgo

#### A. Riesgos y medidas de mitigación

46. La matriz integrada de riesgos del proyecto se preparó según las directrices del FIDA. El riesgo inherente general del proyecto se considera moderado y el riesgo residual, bajo.

Cuadro 4  
Calificación general de los riesgos

<i>Esferas de riesgo</i>	<i>Calificación del riesgo inherente</i>	<i>Calificación del riesgo residual</i>
Contexto nacional	Moderado	Bajo
Estrategias y políticas sectoriales	Bajo	Bajo
Medio ambiente y clima	Considerable	Moderado
Alcance del proyecto	Moderado	Bajo
Capacidad institucional de ejecución y sostenibilidad	Considerable	Moderado
Gestión financiera	Moderado	Moderado
Adquisiciones y contrataciones en el marco del proyecto	Moderado	Moderado
Impacto ambiental, social y climático	Considerable	Bajo
Partes interesadas	Moderado	Bajo
<b>Riesgo general</b>	<b>Moderado</b>	<b>Bajo</b>

47. El riesgo relativo a la gestión financiera se califica de moderado, siendo los principales riesgos: i) las diferencias entre los plazos de la financiación de la AECID y del préstamo del FIDA, que podrían afectar a la disponibilidad de fondos y retrasar la ejecución del proyecto; ii) los retrasos en el desembolso de la financiación gubernamental, que podrían afectar a la ejecución del proyecto, y iii) los retrasos en la firma de los acuerdos con entidades del tercer sector relativos a la asistencia técnica y extensión rural y la falta de claridad de las exigencias en materia de presentación de informes contempladas en esos acuerdos, que podrían provocar retrasos en la ejecución del proyecto. Se aplicarán como medidas de mitigación: i) una estrecha coordinación entre la AECID y el FIDA durante las negociaciones y en la firma y aprobación de los respectivos convenios de financiación; ii) la presentación oportuna por parte de la Secretaría de Desarrollo Agrario de la solicitud de un margen fiscal y fondos de contrapartida, así como una coordinación permanente con la Secretaría de Hacienda, y iii) la creación de un mandato para la contratación de entidades del tercer sector que presten servicios de asistencia técnica y extensión rural, que reciba el visto bueno del FIDA en un plazo de seis meses, en virtud de una cláusula temporal en el convenio de financiación.

## **B. Categoría ambiental y social**

48. El riesgo ambiental y social del proyecto se considera moderado.
49. Se consideran riesgos ambientales moderados: i) la posibilidad de que aumenten los encuentros con la fauna silvestre como resultado de los procesos de restauración ecológica, que pueden crear nichos más favorables para la alimentación de estas especies; ii) la adquisición de recursos naturales como insumos para las actividades agroforestales apoyadas por el proyecto; iii) la adquisición de productos agroquímicos (plaguicidas y fertilizantes), y iv) el apoyo a la cría de ovejas y cabras, que puede contribuir al problema común del sobrepastoreo.

## **C. Clasificación del riesgo climático**

50. La categoría de riesgo climático del proyecto es "considerable". Los factores que contribuyen a esta evaluación son: i) la exposición de la población objetivo a los peligros naturales, especialmente la variabilidad temporal y espacial de las precipitaciones, las elevadas temperaturas y las sequías; ii) el elevado nivel de pobreza de la población objetivo y su dependencia de la agricultura para sus ingresos y seguridad alimentaria, y iii) su relativa falta de acceso a instrumentos, recursos y políticas públicas destinados a fortalecer su capacidad de adaptación al cambio climático.

## **D. Sostenibilidad de la deuda**

51. El riesgo de sostenibilidad de la deuda del Brasil se considera moderado. El Brasil tiene una deuda elevada y se prevé que siga aumentando en los próximos años, estabilizándose en torno al 97 % del PIB en 2032. La trayectoria de la deuda sigue siendo muy sensible a las fluctuaciones de los costos de obtención de préstamos y del crecimiento del PIB real, y a la materialización de los riesgos fiscales, en particular el considerable volumen de reclamaciones judiciales, el aplazamiento de la liquidación de los pagos ordenados por los tribunales y los retrasos en los litigios fiscales<sup>1</sup>.

