

Document:	<u>EB 2008/94/R.9/Rev.1</u>
Point de l'ordre du jour:	<u>9 c)</u>
Date:	<u>11 septembre 2008</u>
Distribution:	<u>Publique</u>
Original:	<u>Anglais</u>

F



Ouvrer pour que les
populations rurales pauvres
se libèrent de la pauvreté

République fédérative du Brésil

Programme d'options stratégiques pour le pays

Conseil d'administration — Quatre-vingt-quatorzième session
Rome, 10-11 septembre 2008

Pour: **Examen**

Note aux Administrateurs

Le présent document est soumis au Conseil d'administration pour examen.

Afin que le temps imparti aux réunions du Conseil soit utilisé au mieux, les Administrateurs qui auraient des questions techniques à poser au sujet du présent document sont invités à se mettre en rapport, avant la session, avec le responsable du FIDA ci-après:

Iván Cossio

Chargé de programme de pays
téléphone: +39 06 5459 2343
courriel: i.cossio@ifad.org

Les demandes concernant la transmission des documents de la présente session doivent être adressées à:

Deirdre McGrenra

Fonctionnaire responsable des organes directeurs
téléphone: +39 06 5459 2374
courriel: d.mcgrenra@ifad.org

Table des matières

Sigles et acronymes	iii
Carte du pays indiquant les zones d'intervention du FIDA	iv
Résumé de la stratégie pour le pays	v
I. Introduction	1
II. Le contexte du pays	1
A. Économie, agriculture et pauvreté rurale	1
B. Politiques, stratégies et contexte institutionnel	5
III. Enseignements tirés de l'expérience du FIDA dans le pays	7
A. Résultats, impact et performance des opérations antérieures	7
B. Enseignements tirés	8
IV. Cadre stratégique du FIDA pour le pays	9
A. Avantage comparatif du FIDA	9
B. Objectifs stratégiques	10
C. Perspectives d'innovation	12
D. Stratégie de ciblage	13
E. Articulation au niveau des politiques	13
V. Gestion du programme	14
A. Gestion du COSOP	14
B. Gestion du programme de pays	15
C. Partenariats	15
D. Gestion des savoirs et communication	16
E. Cadre de financement SAFF	17
F. Risques et gestion des risques	17
Appendices	
I. COSOP consultation process (Processus de consultation pour l'élaboration du COSOP)	1
II. Country economic background (Situation économique du pays)	4
III. COSOP results management framework (Cadre de gestion des résultats du COSOP)	5
IV. CPE agreement at completion point (Accord conclusif de l'EPP)	7
V. Operations pipeline (Opérations dans la filière)	11

Dossiers clés

Dossier clé 1: Rural poverty and agricultural/rural sector issues (Pauvreté rurale et secteur agricole et rural)	27
Dossier clé 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis) (Matrice des organisations [Analyse des forces, faiblesses, possibilités et menaces])	30
Dossier clé 3: Donor initiative and key partnership opportunities with IFAD (Initiatives d'autres donateurs et principales possibilités de partenariats avec le FIDA)	33
Dossier clé 4: Target group identification, priority issues and potential response (Identification du groupe cible, questions prioritaires et options envisageables)	35

Sigles et acronymes

COSOP	Programme d'options stratégiques pour le pays
CPP	Chargé de programme de pays
EMBRAPA	Entreprise brésilienne de recherche agricole
ENRAP	Mise en réseau des savoirs pour le développement rural dans la région Asie-Pacifique
EPP	Évaluation du programme de pays
FAO	Organisation des Nations Unies pour l'alimentation et l'agriculture
INSA	Institut national pour la région semi-aride (Ministère de la science et de la technologie)
MDA	Ministère du développement agraire
MERCOSUR	Marché commun du Sud
PREVAL	Programme de renforcement des capacités régionales aux fins du suivi et de l'évaluation des projets de lutte contre la pauvreté rurale en Amérique latine et aux Caraïbes
REAF	Commission de l'agriculture familiale du MERCOSUR
SEAIN	Secrétariat aux relations internationales (Ministère du plan, du budget et de la gestion)

Carte du pays indiquant les zones d'intervention du FIDA

Brazil

IFAD-financed ongoing activities



Source: Carte établie par le FIDA.

Les appellations figurant sur cette carte et sa représentation graphique ne constituent en aucun cas une prise de position du FIDA quant au tracé des frontières ou limites, ou aux autorités de tutelle des territoires considérés.

Résumé de la stratégie pour le pays

1. Le présent programme d'options stratégiques pour le pays (COSOP), fruit d'un vaste processus de consultation au Brésil, a bénéficié de l'expérience institutionnelle et des réflexions internes du FIDA. Pour concevoir ce COSOP, on a tenu compte des enseignements tirés des projets antérieurs et actuels du FIDA dans le pays et, en ce sens, le présent document reflète les approches, les visions d'avenir et les définitions communes du Gouvernement brésilien et du FIDA. On a aussi dûment pris en compte les analyses existantes de la pauvreté et des institutions, de même que les possibilités de partenariat recensées au stade de la conception.
2. Le COSOP met en avant les trois grands points suivants:
 - Les projets d'investissement seront principalement conduits à l'échelon des États, et les nouveaux accords de prêt entre le FIDA et les gouvernements des États seront garantis par le gouvernement fédéral.
 - La zone d'intervention privilégiée restera la région du Nord-Est mais la possibilité de travailler à l'avenir dans d'autres régions du pays sera examinée.
 - La gestion des savoirs et la concertation sur les grandes orientations seront prioritaires, la gestion des savoirs portant sur l'information et les technologies afin de tirer profit du potentiel productif de la région semi-aride du Nord-Est. En ce qui concerne la concertation sur les politiques, le FIDA centrera son action sur la coopération avec le gouvernement fédéral.
3. Les projets et autres types d'activités qui seront entrepris dans le cadre de l'exécution du COSOP s'attaqueront plus particulièrement au défi majeur que la politique de lutte contre la pauvreté rurale du Brésil doit aujourd'hui relever: briser le cercle vicieux de la pauvreté qui se voit perpétuer par le manque de sources de revenu et d'emploi durables pour les populations rurales pauvres.
4. À cette fin, les objectifs stratégiques suivants ont été formulés:
 - **Objectif stratégique 1:** Accroître la production agricole commerciale des petits agriculteurs en facilitant parallèlement l'accès aux marchés à des conditions avantageuses et durables.
 - **Objectif stratégique 2:** Améliorer l'accès des populations rurales pauvres à l'emploi et aux activités économiques extra-agricoles dans les zones rurales et les villages, en privilégiant les femmes et les jeunes.
 - **Objectif stratégique 3:** Renforcer, grâce à la création et à la diffusion des savoirs, la capacité des ruraux pauvres et des institutions pertinentes du Nord-Est à vivre dans un environnement semi-aride, à s'adapter au changement climatique et à mieux exploiter le potentiel de développement de cette région.
 - **Objectif stratégique 4:** Élargir aux échelons national et international la réflexion portant sur les politiques relatives à la réduction de la pauvreté rurale et à l'agriculture familiale.
5. Le FIDA entend créer un bureau au Brésil pour renforcer sa présence dans le pays, intensifier les relations avec les parties prenantes et contribuer à la réalisation des objectifs stratégiques du COSOP. Ce bureau permettrait au Fonds de rester en contact au quotidien avec les projets et d'assurer un suivi étroit de la gestion des savoirs et des activités de concertation sur les politiques. Par ailleurs, le FIDA s'engagera davantage dans l'exécution des projets en assurant la supervision directe de ses projets en cours et de ses nouveaux projets.

6. L'instauration de partenariats est une priorité du présent COSOP. À cet égard, le FIDA va miser plus particulièrement sur les partenariats avec les organismes publics, au niveau fédéral et à celui des États, ainsi qu'avec les organisations de la société civile, les autres organisations de coopération internationale intervenant au Brésil, les établissements d'enseignement et de recherche et le secteur privé.

République fédérative du Brésil

Programme d'options stratégiques pour le pays

I. Introduction

1. Plus de dix ans se sont écoulés depuis le premier exposé des options et stratégies d'intervention pour le pays préparé pour le Brésil en 1997. Entre avril et novembre 2007, le FIDA a conduit une évaluation de son programme de pays au Brésil, couvrant les dix années écoulées depuis la préparation de son premier exposé des options et stratégies d'intervention pour le pays. Ce deuxième programme d'options stratégiques pour le pays (COSOP) s'est largement inspiré des conclusions de l'évaluation du programme de pays (EPP), qui ont été débattues avec les parties prenantes lors d'un atelier organisé à Salvador de Bahia, en novembre 2007. L'élaboration du COSOP a démarré lors de cet atelier si bien que l'EPP et la conception du COSOP ont représenté des étapes différentes d'un même processus. Ce COSOP décrit l'accord conclu avec le gouvernement concernant le programme du FIDA au Brésil pour les cinq prochaines années (2008-2012). Le processus de consultation ayant abouti à la conception du COSOP s'est déroulé de la manière suivante: i) débat sur l'EPP à l'atelier de Salvador; ii) préparation de neuf documents de travail destinés à contribuer au processus; iii) élaboration d'une fiche analytique; iv) mission dans le pays, en janvier 2008, de l'équipe de préparation du COSOP¹, qui s'est rendue à Brasilia, Rio de Janeiro, São Paulo et dans six États du Nord-Est; v) organisation conjointe d'un atelier à Brasilia, en février 2008, par le Secrétariat aux relations internationales (SEAIN) du Ministère du plan, du budget et de la gestion et le FIDA afin d'examiner avec les parties prenantes une version préliminaire du COSOP; vi) brèves missions de reconnaissance dans trois États du Nord-Est; vii) préparation, par l'équipe de conception, d'un projet de COSOP soumis à des pairs indépendants pour examen et formulation d'observations; et viii) mise en forme définitive du COSOP et validation du document par le Gouvernement brésilien, la direction du FIDA et le Conseil d'administration (le processus est décrit en détail à l'appendice I).

II. Le contexte du pays

A. Économie, agriculture et pauvreté rurale

Situation économique générale

2. Avec une superficie terrestre de 8,5 millions de km², une population de 189,3 millions d'habitants (2007) et un PIB voisin de 1 300 milliards d'USD, le Brésil est le pays le plus vaste et le plus peuplé d'Amérique latine. Il est aussi l'un des pays les plus riches du monde en termes de ressources naturelles puisqu'il est doté de vastes étendues de terres arables fertiles et de forêts naturelles immenses, de sources d'eau généreuses, d'une biodiversité étonnante, de réserves de gaz naturel et de pétrole abondantes, de stocks halieutiques bien fournis, de dépôts de minerais variés, d'une population talentueuse et travailleuse et d'une élite hautement cultivée. Avec un RNB par habitant de 4 710 USD en 2006 (Banque mondiale, avec coefficient de conversion Atlas), le Brésil fait partie des neuf pays d'Amérique latine à revenu intermédiaire de la tranche supérieure. Cependant, l'inégalité et l'exclusion, deux des problèmes les plus graves dans le pays, sont à l'origine de la situation de régions telles que le Nord-Est, où l'incidence de la pauvreté et le classement dans l'indicateur du développement humain sont comparables à ceux des pays latino-américains les plus pauvres.
3. Les conditions macroéconomiques globales sont favorables depuis le milieu des années 90, avec des taux d'inflation modérés (4,5% en 2007), des réserves importantes (188 milliards d'USD en janvier 2008), des excédents de la balance des paiements (1,3% du PIB en 2006) et de forts afflux de capitaux. La croissance

¹ José María Caballero, Antônio Buainain, Octavio Damiani, Estela Neves et Iván Cossio.

annuelle moyenne du PIB a été de 2,4% en 2000-2003 et de 4,5% en 2004-2007, et elle a été accompagnée d'améliorations dans la répartition des revenus. Toutefois, des difficultés structurelles et des problèmes à court terme continuent à saper la croissance économique. Les principaux problèmes structurels sont: le caractère insuffisant de l'innovation; le manque d'infrastructures, en particulier dans les secteurs de l'énergie, du transport et des communications; et un faible taux d'investissement (notamment si on le compare à celui d'autres pays émergents) bien que ce taux continue à augmenter en moyenne de 8,5% par an. Les principaux problèmes à court terme sont liés au niveau très élevé des taux d'intérêt, au regard des normes internationales, et au taux de change de plus en plus défavorable depuis la forte dépréciation de 2002. La hausse des taux d'intérêt causée par la récente inflation internationale a réduit l'impact de la politique qui entendait les faire baisser; le Brésil reste, malgré tout, bien placé en ce qui concerne les investissements dans les organisations internationales, avec un montant total d'investissement étranger direct de plus de 33 milliards d'USD en 2007.

4. Le pays est doté d'un gouvernement fédéral et se compose d'un district fédéral, de 26 États et de 5 564 municipalités; à des fins de planification et d'analyse statistique, il est divisé en cinq macrorégions caractérisées par des différences significatives en termes de population, de taille, d'activité économique et de conditions de vie. Les régions du Sud et du Sud-Est affichent les meilleurs indicateurs sociaux tandis que celles du Nord-Est et du Nord souffrent de sérieux retards pour ce qui est du niveau de vie.
5. Ces 15 dernières années, l'économie et la société brésiliennes ont vécu plusieurs transformations importantes du fait des réformes structurelles lancées au début des années 90. Cependant, la portée de ces changements va au-delà de l'économie car les piliers du changement ont été la stabilisation monétaire, certes – qui a jeté les fondations de la situation macroéconomique saine d'aujourd'hui –, mais aussi les progrès de la démocratie, qui ont apporté de nouvelles règles institutionnelles positives. Depuis l'élection du Président Lula en novembre 2002, la démocratie se renforce et le programme de stabilisation est maintenu. On a aussi assisté à une amplification de l'action sociale avec une augmentation sans précédent des allocations de fonds fédéraux aux programmes sociaux existants ou nouveaux. En outre, le programme d'accélération de la croissance (PAC), lancé par le gouvernement en 2007 en vue d'accélérer le rythme de croissance du PIB, définit une série d'investissements publics visant à corriger le manque d'infrastructures qui freine l'investissement privé, gonfle les coûts systémiques et limite la compétitivité.

Agriculture et pauvreté rurale

6. Bien que la part de l'agriculture dans le PIB ne soit que de 7% environ, elle constitue pour le Brésil une source importante de recettes d'exportation et d'emplois, auxquels elle contribue à hauteur de 28% et 21%, respectivement². L'agriculture s'est rapidement développée ces vingt dernières années, avec une augmentation de la production agricole de 47% entre 1990 et 2000, et de 30% entre 2000 et 2006 (indice de la production agricole de l'Organisation des Nations Unies pour l'alimentation et l'agriculture [FAO]). Les surfaces cultivées et la production de toutes les grandes cultures – canne à sucre, soja, maïs, oranges, riz, coton, café, tabac et cacao – ont augmenté, de même que la production animale (essentiellement volaille, porc et bœuf), pour laquelle le Brésil est un des premiers producteurs mondiaux. Les revenus ruraux extra-agricoles ont aussi augmenté, 30% de la population rurale menant une activité non agricole à titre d'occupation principale (recensement de la population de 2000). Le secteur agricole est confronté aujourd'hui à un double défi: maintenir un équilibre entre croissance agricole et protection de l'environnement; et promouvoir l'insertion sociale, en

² Les moyennes pour 2003-2005 sont disponibles dans le Rapport sur le développement dans le monde 2008, de la Banque mondiale.

améliorant la situation des ouvriers agricoles et en mettant le secteur de l'agriculture familiale pauvre sur la voie de la croissance.

7. L'agriculture familiale³ est importante au Brésil⁴. Elle représente 85% des exploitations, 30% de la surface cultivée, 38% de la production et 50% de l'investissement agricole et emploie 14 millions de personnes sur plus de 4 millions d'exploitations agricoles. La moitié des personnes employées dans l'agriculture familiale vivent dans la région du Nord-Est. Les conditions liées à l'agriculture familiale varient, mais les petites exploitations pauvres dont les revenus sont inférieurs au coût d'opportunité de la main-d'œuvre sur le marché du travail sont les plus nombreuses. Plus de la moitié de la production est destinée à l'autoconsommation et la spécialisation est limitée.
8. En 2007, la population du Brésil était estimée à 189,3 millions d'habitants. Selon le recensement de 2000, 19% de la population était rurale⁵: par conséquent, le pays doit compter aujourd'hui quelque 35 millions de ruraux. La macrorégion du Nord-Est est classée deuxième en termes de population (derrière le Sud-Est) avec approximativement 51,5 millions d'habitants, dont 16 millions environ vivent en milieu rural, dans des zones reculées et de petits bourgs pour la plupart.
9. La pauvreté est généralisée au Brésil, en particulier dans les campagnes et dans la région du Nord-Est qui affiche l'incidence de la pauvreté la plus élevée. En 2004, 7,5% de la population gagnait moins d'un dollar par jour, et la proportion des habitants gagnant moins de deux dollars par jour était de 21,2%. Ces données placent le Brésil à la huitième place des pays d'Amérique latine pour cet indicateur social – derrière l'Argentine, le Chili, la Colombie, le Costa Rica, la République dominicaine, le Panama et l'Uruguay⁶. Si l'on utilise la consommation comme indicateur social⁷, on remarque (tableau 1) de profondes disparités des niveaux de pauvreté entre les zones urbaines et les zones rurales, et entre la région du Nord-Est et le Brésil dans son ensemble.

Tableau 1

Brésil: incidence de la pauvreté, 2002-2003
(en pourcentage)

Régions	Seuil de pauvreté extrême	Seuil supérieur de pauvreté
Brésil		
Nationale	8,5	52,8
Urbaine	6,0	50,0
Rurale	20,6	66,3
Région du Nord-Est		
Urbaine	15,3	64,9
Rurale	30,6	76,3

Source: Banque mondiale (2007: 42), d'après l'Enquête nationale sur les ménages 2002-2003 (POF).

10. Ces vingt dernières années, le gouvernement fédéral et les gouvernements des États ont injecté des ressources énormes dans les programmes de réduction de la pauvreté, avec des résultats incontestablement positifs comme le montre la baisse régulière des niveaux de pauvreté et d'inégalité ces dernières années. Selon l'enquête nationale sur les ménages portant sur la période 2001-2005, l'incidence de la pauvreté monétaire est tombée de 38,6% à 34,1% et celle de la pauvreté extrême de 17,4% à 13,2%; pendant la même période, le coefficient de Gini

³ L'expression "agriculture familiale" est utilisée au Brésil pour désigner le secteur agricole paysan.

⁴ Projet de coopération technique, Institut national pour la colonisation et la réforme agraire (INCRA)/FAO: "Novo Retrato da Agricultura Familiar. O Brasil Redescoberto". INCRA 2000.

⁵ Au Brésil, l'expression "population rurale" désigne les habitants installés hors des limites des zones urbaines fixées par les municipalités.

⁶ Banque mondiale, Rapport sur le développement dans le monde 2008. L'année de l'enquête varie d'un pays à l'autre.

⁷ Banque mondiale, Brazil: Measuring Poverty Using Household Consumption. Rapport n° 36358-BR. 10 janvier 2007.

mesurant l'inégalité des revenus a diminué, puisqu'il est passé de 59,3 à 56,6⁸. Les principaux facteurs de ces baisses ont été: i) les transferts de fonds publics, y compris les programmes de retraite et les transferts monétaires conditionnels (tels que le programme *Bolsa Familia* [allocation familiale]; ii) l'augmentation des revenus imputable à une élévation du niveau moyen d'instruction; iii) le recul des problèmes et de la discrimination sur le marché de l'emploi; et iv) l'augmentation du salaire minimum (Paes de Barros *et al.*, 2007).

11. En milieu rural, le chômage est plus répandu chez les femmes (12,1%) que chez les hommes (9,6%). Les femmes se retrouvent plus souvent dans la situation de parent célibataire avec des enfants à charge et, dans ce cas, l'incidence de la pauvreté est élevée (75% dans le Nord-Est). En ce qui concerne l'instruction, cependant, les femmes ne sont pas plus mal loties que les hommes, puisque le taux d'alphabétisation est le même pour les deux sexes (88%), de même que le taux d'achèvement du cycle d'enseignement primaire. Contrairement à ce que l'on croit habituellement, il n'existe pas de véritable corrélation entre la couleur de la peau et la pauvreté dans la population rurale du Nord-Est, bien que la proportion de *pardos* (Brésiliens de sang mélangé) soit un peu plus élevée chez les pauvres que chez les autres (71% contre 67%); la proportion de Blancs est, quant à elle, un peu plus élevée chez les non-pauvres (28% contre 24%). Quelque 87% des membres des populations autochtones sont pauvres.
12. Les revenus non agricoles tiennent une large place dans les zones rurales, comme l'illustre le tableau 2, qui met en évidence la ventilation des sources de revenu des familles rurales de la région du Nord-Est. Ces données indiquent que le développement des sources de revenus ruraux extra-agricoles constitue un moyen important de faire reculer la pauvreté, en particulier chez les sans-terre.