# **IV. Ejecución**

## **A. Marco organizativo**

### **Gestión y coordinación del proyecto**

52. La Secretaría de Desarrollo Agrario será el organismo ejecutor del proyecto dentro del Gobierno del Estado de Ceará. La UGP estará ubicada en la propia Secretaría, en Fortaleza, y se encargará de la planificación, ejecución, gestión y seguimiento del proyecto.
53. El personal clave de la UGP, dedicado exclusivamente al proyecto, estará formado por i) un coordinador del proyecto; ii) un especialista en adquisiciones y contrataciones; iii) un especialista en gestión financiera, y iv) un especialista en seguimiento y evaluación.
54. La Empresa de Asistencia Técnica y Extensión Rural del Estado de Ceará (EMATERCE) y el Instituto de Desarrollo Agrario de Ceará (IDACE), o sus sucesores, actuarán como partes adicionales en el proyecto. Para garantizar la presencia de personal del proyecto en el terreno, se asignarán funcionarios de contacto en espacios físicos específicos de las oficinas regionales de la EMATERCE.
55. El proyecto contará con un comité de gestión estratégica para fomentar la gestión colectiva. Este comité prestará asistencia técnica y apoyo general a la UGP en las principales decisiones estratégicas y estará formado por representantes de los departamentos coordinadores de la Secretaría de Desarrollo Agrario y de entidades conexas como la EMATERCE, el IDACE y las Centrales de Abastecimiento de Ceará (CEASA).

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<sup>1</sup> Fuente: Consulta del Artículo IV del Convenio Constitutivo del FMI, de julio de 2023.

### **Gestión financiera, adquisiciones y contrataciones, y gobernanza**

56. Se aplicarán los procedimientos del FIDA sobre gestión financiera, en particular los relativos a informes y auditorías, a todas las fuentes de cofinanciación, incluida la AECID.
57. La UGP seguirá las orientaciones en materia de coordinación de la planificación y coordinación administrativa financiera de la Secretaría de Desarrollo Agrario, responsable de la gestión financiera del proyecto, incluido el mantenimiento de los registros contables, el compromiso de mantener niveles adecuados de control interno, la presentación de informes financieros al FIDA y la tramitación de las solicitudes de desembolso y presentación de los estados financieros anuales auditados.
58. La Secretaría de Hacienda se encargará de administrar las cuentas designadas del proyecto y de procesar los pagos de las cuentas operacionales del proyecto de acuerdo con las instrucciones de la UGP.
59. Todos los proyectos ejecutados por entidades gubernamentales están sujetos a la Ley n.º 4.320/64, que establece las normas y principios de presupuestación, contabilidad y gestión financiera en el sector público.
60. **Auditoría externa.** Los estados financieros anuales del proyecto se prepararán de acuerdo con las normas nacionales de contabilidad para entidades públicas, que se ajustan a las Normas Internacionales de Contabilidad del Sector Público. Los estados financieros del proyecto serán auditados por el Tribunal de Cuentas del Estado, que tiene experiencia en la auditoría de proyectos sufragados con financiación externa y aplica las Normas Internacionales de las Entidades Fiscalizadoras Superiores. Los estados financieros auditados se presentarán al FIDA dentro de los seis meses posteriores al cierre de cada ejercicio económico, de acuerdo con las condiciones generales. Los informes anuales de auditoría del proyecto se facilitarán a la AECID.
61. La Contraloría General de Ceará tiene el mandato de investigar las notificaciones de prácticas fraudulentas, así como de garantizar la rendición de cuentas y la transparencia en la administración pública.
62. En materia de gobernanza, el proyecto contará con un comité de gestión estratégica para fomentar la gestión colectiva. Este comité prestará asistencia técnica y apoyo general a la UGP en las decisiones estratégicas y estará formado por representantes de los departamentos coordinadores de la Secretaría de Desarrollo Agrario y de entidades conexas.
63. **Adquisiciones y contrataciones.** El proyecto se ajustará al marco del FIDA para las adquisiciones y contrataciones en el ámbito de los proyectos, con la excepción de la selección de los proveedores de servicios que prestarán asistencia técnica en el ámbito rural. Esta selección estará a cargo de la Comisión Especial de Licitaciones del Estado de Ceará y se ajustará a las normas nacionales, que también tendrá en cuenta los criterios de evaluación, las políticas del FIDA sobre lucha contra el fraude y la corrupción y en materia de prevención y respuesta frente a la explotación y abuso sexuales, y el formulario del FIDA de autocertificación de la admisibilidad. Se firmará un acuerdo con el Instituto Interamericano de Cooperación para la Agricultura, que se encargará de la contratación de diversos consultores, bienes y servicios no relacionados con la consultoría.