Tableau 2

Nord-Est brésilien: parts des revenus ruraux ventilés par source (et consommation)
par le quintile 1996-1997

Quintile	Exploitation agricole		Hors exploitation agricole
	Agriculture	Travail salarié	
Dernier	36,3	39,1	24,6
2 ^e	50,1	23,9	26,0
3 ^e	62,1	6,4	31,5
4 ^e	56,0	9,6	34,4
5 ^e	62,3	2,1	35,6

Source: Banque mondiale (2003:178).

13. En dépit des progrès récents, les niveaux de pauvreté rurale restent élevés. Les principaux problèmes rencontrés par les petits agriculteurs sont: l'accès limité aux ressources agricoles, telles que les terres arables et autres moyens de production; l'insuffisance des infrastructures; l'inadéquation des services d'appui; les dysfonctionnements institutionnels et organisationnels; et le niveau d'instruction (faible ou nul) qui limite la capacité des agriculteurs d'innover ou d'occuper des emplois rémunérateurs non agricoles. Les agriculteurs peinent à prendre pied dans les marchés dynamiques parce qu'il leur est difficile d'assurer un approvisionnement en gros fiable de produits de qualité régulière. En outre, compte tenu du faible niveau d'instruction prévalant en milieu rural, il est quasiment impossible pour ces travailleurs non qualifiés de décrocher des emplois lucratifs. Dans ce contexte, les marchés ruraux du travail sont en situation d'offre excédentaire caractérisée par une tendance constante à la baisse des salaires. Il n'existe pas de système propre à garantir les droits des travailleurs, ce qui se

⁸ Ricardo Paes de Barros *et al.*: *Desigualdade de Renda no Brasil: um análise da queda recente*. Institut de recherche économique appliquée (IPEA), Rio de Janeiro, 2007.

traduit par des relations de travail peu satisfaisantes et, très souvent, de mauvaises conditions de travail, en particulier dans les zones reculées.

14. Le caractère durable de la réduction de la pauvreté est une question centrale. L'accroissement du niveau de vie et des revenus est essentiellement dû aux politiques de transfert des revenus et de développement des infrastructures sociales, certes justifiées, mais qui n'ont pas été étayées par des améliorations tout aussi importantes de la capacité de gain, indispensables pour réduire durablement la pauvreté. Des politiques de lutte contre la pauvreté axées sur la production ont été mises en place mais ne suffisent pas pour éliminer les obstacles structurels à la création de revenus. Aujourd'hui, les principaux défis sont les suivants: i) renforcer la capacité de création de revenus grâce à des services d'appui à la production; ii) faciliter l'accès aux marchés; iii) renforcer les organisations paysannes; et iv) éliminer les facteurs qui perpétuent le noyau dur de la pauvreté, moyennant des investissements dans l'instruction des enfants et dans la formation professionnelle spécialisée destinée aux jeunes en milieu rural.
15. La crise alimentaire causée par la flambée des prix pose problème, bien que dans une moindre mesure par rapport à d'autres pays. Les retombées éventuelles de cette crise sur les sans-terre, les familles dont l'essentiel du revenu provient d'activités extra-agricoles et les acheteurs nets de denrées alimentaires doivent rester présentes à l'esprit. Toutefois, les prix plus élevés peuvent fournir l'occasion d'accroître la production agricole, au bénéfice des petits agriculteurs qui, pendant des années, ont dû se résigner à voir leurs revenus diminuer inéluctablement.

B. Politiques, stratégies et contexte institutionnel

Le contexte institutionnel national

16. Le FIDA pourrait envisager d'instaurer des partenariats avec de très nombreuses institutions au Brésil. À **l'échelon fédéral**, le Ministère du développement agraire (MDA) et le SEAIN méritent une mention particulière. Le MDA est l'interlocuteur de référence du FIDA pour ce qui est des politiques relatives à l'agriculture familiale et au développement rural, tandis que le SEAIN est l'organisme officiel de contrepartie du Fonds au Brésil. Les autres entités fédérales avec lesquelles le FIDA pourrait former des partenariats intéressants sont la Banco do Brasil, l'Entreprise brésilienne de recherche agricole (EMBRAPA), le Ministère de la science et de la technologie et le Service brésilien d'aide aux micro- et petites entreprises. Les partenaires potentiels à **l'échelon régional** dans le Nord-Est sont la Banco do Nordeste do Brasil, l'Institut national pour la région semi-aride (INSA) relevant du Ministère de la science et de la technologie, et la Société de développement régional du Nord-Est. **Les gouvernements des États** se sont avérés être des partenaires du FIDA déterminés et fiables dans le cadre des interventions des projets (par exemple, le projet de soutien aux familles à faible revenu dans la région semi-aride de l'État de Sergipe, le projet de développement communautaire pour la région de Rio Gaviao et le projet en cours de développement des communautés rurales dans les zones les plus pauvres de l'État de Bahia). Il en est ainsi parce qu'ils sont géographiquement proches des opérations, qu'ils sont directement comptables envers les bénéficiaires potentiels et la population de l'État et qu'il y a de grandes chances pour qu'ils se sentent fortement investis de la responsabilité du projet.
17. Ses organisations agricoles telles que le Syndicat national des travailleurs agricoles (CONTAG) et le Syndicat national des travailleurs de l'agriculture familiale (FETRAF) pourraient être des partenaires précieux dans la mesure où ils participent déjà au réseau dédié à l'agriculture familiale du Marché commun du Sud (MERCOSUR) qui bénéficie d'un soutien du FIDA. De plus, le Fonds pourrait bien instaurer des partenariats constructifs avec les nombreuses organisations de la société civile – au niveau de l'État et au niveau local – s'intéressant aux savoirs et aux mouvements sociaux et engagées dans des activités relevant du mandat du Fonds. Le projet de développement durable à l'intention des colonies issues de la réforme agraire dans la zone semi-aride de la région du Nord-Est, le projet Dom Helder Câmara, a démontré l'utilité de tels partenariats pour l'exécution des projets, mais ces

partenariats pourraient aussi être étendus aux domaines de la gestion des savoirs et de la concertation sur les politiques.

18. Le FIDA a déjà créé des partenariats avec deux types d'entités, bien que dans une mesure limitée: les administrations municipales et le secteur privé. Compte tenu de leur importance croissante, les administrations municipales sont les partenaires potentiels pour l'exécution des projets de l'État. Trois types de partenariats sont envisagés avec le secteur privé: pour la prestation de services tels que l'assistance technique, pour l'établissement d'alliances productives avec les petits agriculteurs et pour la fourniture de fonds non remboursables et de savoir-faire. Le sens accru de leur responsabilité sociale qu'ont les sociétés brésiliennes et la multiplication des fondations privées favorisent le troisième type de partenariat, déjà testé avec succès dans le projet de développement durable à l'intention des colonies issues de la réforme agraire dans la zone semi-aride de la région du Nord-Est.
19. Jusqu'ici, les partenariats du FIDA avec les institutions internationales ont été limités, exception faite du Fonds pour l'environnement mondial (FEM) qui finance une opération liée au projet de développement durable à l'intention des colonies issues de la réforme agraire dans la zone semi-aride de la région du Nord-Est. L'insuffisance au Brésil de la coopération entre le FIDA et la Banque mondiale, qui se réduit au cofinancement d'investissements sur le terrain dans le cadre du projet susmentionné, est particulièrement manifeste vu le programme important de lutte contre la pauvreté mené par la Banque dans la région du Nord-Est.

La stratégie nationale de réduction de la pauvreté rurale

20. La réduction de la pauvreté rurale est l'un des principaux objectifs du Gouvernement brésilien, et un grand nombre de politiques et de programmes mis en œuvre par différentes entités publiques ont été conçus à cet effet. De nombreuses politiques visant à fournir des services sociaux ou à lutter contre la pauvreté s'appliquent aux zones tant urbaines que rurales. Au niveau fédéral, les grands axes de ces politiques peuvent être résumés comme suit:
- **Les politiques servant de filet de protection sociale.** Il s'agit de programmes de transfert de revenus, dont les plus importants sont le programme de retraite rurale (les habitants des zones rurales âgés de plus de 60 ans reçoivent l'équivalent du salaire minimum à titre de pension), et le programme *Bolsa Familia*, un programme national de transferts monétaires conditionnels aux familles pauvres (urbaines et rurales) scolarisant leurs enfants, dont ont bénéficié quelque 11 millions de familles en 2006.
 - **Le soutien aux exploitations familiales** par le biais du programme national de développement de l'agriculture familiale (PRONAF), un vaste programme englobant le crédit agricole subventionné, l'assistance aux petites entreprises agro-industrielles, l'assurance des cultures et l'appui en faveur des infrastructures rurales, de la vulgarisation et de la formation. Le PRONAF dispose de diverses lignes de crédit associées à différents niveaux de subvention en fonction du revenu: par exemple, crédit saisonnier et à moyen terme et crédit destiné à des populations spécifiques (tel que PRONAF *Mulher* à l'intention des femmes, PRONAF *Jovem* à l'intention des jeunes). Un soutien est aussi fourni dans le cadre du programme d'achat de produits alimentaires issus de l'agriculture familiale (*programa de Adquisição de Alimentos*), qui achète la production des petits agriculteurs.
 - **Le programme d'accès aux terres**, qui est articulé en trois axes:
 - i) l'expropriation, contre indemnisation, des exploitations laissées à l'abandon ou mal gérées par le biais du programme *Assentamentos Sustentáveis para Trabalhadores Rurais*; ii) les prêts subventionnés en faveur des sans-terre ou des paysans quasiment sans terre pour l'acquisition d'exploitations, par le biais du programme *Credito Fundiario*;

et iii) l'appui aux colonies issues de la réforme agraire au titre du programme *Desenvolvimento Sustentável na Reforma Agraria*.