### **Participación y observaciones de los grupos objetivo del proyecto**

64. La participación y las observaciones de los grupos objetivo se garantizarán mediante los mecanismos de participación del proyecto y los mecanismos de gobernanza local descritos anteriormente.

### **Resolución de reclamaciones**

65. De conformidad con las políticas ambientales y sociales del FIDA, se pondrá a disposición de los particulares, autoridades o representantes de la comunidad afectados por el proyecto un mecanismo público y accesible de presentación de quejas y reclamaciones. Se aprovechará el sistema consolidado de recepción y tramitación de quejas de la Secretaría de Desarrollo Agrario, y se utilizará el canal del defensor del pueblo que ya existe.

### **B. Planificación, seguimiento y evaluación, aprendizaje, gestión de los conocimientos y comunicación**

66. El sistema de seguimiento y evaluación apoyará la planificación, el seguimiento y la evaluación de los resultados de acuerdo con el marco lógico del proyecto. Se evaluará el impacto del proyecto mediante estudios de referencia, intermedios y finales. Las actividades relacionadas con las donaciones serán objeto de seguimiento y evaluación mediante estudios y procedimientos específicos establecidos por la AECID.
67. Además, la gestión de los conocimientos y la cooperación Sur-Sur y triangular permitirán la elaboración de materiales y documentación sobre buenas prácticas, y fomentarán un intercambio de conocimientos basado en la demanda en el Estado de Ceará, la región semiárida del Brasil y con otros países.

### **Innovación y ampliación de escala**

68. Las principales esferas de innovación del proyecto son: i) el apoyo a los servicios digitales de asistencia técnica y extensión rural relacionados con la agroecología; ii) el apartado sobre medio ambiente de los planes de desarrollo rural local; iii) la existencia de un subcomponente dedicado al género y la juventud; iv) las soluciones para la captación, el tratamiento y la reutilización del agua, y v) el apoyo al desarrollo de maquinaria y servicios dedicados a la agricultura familiar.

### **C. Planes para la ejecución**

#### **Preparación para la ejecución y planes para la puesta en marcha**

69. La puesta en marcha del proyecto y el inicio temprano de su ejecución se verán facilitados por las estructuras y capacidades que se crearon durante la primera fase del proyecto.

#### **Supervisión, examen de mitad de período y planes de finalización**

70. El proyecto estará supervisado directamente por el FIDA, en coordinación con la entidad encargada de la ejecución. Se invitará a la AECID a participar en las misiones de supervisión y apoyo a la ejecución en calidad de observador. La oficina del FIDA en Salvador se encargará directamente de supervisar y apoyar la ejecución de la segunda fase del Proyecto Paulo Freire.
71. Las misiones examinarán los avances en el logro de los objetivos, el desempeño del proyecto y el cumplimiento de las condiciones contractuales. Se llevarán a cabo las siguientes misiones: i) una misión de puesta en marcha tras la entrada en vigor; ii) al menos una misión de supervisión y una misión de apoyo a la ejecución anualmente; iii) una misión de examen de mitad de período, posiblemente en el tercer año del proyecto, y iv) la misión de finalización del proyecto para preparar el cierre técnico y administrativo y el informe final del proyecto.

### **V. Instrumentos jurídicos y facultades**

72. Un convenio de financiación entre el Estado de Ceará de la República Federativa del Brasil y el FIDA, así como un acuerdo de garantía separado entre la República Federativa del Brasil y el FIDA, constituirá el instrumento jurídico para la concesión de la financiación propuesta al prestatario. Se adjunta una copia del convenio de financiación negociado y del acuerdo de garantía como apéndice I.



73. El Estado de Ceará de la República Federativa del Brasil está facultado por sus leyes para recibir financiación del FIDA y firmar el convenio de financiación con el Fondo, como se hizo anteriormente con la primera fase del Proyecto Paulo Freire. El convenio de financiación requerirá la aprobación del Senado Federal.
74. Me consta que la financiación propuesta se ajusta a lo dispuesto en el Convenio Constitutivo del FIDA y en sus Políticas y Criterios en materia de Financiación.

## **VI. Recomendación**

75. Recomiendo a la Junta Ejecutiva que apruebe la financiación propuesta de acuerdo con los términos de la resolución siguiente:

RESUELVE: que el Fondo conceda un préstamo en condiciones ordinarias al Estado de Ceará de la República Federativa del Brasil por un monto de ocho millones de euros (EUR 8 000 000) a través del Mecanismo de Acceso a Recursos Ajenos, conforme a unos términos y condiciones que se ajusten sustancialmente a los presentados en este informe.