- **Les actions de développement rural territorial** centrées sur des territoires pauvres sélectionnés. Elles sont coordonnées par le *Secretaria de Desenvolvimento Territorial* du MDA et par la *Casa Civil*, essentiellement dans le cadre du grand programme *Territorios da Cidadania* ("territoires de citoyenneté") qui devrait déboursé 11,3 milliards de BRL (équivalent à 7,11 milliards d'USD) en 2008 par l'entremise de 15 ministères différents.
- **Les diverses initiatives fédérales visant à couvrir les besoins essentiels en infrastructures dans les zones rurales** sont réalisées au titre de programmes tels que *Saneamento Rural*, *Proagua Infraestrutura*, *Luz para Todos* (Lumière pour tous) et d'autres, ou répondent à des besoins spécifiques des zones rurales avec des programmes tels que *Conviver*, *Agricultura Irrigada*, *Probacias*, *Proteção de Terras Indígenas*, et d'autres encore.
- **Les programmes environnementaux** importants pour la réduction de la pauvreté dans la région du Nord-Est sont: le plan national de lutte contre la désertification, le *Programa Nacional de Apoio à Agricultura de Base Agro-Ecológica nas Unidades Familiares* et les actions menées par les gouvernements des États en faveur de la protection du *biome de la caatinga*, une zone de quelque 850 000 km², dont une partie a été déclarée réserve de biosphère par l'Organisation des Nations Unies pour l'éducation, la science et la culture (UNESCO), et en faveur de la gestion durable des terres.

21. L'administration actuelle a élargi l'envergure du programme *Bolsa Familia*, intensifié l'accent mis sur la réforme agraire et sur le soutien en faveur de l'agriculture familiale, et lancé le programme *Territorios da Cidadania*. Les innovations ont été orientées de façon à améliorer la parité entre les sexes et à assurer les petits agriculteurs contre les risques associés à la fluctuation des prix et au climat.

Harmonisation et alignement

22. Le FIDA n'a pas harmonisé ses activités avec celles des autres bailleurs de fonds intervenant au Brésil. Il n'a jamais participé aux instances de coordination des bailleurs de fonds, ni entrepris d'études conjointes, ni cofinancé de projets (à l'exception d'un projet dans le Ceará cofinancé avec la Banque mondiale au début des années 80) ni adopté d'approches harmonisées de l'exécution des projets.

III. Enseignements tirés de l'expérience du FIDA dans le pays

A. Résultats, impact et performance des opérations antérieures

23. Le FIDA a financé six projets au Brésil sous forme de prêts, d'un montant total de près de 142 millions d'USD, avec 277 millions d'USD de fonds de contrepartie. Tous les projets du FIDA concernent la région du Nord-Est, tous les prêts ayant été accordés à des conditions ordinaires. Les opérations en cours d'exécution sont: le projet de développement durable à l'intention des colonies issues de la réforme agraire dans la zone semi-aride de la région du Nord-Est, dont le coût total se chiffre à 93,4 millions d'USD, le prêt du FIDA s'élevant à 25 millions d'USD; et le projet de développement des communautés rurales dans les zones les plus pauvres de l'État de Bahia, d'un coût total de 60,5 millions d'USD, qui a bénéficié d'un prêt du FIDA d'un montant de 30,5 millions d'USD. La concertation sur les politiques a été encouragée, essentiellement entre les pays du MERCOSUR, par le biais du programme d'appui aux institutions et aux actions gouvernementales visant à réduire la pauvreté rurale dans la zone MERCOSUR (programme FIDA-MERCOSUR) et du renforcement de la participation des organisations paysannes à la

concertation dans le cadre de la Commission de l'agriculture familiale (REAF) du MERCOSUR (programme FIDA-REAF).

24. L'EPP du Brésil a constaté que, dans l'ensemble, la performance du portefeuille de projets était bonne. Les opérations financées par le FIDA ont contribué à accroître les revenus et à améliorer les moyens d'existence dans le Nord-Est, essentiellement en renforçant la sécurité de l'approvisionnement en eau, en stimulant le développement agricole et la gestion des ressources naturelles et en facilitant la participation des ruraux pauvres aux processus de développement grâce à un meilleur accès à l'instruction, aux infrastructures et aux autres services d'appui. Des progrès ont été accomplis pour l'autonomisation des femmes, par exemple, en leur facilitant l'obtention de documents d'identité. Les activités extra-agricoles, principalement l'artisanat traditionnel ainsi que d'autres activités artisanales, ont bénéficié d'un appui, bien que dans une mesure limitée. Les projets du FIDA ont aussi contribué à renforcer les capacités des institutions de la base et des ONG, en les associant aux activités des projets. Les perspectives de durabilité ont été jugées encourageantes.
25. Parmi les principales faiblesses pointées du doigt par l'EPP figure l'insuffisance de l'attention accordée aux liaisons avec les marchés, à la concertation sur les politiques et à la gestion des savoirs. D'un autre côté, les opérations appuyées par le FIDA ont contribué à innover dans deux domaines, à savoir: i) l'approche générale du développement rural, qui n'est plus du sommet vers la base mais de la base vers le sommet; et ii) au niveau de la technologie et des infrastructures, le choix de technologies peu onéreuses, simples et faciles à assimiler. Malheureusement, l'application à plus grande échelle et la transposition des innovations ont été rares, ce qui a limité les possibilités de reproduction des innovations testées avec succès. Enfin, la coopération avec les autres organisations internationales travaillant au Brésil a été jugée particulièrement faible.

B. Enseignements tirés

26. Parmi les principaux enseignements tirés par le FIDA au Brésil, il convient de citer les suivants:
- Le décaissement des fonds du prêt et des fonds de contrepartie et la gestion administrative sont plus faciles pour les projets exécutés par des entités publiques au niveau des États que pour les projets exécutés par des entités publiques fédérales, en raison de l'appropriation plus forte par les gouvernements des États et du principe de "non-additionnalité" des fonds s'appliquant aux budgets des entités fédérales (voir paragraphe 27).
 - L'impact sur les revenus des agriculteurs est limité quand on néglige de développer des liens avec les marchés et d'offrir une assistance technique et une formation facilitant l'accès aux débouchés. Cependant, l'appui à la production de subsistance a eu un impact positif sur le bien-être des agriculteurs en améliorant leur sécurité alimentaire.
 - Les résultats limités obtenus en matière de gestion des savoirs, de concertation sur les politiques et de transposition à plus grande échelle des innovations lancées avec succès dans le cadre des projets s'expliquent par l'absence de stratégies et de ressources pour ce type d'activités et par le manque d'une présence permanente du FIDA dans le pays.
 - La perspective territoriale privilégiée, pour réduire la pauvreté, une approche multidimensionnelle. Elle facilite aussi la coordination des actions avec les gouvernements des États et des municipalités, l'instauration de partenariats et la participation des organisations de bénéficiaires aux organes de décision locaux tels que les conseils municipaux et régionaux.
 - Le choix des activités des projets en fonction de la demande des bénéficiaires et le transfert des ressources aux organisations

communautaires pour la réalisation de ces activités constituent un moyen efficace de promouvoir l'appropriation et l'apprentissage.

- Les organisations de la société civile telles que les ONG et les coopératives de techniciens peuvent jouer un rôle majeur, en offrant des services organisationnels et techniques étayant l'exécution des activités des projets.
- Les organisations à assise communautaire sont à même de jouer un rôle clé en proposant des services d'assistance technique, en recevant des fonds du projet pour sous-traiter cette assistance et, sous la supervision du projet, en traitant directement avec les prestataires de services.

IV. Cadre stratégique du FIDA pour le pays

A. Avantage comparatif du FIDA

27. Étant donné que le Brésil a accès à de nombreuses sources d'investissement et aux marchés financiers, les prêts du FIDA ne revêtent qu'une importance financière limitée pour le gouvernement fédéral. En outre, les prêts des organisations multilatérales n'accroissent pas les budgets des entités fédérales qui exécutent les projets – de là vient le principe dit de "non-additionnalité". Toutefois, le Fonds ne fournissant pas seulement des prêts mais aussi d'autres types d'appui, le Gouvernement brésilien peut tirer plusieurs avantages du financement de ses projets au moyen de prêts du FIDA: i) la mise à disposition d'équipes spécialisées de préparation de projets; ii) la possibilité d'obtenir des financements sous forme de dons du FIDA; iii) l'accès aux contacts du FIDA en vue d'obtenir des ressources d'autres donateurs; iv) un système externe de supervision des projets pour le suivi de la qualité; v) des procédures financières/administratives de projet faisant l'objet d'un suivi externe, ce qui encourage la transparence; vi) des systèmes de suivi et d'évaluation des projets produisant des rapports sur les activités, les bénéficiaires, les effets directs et les enseignements des projets; vii) la continuité plus probable des activités et du flux des ressources des projets en cas de changement des administrations politiques; et viii) l'accès facilité au savoir-faire, à l'information et au travail en réseau dans le domaine du développement rural. Ces "avantages collatéraux" des prêts du FIDA sont particulièrement cruciaux dans le cas du Brésil en raison de l'intérêt limité, au niveau fédéral, des contributions purement financières. Par contre, le Brésil revêt une importance particulière pour le FIDA, compte tenu de sa capacité de générer des innovations susceptibles d'être partagées avec d'autres pays, de son statut de meneur parmi les pays de la région, de la possibilité qu'il offre de travailler au niveau infranational et de l'expérience à acquérir en s'attaquant aux défis que soulèvent les politiques et programmes en faveur des pauvres dans un pays aussi vaste.
28. Les gouvernements des États ont peut-être davantage à gagner des prêts du FIDA. En tant qu'acteurs plus modestes disposant de ressources moindres, ils peuvent trouver utile d'accéder aux prêts du FIDA pour étoffer leur capacité d'investissement. En outre, le principe de "non-additionnalité" des budgets des organismes d'exécution ne s'applique pas aux gouvernements des États. Enfin, du fait de leurs capacités administratives plus limitées et d'un accès plus réduit au savoir-faire international, les entités se trouvant à l'échelon de l'État ont plus de bénéfices à retirer que leurs homologues fédéraux des éléments cités plus haut concernant la valeur ajoutée des prêts du FIDA.
29. Le FIDA est une institution spécialisée et un "acteur modeste" si l'on considère l'immensité de la taille du Brésil et de ses besoins; il devrait donc s'attacher avant tout à se délimiter précisément un créneau dans le domaine général du développement rural et de la réduction de la pauvreté dans le pays. Pendant l'EPP, deux aspects des projets du FIDA ont été cités par les parties prenantes comme particulièrement précieux: leurs dimensions expérimentales et la flexibilité de leur exécution. En ce qui concerne les futures opérations du FIDA dans le pays, le processus d'élaboration du COSOP a souligné l'importance des points suivants: i) promouvoir des sources de revenu et d'emploi durables pour les populations

rurales pauvres; et ii) collecter les savoirs et conduire une réflexion sur les politiques relatives au développement rural et à la réduction de la pauvreté, notamment dans la région semi-aride du Nord-Est.

30. En sa qualité d'organisation des Nations Unies vouée à la lutte contre la pauvreté rurale, le FIDA a une longue histoire d'action aux côtés des groupes vulnérables et des organisations de la société civile. Cette histoire donne au Fonds un certain avantage quand il s'agit de promouvoir les partenariats et de jouer le rôle de "courtier honnête" entre le secteur social et le secteur public; recourir à ces alliances dans la lutte contre la pauvreté rurale constitue un autre créneau pour le FIDA.
31. Étant donné que les projets et programmes du FIDA ont ciblé le Nord-Est, la plupart des gouvernements des États de la région connaissent bien le travail du Fonds. Ce dernier a aussi engrangé un savoir-faire spécialisé concernant les aspects institutionnels des États du Nord-Est et les problèmes de développement de leurs zones semi-arides. Le FIDA jouit donc d'un avantage dans la région.

B. Objectifs stratégiques

32. Le gouvernement fédéral et les gouvernements des États du Brésil, de même que les organisations de bailleurs de fonds intervenant dans le pays, ont investi d'énormes quantités de ressources dans les interventions visant à améliorer les infrastructures et les services sociaux à l'intention des populations rurales pauvres, en particulier dans la région du Nord-Est. Le FIDA a largement contribué aux progrès remarquables accomplis ces 20 dernières années mais il doit désormais relever le défi majeur qui se pose aujourd'hui au Brésil: briser le cercle vicieux de la pauvreté perpétué par l'accès insuffisant des populations rurales pauvres à des sources de revenu et d'emploi durables. L'accent sera mis sur les zones semi-arides du Nord-Est. Le Fonds devrait aussi contribuer à la mise en place d'un environnement encourageant les jeunes du Nord-Est à rester dans leur région ou, s'ils préfèrent migrer ailleurs, à le faire dans de meilleures conditions que par le passé.
33. Quatre objectifs stratégiques ont été dégagés pour le futur cycle d'activités du FIDA au Brésil, compte tenu de l'approche décrite plus haut et des préférences exprimées par les parties prenantes pendant le processus d'élaboration du COSOP. Ils sont également en harmonie avec l'expérience du FIDA dans le pays, avec son cadre stratégique général et avec ses priorités pour la région Amérique latine et Caraïbes dans son ensemble. Les deux premiers objectifs visent directement à améliorer les conditions de vie des populations rurales pauvres et seront atteints principalement par le biais des projets et programmes bénéficiant d'un appui du FIDA. Les deux derniers ont trait, respectivement, à la gestion des savoirs et à la concertation sur les politiques et ils seront réalisés essentiellement grâce à des contributions non remboursables du FIDA et de ses partenaires.
34. **Objectif stratégique 1. Accroître la production agricole commerciale des petits agriculteurs en facilitant parallèlement l'accès aux marchés à des conditions avantageuses et durables.** Il faudra à ce titre: améliorer les infrastructures, le matériel et les services d'appui (en particulier l'assistance technique) en rapport avec la production; renforcer les organisations paysannes; encourager et appuyer les alliances productives; et fournir des incitations aux petits agriculteurs pour qu'ils intensifient leur production et introduisent des innovations adaptées aux conditions semi-arides et au contexte du changement climatique. Mettre l'accent sur l'accroissement de la production commerciale ne signifie pas pour autant que le FIDA doive ignorer l'amélioration de la production destinée à assurer l'autoconsommation et la sécurité alimentaire. Mais cela indique, toutefois, que la première priorité de ce nouveau cycle devrait être la production commerciale plutôt que la production de subsistance. Pour ce qui est de l'agriculture commerciale, il conviendra de tenir compte de la flambée des prix des denrées

alimentaires, à la fois en tant que risque pour les pauvres et en tant que chance à saisir par les petits producteurs commerciaux.

35. **Objectif stratégique 2. Améliorer l'accès des populations rurales pauvres à l'emploi et aux activités économiques extra-agricoles dans les zones rurales et les villages, en privilégiant les femmes et les jeunes.** Pour atteindre cet objectif, tant au niveau individuel que collectif, il faudra: i) recenser les possibilités de création locale d'entreprises pour les ruraux pauvres; ii) investir dans le développement de l'esprit d'entreprise et des capacités de gestion aux niveaux individuel et communautaire; iii) identifier les possibilités d'emploi et les qualifications/compétences techniques recherchées sur les marchés du travail locaux; et iv) mettre en place des programmes de formation professionnelle spécialisés à l'intention de la population cible du FIDA. L'approche territoriale du développement rural devrait faciliter à la fois l'identification des pistes à suivre et la programmation des investissements nécessaires pour multiplier les possibilités d'emploi extra-agricoles.
36. **Objectif stratégique 3. Renforcer, grâce à la création et à la diffusion des savoirs, la capacité des ruraux pauvres et des institutions pertinentes du Nord-Est à vivre dans un environnement semi-aride, à s'adapter au changement climatique et à mieux exploiter le potentiel de développement de cette région.** Cet objectif requiert: i) d'appuyer la diffusion et l'échange d'information et, avec la participation des gouvernements des États, des établissements d'enseignement et des organisations de la société civile, de mettre sur pied des réseaux de discussion et de partage des savoirs afin de favoriser la communication des expériences réussies et des technologies performantes propres à promouvoir le développement dans les zones semi-arides du Nord-Est; ii) d'appuyer le suivi du changement climatique dans le Nord-Est et la diffusion de mesures d'adaptation; iii) de créer des partenariats avec les institutions pertinentes s'occupant des sciences, des technologies et des innovations relatives aux zones semi-arides; et iv) de renforcer la capacité de tirer des enseignements de l'expérience issue des projets du FIDA. On veillera tout spécialement à ce que les systèmes de suivi et d'évaluation fonctionnent de manière efficace et efficiente. Le fondement conceptuel de cet objectif stratégique est que les zones semi-arides ne devraient pas être considérées comme des zones difficiles, mais comme des zones ayant leur identité propre, avec des cycles de précipitations irréguliers, des écosystèmes variés et complexes, de riches ressources humaines et naturelles et un potentiel de croissance singulier.
37. **Objectif stratégique 4. Élargir aux échelons national et international la réflexion sur les politiques relatives à la réduction de la pauvreté rurale et à l'agriculture familiale.** Les activités menées au **niveau national** seront entreprises en partenariat avec le MDA et d'autres entités publiques fédérales, des universités et des institutions de recherche, des syndicats nationaux représentant la population rurale, des ONG et des bailleurs de fonds (les domaines de réflexion sont indiqués plus loin dans le chapitre intitulé "Articulation au niveau des politiques"). Au **niveau international**, deux volets sont prévus: la poursuite de la participation du FIDA aux réflexions sur les options politiques relatives à l'agriculture familiale dans les pays du MERCOSUR, par le biais de la REAF; et l'appui du FIDA en faveur de l'élargissement du programme de coopération Sud-Sud du Brésil, en particulier en Afrique, par l'intermédiaire des projets qu'il mène dans la région Amérique latine et Caraïbes. Cet appui mettra à contribution le FIDA lui-même, en faisant intervenir les divisions régionales concernées, et il bénéficiera de l'expérience acquise dans le cadre de programmes tels que: le programme AFROLATINOS; FIDAFRIQUE et FIDAMERICA; la mise en réseau des savoirs pour le développement rural dans la région Asie-Pacifique (ENRAP) et le programme de renforcement des capacités régionales aux fins du suivi et de l'évaluation des projets de lutte contre la pauvreté rurale en Amérique latine et aux Caraïbes (PREVAL). On examinera la possibilité d'élargir la réflexion et les activités de partage des savoirs aux pays de la région

Asie et Pacifique, en particulier les autres grands pays à revenu intermédiaire tels que l'Inde.

38. La réalisation des objectifs énumérés plus haut sera sous-tendue par **six principes**:

- Une vision globale des projets d'investissement et de la concertation sur les politiques, en vertu de laquelle les politiques orientent la conception et l'exécution des projets, tandis que les projets produisent des enseignements qui contribuent à l'amélioration de la formulation et de la mise en œuvre des politiques.
- La concentration des investissements sur les programmes susceptibles d'attirer un nombre suffisant de producteurs pour atteindre une masse critique de résultats et l'utilisation d'une approche-filière du développement de la production.
- Le choix de propositions techniques adaptées aux conditions de production et aux aptitudes des participants potentiels.
- L'intégration des mesures de lutte contre la pauvreté rurale dans la gestion des ressources naturelles et de l'environnement, et l'adaptation au changement climatique.
- La flexibilité de l'exécution des opérations du FIDA pour pouvoir s'adapter à l'évolution des circonstances, dans le cadre des objectifs fixés et sans interruption.
- La mise à contribution des institutions, des savoirs et des partenariats existants.

C. Perspectives d'innovation

39. Le nouveau COSOP ouvre de nombreuses perspectives d'innovation. Les plus marquantes sont liées à la bioénergie, aux partenariats avec le secteur privé, à la gestion des savoirs et à la concertation sur les politiques.
40. La bioénergie représente une source de bénéfices considérables pour les agriculteurs brésiliens mais on peut se demander à bon droit si les petits agriculteurs seront capables de s'insérer dans ces filières et, dans l'affirmative, si ce secteur leur permettra à terme d'accroître leurs revenus. Des solutions novatrices devraient être testées avec des technologies et des cultures adaptées aux petits producteurs et aux divers modèles d'organisation paysanne, y compris des méthodes de transformation et de commercialisation des produits et des liaisons avec les marchés. Ces innovations pourraient ouvrir la voie à des programmes d'appui politique majeurs.
41. L'innovation en matière de partenariat avec le secteur privé pourrait provenir de nouveaux modèles reliant les groupements d'agriculteurs aux acteurs du secteur privé au moyen d'alliances productives susceptibles de faciliter l'insertion des petits agriculteurs dans les filières. Elle pourrait aussi passer par de nouveaux modèles associant des fondations du secteur privé au financement des activités appuyées par le FIDA.
42. Une innovation dans le domaine de la gestion des savoirs serait la mise en place de réseaux de discussion et de partage des savoirs, comme indiqué au titre de l'objectif stratégique 3. En matière de concertation sur les politiques, le FIDA pourrait innover en aidant le Gouvernement brésilien à élargir sa coopération Sud-Sud, comme expliqué au titre de l'objectif stratégique 4.
43. Ainsi que le souligne l'EPP, des innovations intéressantes ont vu le jour dans le cadre du projet de développement durable à l'intention des colonies issues de la réforme agraire dans la zone semi-aride de la région du Nord-Est. La diffusion et la

transposition à plus grande échelle de ces innovations ayant été limitées jusqu'ici, tout devrait être fait pour les valoriser.