Álvaro Lario  
Presidente

## Negotiated financing agreement

### Capacity Development for Overcoming Hunger and Mitigating the Effects of Rural Poverty and Extreme Poverty (Paulo Freire Project II or PPF II)

(Negotiations concluded on 25 November 2024)

Loan No: \_\_\_\_\_

Project name: Capacity Development for Overcoming Hunger and Mitigating the Effects of Rural Poverty and Extreme Poverty ("Paulo Freire Project II" or "PPF II" or the "Project") (*Projeto de Desenvolvimento de Capacidades para Superação da Fome e Mitigação dos Efeitos da Pobreza e Extrema Pobreza Rural - Projeto Paulo Freire II*)

State of Ceará – The Federative Republic of Brazil (the "Borrower")

and

The International Fund for Agricultural Development (the "Fund" or "IFAD")

(each a "Party" and both of them collectively the "Parties")

**WHEREAS** the Borrower has requested a loan from the Fund for the purpose of financing the Project described in Schedule 1 to this Agreement;

**WHEREAS** IFAD and the Kingdom of Spain have entered into a Framework Co-financing Agreement dated 22 September 2020 (the "Framework Co-financing Agreement"). The Project shall be co-financed by the Instituto de Crédito Oficial ("ICO") of the Government of Spain. The Borrower and ICO will enter into a negotiation of a financing agreement for a loan of up to ninety-two million Euro (EUR 92 000 000) and a grant of up to four million Euro (EUR 4 000 000) through the Secretariat of International Cooperation (SECI).

**WHEREAS** the Fund has agreed to provide financing for the Project;

**NOW THEREFORE**, the Parties hereby agree as follows:

#### Section A

1. The following documents collectively form this Agreement: this document, the Project Description and Implementation Arrangements (Schedule 1), the Allocation Table (Schedule 2) and the Special Covenants (Schedule 3).

2. The Fund's General Conditions for Agricultural Development Financing dated 29 April 2009, amended as of December 2022 (the "General Conditions") are annexed to this Agreement, and all provisions thereof shall apply to this Agreement. For the purposes of this Agreement the terms defined in the General Conditions shall have the meanings set forth therein, unless the Parties shall otherwise agree in this Agreement.

3. The Fund shall provide a loan to the Borrower (the "Loan" or "Financing"), which the Borrower shall use to implement the Project in accordance with the terms and conditions of this Agreement.

4. The Loan is to be guaranteed by the Federative Republic of Brazil (the "Guarantor") on the terms and conditions set forth in an agreement, of even date, to be entered into by the Fund and the Federative Republic of Brazil (the "Guarantee Agreement").

## **Section B**

1. The amount of the Borrowed Resources Access Mechanism (BRAM) loan is eight million Euros (EUR 8 000 000).

2. The Loan is granted on ordinary terms and shall have a maturity period of eighteen (18) years, including a grace period of three (3) years, starting from the date as of which the Fund has determined that all general conditions precedent to withdrawal have been fulfilled in accordance with Section 4.02(b) of the General Conditions.

3. The Loan Service Payment Currency shall be in Euros.

4. The first day of the applicable Fiscal Year shall be January 1.

5. Principal and interest shall be payable on each 15 May and 15 November.

6. There shall be a Designated Account opened and held in the name of the Borrower in Euros, for the exclusive use of the Project. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.

7. There shall be a Project Account in Brazilian Real (BRL) for the benefit of the Government of the State of Ceará in a bank selected by the Borrower.

8. The Borrower shall provide counterpart financing for the Project in the amount of twenty-five million Euros (EUR 25 000 000), which shall include the payment of taxes and duties and of which two million thousand Euros (EUR 2 000 000) is considered as counterpart funding towards the IFAD Loan.

## **Section C**

1. The Lead Project Agency shall be the Secretariat for Agrarian Development (SDA) of the State of Ceará or its successor with the same attributions and legal competencies, subject to prior approval by the Fund for the purposes of the Project.

2. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Project.

3. The Project Completion Date shall be the sixth anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be six (6) months later, or such other date as the Fund may designate by notice to the Borrower.

4. Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the Borrower's procurement regulations, to the extent such are consistent with the IFAD Procurement Guidelines.