D. Stratégie de ciblage

44. **Ciblage régional.** Les nouveaux projets proposés au titre du présent COSOP seront centrés sur la région du Nord-Est et seront exécutés principalement par les gouvernements des États. Le gouvernement fédéral a fait part de sa volonté d'appuyer les propositions de nouveaux projets émanant des gouvernements des États, sous réserve que ces interventions soient cohérentes avec les priorités, les exigences et les procédures du pays. Trois raisons justifient le choix de continuer à privilégier la région du Nord-Est: sa population affiche la plus forte concentration de ruraux pauvres; elle est particulièrement touchée par la désertification et par le changement climatique; et le FIDA jouit d'un avantage comparatif dans la région. L'EPP a recommandé que le FIDA envisage la possibilité d'étendre ses projets à la région du Nord. Le Fonds est conscient des besoins des ruraux pauvres dans le Nord et, dans la limite de ses ressources, s'efforcera de créer les conditions lui permettant d'étendre, dans le futur, ses opérations à cette région.
45. **Groupe cible.** Les groupes ciblés au titre du nouveau COSOP sont les agriculteurs pauvres, les colons ayant bénéficié de la réforme agraire et les travailleurs ruraux de la région du Nord-Est. Jusqu'ici, ce sont les agriculteurs pauvres qui ont le plus bénéficié de l'assistance des projets du FIDA, mais le nouveau COSOP prévoit d'inclure les colons et les travailleurs ruraux dans le groupe cible du Fonds, en portant une attention particulière aux femmes et aux jeunes.
46. L'EPP a recommandé que, pendant la préparation du COSOP, le groupe cible du Fonds soit élargi de manière à couvrir les populations autochtones de la région du Nord. Toutefois, à l'issue des discussions avec les parties prenantes, il a été décidé de ne pas inclure les populations autochtones vivant en dehors de la région du Nord-Est pour les raisons suivantes: i) ces communautés sont souvent très dispersées d'un point de vue géographique; ii) le FIDA manque d'expérience concrète avec les populations autochtones du Brésil; iii) une relation particulière lie les populations autochtones à la Fondation nationale de l'Indien, une entité fédérale avec laquelle le FIDA n'a jamais travaillé; et iv) les ressources du FIDA sont limitées. Toutefois, les populations autochtones et autres groupes ethniques présents dans le Nord-Est, par exemple les *Quilombolas*⁹, feront partie du groupe cible du FIDA dans la région.
47. **Mécanismes de ciblage.** On emploiera les mécanismes de ciblage suivants: i) l'autociblage sera utilisé pour les objectifs stratégiques 1 et 2, en encourageant les activités, technologies et méthodes d'intervention revêtant un intérêt prioritaire pour les populations rurales pauvres; ii) le ciblage inclusif sera utilisé essentiellement pour les objectifs stratégiques 3 et 4, dont les avantages escomptés sont de nature diffuse; iii) le ciblage sélectif, fondé sur des critères spécifiques relatifs aux ménages ou aux communautés, servira à définir les conditions d'admissibilité; iv) les approches axées sur la demande serviront à sélectionner les priorités d'investissement au niveau individuel et à celui des communautés; et v) les mécanismes de mise en concurrence seront utilisés pour affecter des fonds limités aux communautés ou individus remplissant les critères arrêtés. Ces mécanismes devraient permettre d'affiner la sélection des bénéficiaires et d'améliorer la transparence de l'allocation des fonds.

E. Articulation au niveau des politiques

48. Le FIDA collaborera avec le gouvernement fédéral pour analyser les thèmes politiques liés à la pauvreté rurale, en fournissant des éléments de réflexion et en contribuant à la mise en place d'instances de discussion, sans perdre de vue le fait que l'élaboration des politiques est du ressort exclusif de la nation. La concertation sur les politiques ne se limitera pas seulement à l'expérience acquise dans le cadre

⁹ Descendants des communautés constituées par les esclaves fugitifs.

des projets du FIDA, puisque la connaissance que le Fonds possède du développement rural dans le monde entier lui permet de contribuer à la concertation sur les politiques en s'appuyant sur une expérience plus vaste que celle issue des interventions dans un pays particulier. Dans le cas du Brésil, le FIDA a déjà démontré l'utilité de sa participation à la concertation sur les politiques de plus vaste portée, par le biais de son soutien en faveur de la REAF.

49. Le financement de la concertation sur les politiques devrait être assuré par des dons du FIDA et par des fonds d'organisations internationales et d'entités publiques désireuses de cofinancer les activités qui s'y rattachent.
50. Un domaine de concertation sur les politiques pertinent pour les **objectifs stratégiques 1 et 2** est l'élargissement de l'approche territoriale du développement rural. Les domaines de réflexion possibles sont: i) les façons de développer l'emploi rural extra-agricole; ii) l'établissement d'un fonds utilisant des mécanismes de mise en concurrence pour cofinancer les investissements prioritaires des plans territoriaux; et iii) le renforcement des institutions de niveau intermédiaire, en particulier les conseils régionaux. Les autres domaines de concertation sur les politiques communs aux **objectifs stratégiques 1 et 2** sont: les nouvelles politiques visant à faciliter les alliances axées sur la production, y compris l'offre d'une assistance technique et organisationnelle, l'amélioration de l'accès aux marchés et la fourniture des fonds permettant de cofinancer les investissements requis; et les incitations en faveur de la concentration des investissements.
51. Les domaines de concertation sur les politiques pertinents pour l'**objectif stratégique 1** sont: i) l'amélioration de l'assistance technique visant à élargir et à diversifier les services, à en améliorer la qualité et à les inscrire dans une démarche agroécologique; et ii) les politiques favorisant l'accès des agriculteurs familiaux aux marchés de la bioénergie. En ce qui concerne l'**objectif stratégique 2**, le principal domaine de concertation sur les politiques est lié à l'amélioration de l'instruction rurale, afin de développer les connaissances et de susciter chez les jeunes une disposition à l'innovation.
52. L'**objectif stratégique 3** est axé sur la gestion des savoirs, destinée à faciliter la vie dans l'environnement semi-aride du Nord-Est. L'appui en faveur des réseaux de savoirs a déjà été reconnu comme un instrument facilitant la gestion des savoirs et la concertation sur les politiques. Les thèmes revêtant à ce titre une importance particulière devraient concerner l'intensification du développement régional, fondé sur une croissance accessible à tous et la conservation de la biodiversité afin de lutter contre la désertification et de faciliter l'adaptation au changement climatique.
53. L'**objectif stratégique 4** a trait à la concertation sur les politiques aux échelons national et international. Au niveau national, les questions à aborder dans la concertation sur les politiques ont été détaillées au titre des objectifs stratégiques 1, 2 et 3. Au niveau international, dans le cadre de la coopération Sud-Sud, le soutien du FIDA en faveur de la concertation sur les politiques conduite par le Brésil et ses partenaires africains pourrait être focalisé sur les technologies et les méthodes permettant d'améliorer les moyens d'existence dans un environnement semi-aride. Les politiques relatives à l'agriculture familiale devraient continuer à polariser l'attention du FIDA au sein de la REAF.

V. Gestion du programme

A. Gestion du COSOP

54. La gestion du programme sera placée sous la responsabilité du chargé de programme de pays (CPP) opérant à partir du siège du FIDA. En outre, on établira un bureau de pays et on recrutera un chargé de pays, qui sera en poste au Brésil et aura pour mission de gérer le COSOP avec le CCP; le Fonds et le gouvernement s'accorderont sur les dispositions relatives à l'établissement de ce bureau. Le chargé de pays participera à la supervision et à l'appui à l'exécution liés aux projets

et aux dons; il facilitera le partage de l'information et des enseignements issus des projets du FIDA; il contribuera à maintenir un dialogue permanent entre le FIDA et les autorités du gouvernement fédéral et des gouvernements des États; il explorera les possibilités de lancer de nouvelles opérations dans le pays; il favorisera les partenariats novateurs; et il appuiera la gestion des savoirs et les activités de concertation sur les politiques dans le cadre défini par le présent COSOP. Cette présence plus concrète dans le pays contribuera à accélérer l'entrée en vigueur des projets et à en améliorer l'exécution.

55. Tous les projets nouvellement approuvés au Brésil seront supervisés directement par le Fonds. Le CPP dirigera les missions de supervision, accompagné par le chargé de pays et par des spécialistes externes. Le FIDA peut, toutefois, conclure un arrangement avec un prestataire de services en matière de contrôle fiduciaire et d'administration du prêt. La responsabilité de la supervision du seul projet en cours d'exécution actuellement supervisé par une institution coopérante sera transférée au Fonds en 2009. Un appui régulier à l'exécution des projets et des autres activités sera fourni par le FIDA avec la participation d'institutions et d'experts locaux mais aussi par des spécialistes internationaux possédant une grande expérience du Brésil.