## **Section D**

1. The Loan shall be administered by the Fund.

2. FIDA will carry out supervision of the project as cooperating institution on behalf of Spanish Agency for International Development Cooperation (AECID) based on a co-financing agreement signed between the Kingdom of Spain and IFAD.

## Section E

1. The following are designated as additional grounds for suspension of this Agreement:
  - (a) The Project Implementation Manual (PIM) and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior agreement of the Fund and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Project.
2. The following are designated as additional conditions precedent to withdrawal:
  - (a) The Guarantee Agreement shall have been duly signed, and the signature thereof by the Guarantor shall have been duly authorised by all necessary administrative and governmental authorities;
  - (b) The IFAD no objection to the PIM shall have been obtained;
  - (c) The Project Designated Account and the operational accounts shall have been opened;
  - (d) The Project Management Unit (PMU) shall have been established and the following members appointed: (i) project coordinator; (ii) a financial management specialist; and (iii) a procurement specialist;
  - (e) The ICO Loan Agreement shall have entered into full force and effect;
  - (f) The right of the Borrower to withdraw the proceeds of the ICO Loan or Grant has not been suspended, cancelled or terminated, in whole or in part, or the ICO Loan has become due and payable prior to the agreed maturity thereof provided that the Parties could not have reached an agreement on a mutual solution.
3. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower:

Estado do Ceará  
Av Alberto Nepomuceno, 02 – Centro  
Fortaleza – CE – CEP: 60055-000  
E-mail: [gabinete@sefaz.ce.gov.br](mailto:gabinete@sefaz.ce.gov.br); [cedip@sefaz.ce.gov.br](mailto:cedip@sefaz.ce.gov.br)

Copy to:

Secretaria do Desenvolvimento Agrário - SDA  
Av. Bezerra de Menezes, 1820 - São Gerardo  
Fortaleza - CE - CEP: 60.325-901  
E-mail: [sda@sda.ce.gov.br](mailto:sda@sda.ce.gov.br); [ppf2.sda@sda.ce.gov.br](mailto:ppf2.sda@sda.ce.gov.br)

For the Fund:

The President,

International Fund for Agricultural Development  
Via Paolo di Dono 44  
00142 Rome, Italy

4. The Parties commit to share with the Secretaria de Assuntos Internacionais e Desenvolvimento do Ministério do Planejamento e Orçamento – SEAID copies of all communication related to this Agreement.

5. The Parties accept the validity of any qualified electronic signature used for the signature of this Agreement and recognise the latter as equivalent to a hand-written signature.

This Agreement has been prepared in the English language in two (2) original copies, one (1) for the Fund and one (1) for the Borrower.

THE STATE OF CEARÁ  
OF THE FEDERATIVE REPUBLIC OF BRAZIL

\_\_\_\_\_

Date: \_\_\_\_\_

INTERNATIONAL FUND FOR  
AGRICULTURAL DEVELOPMENT

\_\_\_\_\_

Alvaro Lario  
The President

Date: \_\_\_\_\_

## Schedule 1

### *Project Description and Implementation Arrangements*

#### **I. Project Description**

1. *Target Population.* 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 Communities (PCTs); and v) LGBTQIAPN+. It shall benefit approximately 80,000 family farming families (around 320,000 people), of which at least 50% will be represented by women, 15% by young people and 5% by PCTs.

2. *Project area.* The Project area will cover 74 municipalities in the semiarid region of the State of Ceará. The selection of the municipalities is based on the Municipal Alert Index (IMA), which integrates 12 indicators to measure the vulnerability of municipalities in climatic, agricultural, and social assistance dimensions and also considers the area of the other IFAD projects in Ceara (PCR/P/Sertão Vivo and PDHC III).

3. *Goal.* The goal of the Project is to reduce rural poverty, food insecurity and malnutrition in family farming.

4. *Development Objective.* The Development Objective is to increase the sustainability of production systems and the resilience of family farmers.

5. *Components.* The Project shall consist of the following Components:

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

5.1.1 The component will implement investments in family farming with high potential for improving income through development, diversification, adaptation of production capacity and market access. Activities will be carried out to promote and encourage the adoption of agroecological practices, through Technical Assistance and Rural Extension (ATER) complemented with tools based on Information and Communication Technologies (ICTs), as well as favouring the conservation and preservation of natural resources. At a territorial level, the Project will work with Local Rural Development Plans (PDRL) with investments in productive development, restoration and environmental sustainability. At the level of family farming organizations, Business Plan investments will be made in processing units, including assistance via Specialized Technical Assistance (STA) to be contracted by the PMU to ensure improved business management, marketing, and sustainability. The component will also finance environmental and land regularization activities mainly aimed at traditional peoples and communities.

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

5.2.1 The aim of this component is to make investments in the areas of water, household sewage and renewable energy, at 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, as well as reducing soil and water contamination with waste produced in family units. Efficient water use practices and technologies will be systematically implemented to adapt to climate change. At the community level, activities include collective water supply systems, community reuse of grey water and recycling of household waste. At the household level, activities include social technologies for capturing and storing rainwater, toilet module, grey water reuse eco-efficient stoves, biodigesters and support investments in micro-enterprises to provide machinery, services or products to assist in the small-scale agroecological production.

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

5.3.1 This component will be entirely financed by a grant. 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.

6. *Project Management and Monitoring and Evaluation (M&E)*: The Borrower will be responsible for carrying out all the necessary project management activities to ensure efficient implementation through a Project Management Unit (PMU), under the responsibility of the Secretariat for Agrarian Development (SDA). The M&E system will support the planning, monitoring and evaluation of results, and Knowledge Management and South-South and Triangular Cooperation (SSTC) will enable the preparation of materials/systematizations.

## **II. Implementation Arrangements**

7. *Lead Project Agency*. The Secretariat for Agrarian Development (SDA) will be the Project's executing agency. The PMU will be housed at the SDA, in Fortaleza, and will take on the Project's implementation, management and monitoring activities. To guarantee the Project's presence in the field, its focal points will be based in the regional offices or outposts of the Technical Assistance and Rural Extension Company of Ceará (EMATERCE).

8. *Additional Project Parties*. The State Technical Assistance and Rural Extension Company (EMATERCE) and the Ceará Institute for Agrarian Development (IDACE) will be in principle additional Project Parties for the Project or their successor with the same attributions and legal competencies, subject to prior approval by the Fund for the purposes of the Project.

9. *Strategic Management Committee*. This committee will provide technical assistance and general support to the PMU in the main strategic decisions. It will include representatives from the SDA's coordinating departments, EMATERCE, the Agrarian Development Institute of Ceará (IDACE) and the Supply Centres of Ceará (CEASA-CE).

10. In order to inform its deliberations and increase capillarity and articulation with territorial, state, regional and national public policies, the Project will participate in two other governance spaces:

10.1 At a territorial level, the existing civil society-based Micro-Regional Forums for Life in the Semiarid will act as Regional Committees, monitoring the activities and providing support for the Project to run smoothly, always seeking complementarities and synergies with other initiatives.

10.2 At the municipal level, the Municipal Committees for Coexistence with the Semiarid, which already operate in the municipalities of the Semiarid of Ceará and support the implementation of programs and policies for coexistence with the semiarid region, will act as local committees to monitor the implementation of the Project, carry out social checks and balances and support the mobilization of the communities and families for participation in the Project.

11. *Project Management Unit (PMU)*. The PMU's key staff, exclusively dedicated to the Project, will include: i) Project Coordinator, ii) Manager Component 1; iii) Manager Component 2; iv) Manager Component 3; iv) Procurement and Contracts Specialist, vi) Financial Management Specialist, vii) Monitoring and Evaluation (M&E) Specialist, viii) Gender and Diversity Specialist; ix) Youth Specialist; x) Knowledge Management and Communications Specialist xi) Social, Environmental and Climate Safeguards (SECAP) Specialist.

12. *Monitoring and Evaluation (M&E)*. The Project will include equipment, systems and consultancies needed for administration and planning, monitoring and evaluation and learning. The PMU will use the M&E system developed in phase I of the Project, and adjust the system to the needs of phase II will be made at the start of the first year of the Project.

13. *Financial Management*: Within the SDA a dedicated Project Management Unit (PMU) will be established responsible for project implementation under the guidance of SDA Planning Coordination (CODIP) and Financial Administrative Coordination (COAFI) with 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. The funds needed to implement the project will be included by SDA in the Annual Budget Law (LOA) and in the Multi-Year Plan (PPA) The project will be subject to public sector Law No. 4.320/64, which establishes the norms and principles for budgeting, accounting and financial management. Payments will follow the workflows and built-in controls in the Integrated System of Planning and Financial Administration of Ceará (SIAFE-CE) system and oversight of SDA's Financial department.