B. Gestion du programme de pays

56. L'exécution du programme de pays sera suivie à l'aide du cadre de mesure des résultats du COSOP et des rapports d'information sur les projets requis au titre du système de gestion des résultats et de l'impact (SYGRI). Des examens de l'exécution seront réalisés chaque année. Les rapports sur l'état d'avancement de l'exécution du COSOP préparés à cet effet seront élaborés à partir des fiches relatives à l'état d'avancement des projets et des rapports de supervision des projets et dons en cours, ainsi que de la fiche analytique de programme de pays. On s'attachera à examiner les activités indépendantes des projets, en particulier la concertation sur les politiques, la gestion des savoirs et les programmes régionaux.
57. L'équipe de pays jouera un rôle important de gestion du programme de pays. Elle sera composée de représentants des principaux partenaires brésiliens, du CPP, du personnel de gestion des projets en cours, du chargé de pays au Brésil, et de consultants connaissant bien le développement rural brésilien. Chaque année, l'équipe se réunira au Brésil pour examiner le rapport sur l'état d'avancement de l'exécution du COSOP. Le FIDA participera aussi aux réunions annuelles organisées par le SEAIN pour examiner l'état d'avancement du portefeuille des projets appuyés par des organisations financières multilatérales. Un bilan du COSOP à mi-parcours sera réalisé pendant le second semestre de 2010 ou le premier semestre de 2011, en fonction de l'état d'avancement de l'exécution. Une évaluation finale indépendante est prévue en 2013. Auparavant, toutefois, la Division Amérique latine et Caraïbes conduira une auto-évaluation.

C. Partenariats

58. Le FIDA continuera à créer des partenariats avec les organismes publics, les organisations de la société civile, les organisations de coopération internationale, le secteur privé et les établissements d'enseignement et de recherche. Les gouvernements des États seront les premiers partenaires retenus pour la mise en œuvre des projets d'investissement. Au sein du gouvernement fédéral, les principaux partenaires seront le SEAIN et le MDA; les partenariats avec ces entités auront pour vocation principale la concertation sur les politiques et la gestion des savoirs. D'autres partenaires possibles au niveau fédéral sont la Banco do Brasil, l'EMBRAPA, le Ministère de la science et de la technologie et le Service brésilien d'aide aux micro- et petites entreprises. Les grandes universités brésiliennes et les centres de connaissances nationaux pourraient aussi être des partenaires intéressants pour les activités de concertation sur les politiques au niveau national. Au niveau régional, les partenaires à prendre en considération dans le Nord-Est pourraient être la Banco do Nordeste do Brasil, le Forum des organisations de la

société civile dans les régions semi-arides, l'INSA, la Société de développement régional du Nord-Est et les universités ayant un rayonnement régional.

59. En ce qui concerne les organisations internationales, le Fonds intensifiera sa coopération avec l'Institut interaméricain de coopération pour l'agriculture (IICA), la Société andine de développement (SAD) et le FEM. Avec l'IICA, le partenariat aura pour objectif la gestion des savoirs et la concertation sur les politiques. La SAD pourrait cofinancer de nouvelles initiatives du FIDA au Brésil et participer à la supervision des aspects fiduciaires et administratifs des projets. La coopération avec le FEM portera sur le changement climatique, la désertification et la conservation de la biodiversité dans les zones semi-arides. Les autres partenaires entrant en ligne de compte sont la Banque mondiale, la Banque interaméricaine de développement (BID) et la FAO. Le partenariat avec la Banque mondiale sera centré sur la coordination des actions menées dans le cadre des projets du FIDA et de celles conduites par la Banque mondiale au titre des projets nationaux de lutte contre la pauvreté dans la région du Nord-Est. La Banque mondiale, la BID et la FAO pourraient également coopérer avec le FIDA pour réaliser des études ou mener des activités de concertation sur les politiques.
60. Le Fonds développera ses relations avec les instituts d'enseignement et de recherche, surtout ceux qui travaillent dans les zones semi-arides. Les partenariats avec les ONG sont aussi prévus, en particulier par le biais de leur participation aux activités des projets. Enfin, les partenariats avec le secteur privé seront étudiés en vue de créer des alliances productives avec les petits agriculteurs et de tirer parti de la responsabilité sociale dont font preuve les sociétés privées pour assurer le financement d'initiatives en faveur des populations rurales pauvres.

D. Gestion des savoirs et communication

61. La gestion des savoirs revêt une place si importante dans l'action future du FIDA au Brésil que l'objectif stratégique 3 porte principalement sur ce domaine. Dans la mesure où les projets du FIDA continueront à être concentrés dans le Nord-Est, la gestion des savoirs portera essentiellement sur les innovations liées à la région – en particulier les zones semi-arides – et s'appuiera sur les expériences réussies des anciens projets et des projets en cours d'exécution. Les principales activités de gestion des savoirs et de communication sont indiquées au titre de l'objectif stratégique 3. Le financement devrait provenir de trois sources: les fonds de projet affectés aux activités de gestion des savoirs et de communication; les partenariats avec les organismes publics, les organisations internationales et les fondations du secteur privé; et les dons du FIDA. L'utilisation des fonds alloués aux études, évaluations et ateliers sera détaillée pour les nouveaux projets, afin que ces fonds contribuent à l'objectif de la gestion des savoirs.
62. L'expérience acquise dans le cadre de programmes tels que AFROLATINOS, FIDAFRIQUE, FIDAMERICA, ENRAP et PREVAL devrait contribuer à renforcer la capacité du personnel des projets du FIDA à évaluer et à systématiser les méthodes novatrices de lutte contre la pauvreté rurale. On attend du programme FIDA-REAF qu'il favorise la diffusion des connaissances sur les pratiques novatrices auprès des parties prenantes des pays du MERCOSUR.
63. L'information sur l'expérience du FIDA au Brésil sera diffusée au moyen de bulletins, de brochures, de médias en ligne, du site web du FIDA, du portail de la pauvreté rurale (www.ruralpovertyportal.org) et, avec la participation du CPP, du chargé de pays et du personnel de projet, par le biais d'ateliers et d'autres activités. Le CPP et le chargé de pays veilleront à ce que les projets aient des liens avec les réseaux de gestion des savoirs au Brésil, et à ce que l'information pertinente soit partagée avec les autres projets et programmes bénéficiant d'un appui du FIDA dans le monde entier.

E. Cadre de financement SAFP

64. Le montant du financement affecté par le FIDA à l'exécution du COSOP axé sur les résultats est déterminé par les allocations annuelles fixées dans le cadre du SAFP (tableau 3). L'allocation au titre du cycle SAFP 2007-2009 se chiffre à 45 783 683 USD. Le FIDA n'ayant approuvé aucun projet pour le Brésil en 2007, le montant total alloué pour la période est encore disponible.

Tableau 3

Calcul de l'allocation SAFP pour la première année du COSOP

<i>Indicateur</i>		<i>COSOP axé sur les résultats</i>
Notes évaluant le secteur rural		
A i)	Dispositif politique et juridique encadrant les organisations rurales	5,40
A ii)	Dialogue entre le gouvernement et les organisations rurales	4,88
B i)	Accès à la terre	4,10
B ii)	Accès à l'eau à usage agricole	3,71
B iii)	Accès aux services de recherche et de vulgarisation agricoles	4,25
C i)	Conditions propices au développement des services financiers ruraux	4,38
C ii)	Climat des investissements pour les entreprises rurales	3,75
C iii)	Accès aux marchés des intrants et des produits agricoles	4,38
D i)	Accès à l'instruction dans les zones rurales	5,33
D ii)	Représentation des femmes	5,50
E i)	Affectation et gestion des fonds publics en faveur du développement rural	4,42
E ii)	Obligation redditionnelle, transparence et corruption dans les zones rurales	3,89
Note globale		53,99
Moyenne des notes cumulées		4,50
Note des projets à risque (PAR)		6,00
Note du pays		7 908
Allocation annuelle (en USD)		20 153 094

65. Le tableau 4 donne une estimation des révisions à la hausse et à la baisse selon la performance de l'exécution.

Tableau 4

Relations entre les indicateurs de performance et la note du pays

<i>Scénario de financement</i>	<i>Note PAR (+/- 1)</i>	<i>Note de performance du secteur rural (+/- 0,3)</i>	<i>Variation en pourcentage du score SAFP du pays par rapport au scénario de base</i>
Hypothèse basse	5	4,2	-22
Hypothèse de base	5	4,5	0
Hypothèse haute	5	4,8	+7

F. Risques et gestion des risques

66. **Risques généraux.** Les gouvernements des États pourraient se heurter à des difficultés pour fournir les fonds de contrepartie au moment voulu, ce qui retarderait éventuellement l'exécution des projets. Ce risque pourrait être atténué en sélectionnant soigneusement les États avec lesquels le FIDA négocie les projets, en conformité avec les règles de sélection établies par le Ministère du plan, du budget et de la gestion. Un autre risque est que tout changement dans les autorités gouvernementales puisse avoir des répercussions sur l'appui politique. Le recrutement d'un chargé de pays qui aura pour mission de faciliter les échanges d'information entre le FIDA d'une part et les autorités fédérales et celles des États

de l'autre contribuera à atténuer ce risque. En outre, la création de partenariats avec une grande variété d'organisations devrait favoriser la mobilisation des appuis en faveur des activités du FIDA.

67. **Objectif stratégique 1.** Le premier risque est que le secteur privé fasse preuve de frilosité à l'égard des possibilités de création de partenariats avec les petits agriculteurs. Trois moyens sont proposés pour atténuer ce risque: i) le recours à la concentration des investissements et à l'approche-filière, qui devrait séduire le secteur privé; ii) l'accent mis par les projets du FIDA sur l'appui susceptible d'aider les groupements d'agriculteurs à améliorer la qualité de leur production afin de pouvoir fournir de grosses quantités de produits sains et de bonne qualité; et iii) le renforcement des groupements d'agriculteurs et de leur capacité à nouer des liens avec les partenaires privés potentiels. Un autre risque est que la bioénergie ne soit pas une option rentable pour les petits agriculteurs. La prudence qui caractérisera les investissements dans ce domaine et leur promotion auprès des agriculteurs atténuera les retombées potentielles de ce risque. D'ailleurs, l'adoption d'une approche pilote est souhaitable.
68. **Objectif stratégique 2.** Le principal risque ici est que les entreprises extra-agricoles rencontrent des difficultés pour accéder aux marchés. Les facteurs susceptibles d'atténuer ce risque sont les mêmes que pour l'objectif stratégique 1: recourir à la concentration des investissements et à l'approche-filière, mettre l'accent sur la coordination et la qualité de la production et aider les entreprises à nouer des liens avec les partenaires potentiels.
69. **Objectif stratégique 3.** Le principal risque est lié à l'insuffisance éventuelle de fonds non remboursables pour l'exécution des activités prévues au titre de cet objectif stratégique. La réalisation de cet objectif pourrait être compromise si le FIDA ne parvient pas à approuver un don suffisamment substantiel à cet effet ou à créer des partenariats pour appuyer ces activités. Une demande de don soigneusement préparée et une recherche active de partenariats atténueront ce risque. Un deuxième risque est que les gouvernements des États du Nord-Est ne soient que médiocrement intéressés par l'examen, tant entre eux qu'avec la société civile et le secteur privé, des questions propres à la région semi-aride. Le dialogue qu'engagera le FIDA avec les gouvernements des États du Nord-Est atténuera ce risque.
70. **Objectif stratégique 4.** L'incertitude planant sur la disponibilité des fonds est le risque majeur lié à cet objectif, et les principaux facteurs susceptibles de l'atténuer seront une demande de don du FIDA persuasive et une recherche active de partenariats. Ce point soulève la nécessité de conduire une réflexion au sein du FIDA sur les mécanismes d'accès aux fonds non remboursables destinés à la gestion des savoirs et à la concertation sur les politiques. Un autre risque est que le MDA ne voie plus l'intérêt de l'appui du FIDA pour la conduite d'analyses politiques. L'instauration d'un dialogue permanent entre le FIDA et le MDA atténuera ce risque tandis que la présence d'un chargé de pays du FIDA sera bénéfique.