14. *Audits*. The Project accounts will be audited annually by the Ceará State Courts of accounts

15. *Project Implementation Manual (PIM)*. Project implementation will be in accordance with this Agreement and the PIM. The Borrower will finalize the development of Project Implementation Manual (PIM) for the Fund's consideration and approval. In case of discrepancy between this Agreement and the PIM, the Agreement will prevail. Any change or modification in the PIM will require IFAD's prior no-objection.



**Schedule 2**

*Allocation Table*

1. *Allocation of Loan Proceeds.* (a) The Table below sets forth the component to be financed by the Loan:

Component	IFAD Loan Amount Allocated (Expressed in EUR)	Percentage
1. Rural development with environmental sustainability based on agroecology	8 000 000	100% net of taxes
<b>TOTAL</b>	<b>8 000 000</b>	

(b) The term used in the Table above are defined as follows:

- (i) Rural Development with environmental sustainability based on agroecology: Eligible expenditure under component 1 including Technical Assistance and Rural Extension.

### Schedule 3

#### *Special Covenants*

#### **I. General Provisions**

In accordance with Section 12.01(a)(xxiii) of the General Conditions, the Fund may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan/Grant Account if the Borrower has defaulted in the performance of any covenant set forth below, and the Fund has determined that such default has had, or is likely to have, a material adverse effect on the Project:

1. Within six (6) months of entry into force of this present Agreement, the Project will:
  - a) conclude any relevant contractual arrangements with the additional Project Parties of this present Agreement that will structure the collaboration, define roles, responsibilities and duties with regards to implementation, financial management, and financial reporting;
  - b) obtain the no objection by IFAD to the Terms of Reference for the selection process of third sector entities for technical assistance services (ATER); and c) implement a complementary automated financial reporting system which allows for tracking of budget versus expenditure by category and component for all funding sources and the automated generation of the interim financial reports (IFRs) required by IFAD for justification of expenditure and requests for disbursement.
2. *Planning, Monitoring and Evaluation.* The Borrower shall ensure that (i) a Planning, Monitoring and Evaluation (PM&E) system shall be established within twelve (12) months from the date of entry into force of this Agreement.
3. *Gender.* The Borrower shall ensure that the Project will adopt a gender transformative approach.
4. *Indigenous People Concerns.* The Borrower shall ensure that the concerns of IPs are given due consideration in implementing the Project and, to this end, shall ensure that:
  - (a) the Project is carried out in accordance with the applicable provisions of the IFAD's Policy on Indigenous Peoples (2022) with its focus on the empowerment of traditional communities (PCTs).
  - (b) indigenous people are adequately and fairly represented in all local planning for Project activities;
  - (c) IP rights are duly respected;
  - (d) IP communities, participate in policy dialogue and local governance;
  - (e) The terms of Declarations, Covenants and/or Conventions ratified by the Borrower on the subject are respected;
  - (f) The Project will not involve encroachment on traditional territories used or occupied by indigenous communities.
5. *Anticorruption Measures.* The Borrower shall comply with IFAD Policy on Preventing Fraud and Corruption in its Activities and Operations.
6. *Sexual Harassment, Sexual Exploitation and Abuse.* The Borrower and the Project Parties shall ensure that the Project is carried out in accordance with the provisions of the IFAD Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation and Abuse, as may be amended from time to time.
8. PPF II will use IFAD systems in the implementation and management stage of contracts and procurement.

9. The Key Project Personnel, unless otherwise agreed with IFAD, shall be employed or designated by the PMU, as required, with qualifications, experience and terms of reference satisfactory to IFAD. Key Project Personnel shall be seconded to the PMU in the case of government officials, or recruited under a consulting contract following the individual consultant selection method in the IFAD Procurement Handbook, or any equivalent selection method in the national procurement system that is acceptable to IFAD. The designation of Key Project Personnel is subject to IFAD's prior review. Any contract signed for Key Project Personnel shall be compliant with the national labour regulations.

## **II. SECAP Provisions**

1. For projects presenting high or substantial social, environmental and climate risks, the Borrower shall carry out the implementation of the Project/Programme in accordance with the measures and requirements set forth in the Environmental, Social and Climate Management Frameworks (ESCMFs), Environmental, Social and Climate Management Plans (ESCMPs), Free, Prior and Informed Consent (FPIC) Plans, FPIC Implementation Plans, Indigenous Peoples Plans (IPPs), and Pesticide Management Plans (the "Management Plan(s)"), as applicable, taken in accordance with SECAP requirements and updated from time to time by the Fund.

2. The Borrower shall not amend, vary or waive any provision of the Management Plan(s), unless: (i) agreed in writing by the Fund and (ii) Borrower has complied with the requirements applicable to the original adoption of the Management Plan(s).

3. The Borrower shall disclose the relevant Management Plan(s) with Project stakeholders and interested parties in an accessible place in the Project -affected area, in a form and language understandable to Project -affected persons and other stakeholders. The disclosure will take into account any specific information needs of the community (e.g. culture, disability, literacy, mobility or gender).

4. The Borrower shall cause the Lead Project Agency to ensure that all bidding documents and contracts for goods, works and services contain provisions that require contractors, sub-contractors and suppliers to comply at all times in carrying out the Project with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s), if any.

5. This section applies to any event which occurs in relation to serious environmental, social, health & safety (ESHS) incidents (as this term is defined below) or labor issues to Project-affected persons or adjacent populations during Project implementation that, with respect to the relevant IFAD Project:

- (i) has direct or potential material adverse effect;
- (ii) has substantially attracted material adverse attention of outside parties or created material adverse national press/media reports; or
- (iii) gives rise to material potential liabilities.

In the occurrence of such event, the Borrower shall:

- Notify IFAD promptly;
- Provide information on such risks, impacts and accidents;
- Consult with Project -affected parties on how to mitigate the risks and impacts;
- Carry out, as appropriate, additional assessments and stakeholders' engagements in accordance with the SECAP requirements; and

- Adjust, as appropriate, the Project -level grievance mechanism according to the SECAP requirements; and
- Propose changes, including corrective measures to the Management Plan(s) (if any), in accordance with the findings of such assessment and consultations, for approval by IFAD.

**Serious ESHS incident** means serious incident, accident, complaint with respect to environmental, social (including labor and community), health and safety (ESHS) issues that occur in the context of Project. Serious ESHS incidents can comprise incidents of (i) environmental; (ii) occupational; or (iii) public health and safety; or (iv) social nature as well as material complaints and grievances addressed to the Borrower (e.g. any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination, accidents of members of the public/local communities, resulting in death or serious or multiple injuries, sexual harassment and violence involving Project workforce or in relation to severe threats to public health and safety, inadequate resettlement compensation, disturbances of natural ecosystems, discriminatory practices in stakeholder consultation and engagement (including the right of indigenous peoples to free, prior and informed consent), any allegations that require intervention by the police/other law enforcement authorities such as loss of life, sexual violence or child abuse, which (i) have, or are likely to have a material adverse effect; or (ii) have attracted or are likely to arouse substantial adverse attention of outside parties or (iii) create substantial adverse media/press reports; or (iv) give, or are likely to give rise to material potential liabilities).

6. The Borrower shall cause the Lead Project Agency contractors, sub-contractors and suppliers to ensure that the relevant processes set out in the SECAP 2021 Edition as well as in the Management Plan(s) (if any) are respected.

7. Without limitation on its other reporting obligations under this Agreement, the Borrower shall provide the Fund with:

- Reports on the status of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition, ESCMPs and the management plan (if any) on a semi-annual basis - or such other frequency as may be agreed with the Fund;
- Reports of any social, environmental, health and safety incidents and accidents occurring during the implementation of the Project and propose remedial measures. The Borrower will disclose relevant information from such reports to affected persons promptly upon submission of the said reports; and
- Reports of any breach of compliance with the standards, measures and requirements set forth in the SECAP 2021 Edition and the Management Plan(s) (if any) promptly after becoming aware of such a breach.

8. In the event of a contradiction/conflict between the Management Plan(s), if any, and the Financing Agreement, the Financing Agreement shall prevail.

## 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>	Substantial	Moderate
<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.</p> <p>In addition, solutions will be promoted to provide access to water of better regularity and quality for the target communities.</p>		
Project vulnerability to environmental conditions	Substantial	Moderate
<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.</p> <p>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.</p> <p>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).</p> <p>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).</p> <p>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>	Substantial	Moderate

<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

<b>Risk:</b> <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
<b>Mitigations:</b> <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
<b>Risk:</b> <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
<b>Mitigations:</b> <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
<b>Risk:</b> <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
<b>Mitigations:</b> <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
<b>Risk:</b> <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
<b>Mitigations:</b> <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 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>A.4 Public Procurement Operations and Market Practices.</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.1 Assessment of Project Complexity</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. 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:</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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, Umbu-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>		