COSOP consultation process

Introduction

1. The consultation process for the design of the COSOP consisted of seven stages: (1) discussions in a workshop in Salvador, Bahia, of the country programme evaluation in which stakeholders offered many suggestions for the new COSOP; (2) preparation of nine working papers to serve as inputs in the design process¹; (3) preparation of issues paper and carrying out of country mission by the COSOP preparation team in January 2008; (4) workshop held in Brasilia jointly organized by SEAIN and IFAD in February 2008 to discuss with relevant stakeholders a preliminary version of the COSOP; (5) short reconnaissance missions to three Northeast states; (6) preparation of a COSOP review draft by the design team and comments by independent peer reviewers; and (7) preparation of a final COSOP draft and its validation by the Government of Brazil and IFAD's management and Board.

Country Programme Evaluation Workshop

2. The workshop, organized by IFAD's Independent Evaluation Office, took place in Salvador, Bahia, in 22 and 23 November 2008. Its purpose was to discuss the findings and recommendations of the CPE team that assessed the performance of the Fund's programme in Brazil since the first country strategy paper was prepared in 1997. The workshop was chaired by the Secretary of SEAIN and counted with the participation, *inter alia*, of the Minister of MDA, the Vice-Governor of the State of Bahia, the Secretary of Development and Integration, the Secretary of Planning and the Superintendent of CAR of the State of Bahia, the President of the Rural Workers Union CONTAG, the Assistant President of IFAD and the Director of IFAD's Independent Evaluation Office. There were many other participants from the Ministry of Planning, Budget and Management, MDA, the Government of Bahia, other state and federal government entities, international agencies, NGOs, civil society organizations, IFAD staff, and the CPE team. The discussions and recommendations of this workshop were seminal for the preparation of the new COSOP. For all intent and purposes the workshop marked the launching of the COSOP preparation process in the country. A synthesis of the results from the workshop and of the entire CPE process is presented in Appendix IV.

Preparatory studies

3. Eight working papers and preliminary versions of Key Files 1, 2, 3 and 4 were prepared by specialists between September and December 2007 to serve as inputs for the COSOP. The papers were:
 - (i) "Gender sensitive baseline poverty analysis"
 - (ii) "Country economic background"
 - (iii) "Agriculture and rural sector performance"
 - (iv) "National institutional context"
 - (v) "National poverty reduction strategy"
 - (vi) "Harmonization and alignment with partners"
 - (vii) "Lessons from IFAD's experience in the country"
 - (viii) "Input paper on indigenous peoples in Brazil"

¹ (i) "Gender sensitive baseline poverty analysis"; (ii) "Country economic background"; (iii) "Agriculture and rural sector performance"; (iv) "National institutional context"; (v) "National poverty reduction strategy"; (vi) "Harmonization and alignment with partners"; (vii) "Lessons from IFAD's experience in the country"; (viii) "Input paper on indigenous peoples in Brazil"; and (ix) "Issues for discussion with stakeholders during the COSOP preparation mission".

Country mission

4. Between 14 and 26 January 2008, the COSOP preparation team² carried out a mission in the country to discuss with Brazilian stakeholders the priorities and guidelines for IFAD operations in the next investment cycle. The mission carried out meetings with relevant governmental and non-governmental federal entities and international agencies in Brasília, and with groups of rural development experts in São Paulo and Rio de Janeiro. Divided in two groups, the mission also visited six Northeast states: Ceará, Maranhão, Paraíba, Pernambuco, Piauí and Rio Grande do Norte. In these visits, the mission carried out meetings with relevant state government entities and key informants. The purpose was twofold: to consult the views of stakeholders in the states with respect to the new COSOP, and to sound out state governments in the Northeast as to their interest in future project partnerships with IFAD.
5. Prior to this mission, the COSOP team prepared English and Portuguese versions of an issues paper, which opened to discussion issues relevant for the Fund's operations and management of the country portfolio during the new cycle. The paper was distributed to stakeholders before the mission and served as a basis for discussion in the meetings. The issues examined were:
 - Why IFAD loans?
 - IFAD's comparative advantage and development niche in Brazil
 - Priority thematic areas
 - Regional focus and target group
 - Type of projects
 - Broadening partnerships
 - Promoting policy dialogue and knowledge management
 - Scaling-up best practices
 - Project implementation mechanisms
 - IFAD operating model in Brazil
 - Promoting IFAD-Government of Brazil partnership beyond Brazil
6. Many ideas and suggestions were provided by stakeholders during the mission. They were largely in agreement with the findings and recommendations of the CPE and a fundamental input for the preparation of the COSOP. The main messages received can be summarized as follows:
 - Emphasis of IFAD projects during the new cycle should be on the generation of employment and income opportunities for the rural poor through productive development, access to markets, technical training, vocational education and assistance to micro and associative enterprises.
 - Policy dialogue and knowledge management should be core parts of the new COSOP rather than afterthought-type minor complementary items.
 - Flexibility and an orientation towards innovation should continue to be a distinctive mark of IFAD-financed projects.
 - The focus of IFAD operations should be in the Northeast region, and especial attention should be given to the coexistence with semiarid conditions.
 - A more continued and active presence of IFAD in Brazil is considered necessary.

² José María Caballero (team leader), Antonio Buainain (agricultural economist), Octavio Damiani (institutions and operations specialist), Estela Neves (environmental specialist, in charge of coordination with local institutions) and Iván Cossio (IFAD's country programme manager).

7. The response received in connection to possible future project partnerships with IFAD was very encouraging in all states visited with the exception of Maranhão, and particularly strong in Piauí where the Governor personally transmitted his high interest to the mission.

Brasilia Stakeholders Workshop

8. The workshop, jointly organized by IFAD and SEAIN, took place in the morning of 21 February 2008 in SEAIN's offices in Brasilia. Its purpose was to discuss with stakeholders a first draft of the COSOP paper, which had been circulated previously in English and Portuguese. The workshop was chaired by SEAIN's Assistant Secretary and counted with the participation of representatives of the state governments of Bahia, Ceará, Paraíba, Pernambuco, Piauí, Rio Grande do Norte, and Sergipe, the federal ministries of planning (MP), agrarian development (MDA), environment (MMA) and science and technology (MCT), the Brazilian agency for international cooperation (ABC), the institute for the semiarid (INSA) of MCT, representatives of BID, CAF, FAO and IICA, representatives of the national rural unions FETRAF and CONTAG, staff from the IFAD projects Dom Elder Câmara and Terra de Valor, and the COSOP preparation team.
9. After a presentation of the COSOP draft by the team leader, a discussion followed where most participants took active part. All those intervening endorsed the orientations for the new COSOP contained in the draft and offered their support to IFAD during the new investment cycle. Some minor suggestions were made by some participants, which have been incorporated in the COSOP paper.

Reconnaissance Missions

10. Between 24 March and 5 April 2008, two members of the COSOP team³ carried out short reconnaissance missions to the states of Paraíba, Piauí and Rio Grande do Norte, which had expressed their interest in entering in project partnerships with IFAD as soon as feasible. The purpose of the missions was to agree with the respective state governments on the basic features of the possible new projects, ensuring that they were in agreement with state policies and investment priorities, as well as with IFAD's strategy framework and the orientations of the new COSOP. In particular, the missions served to advise state governments on the preparation of the Carta Consulta⁴, to discuss with them possible timetables for project processing, and to identify priorities and information for the preparation of IFAD project inception papers and the pipeline annex (Annex VIII) of the COSOP. The missions were, thus, a first step in the launching of new operations under the new COSOP.

Peer Review Comments on Review Draft

11. Following the new guidelines for COSOP design, the COSOP draft was sent to internal and external peer reviewers. Many relevant comments were obtained and the final version of this document has benefited from them. However, the most important outcome of this review process is a number of ideas and proposals that will contribute to enhance IFAD Programme in Brazil. Special thanks are given to Jorge Muñoz (World Bank), Ricardo Abramovay (University of Sao Paulo), Jean Jacques Gariglio and the FAO Investment Centre.

Validation of final draft by the Government of Brazil

12. The final draft was remitted to the Government of Brazil asking for comments. In its official answer, the Government of Brazil states that *"the proposed COSOP expresses approaches, visions and definitions shared by the Government of Brazil and IFAD"*. In this framework the Government of Brazil transmitted to IFAD some specific comments that were included in the final version of the COSOP.

³ José María Caballero (team leader) and Antonio Buainain (agricultural economist).

⁴ A project identification document that entities requesting loans from international lending institutions must present to COFIEEX, a federal committee that authorizes foreign indebtedness.

Country economic background /1

Land area (km² thousand) 2007	8,514	GDP per capita (R\$) - 2007	13,517.28
Total population (million) 2007	189.3	GDP per capita annual growth – 2007	5.4
Population density (people per km²) 2007	22.2	Inflation, IPCA (annual %) 2007 /2	4.46
Local currency Real (R\$)		Exchange rate: USD 1 = R\$ (April 08)	1.69
Social Indicators		Economic Indicators	
Population (average annual growth rate) 2001 - 2005	1.67	GDP (US\$ billion) 2007 /6	1,313
Crude birth rate (per thousand) 2007	19.8	GDP growth (annual %) 2003	1.1
Crude death rate (per thousand) 2007	6.3	2007	5.4
Fecundity rate (children per women) 2005	2.3	Sectoral distribution of Value Added 2005	
Infant mortality rate (per thousand live births) 2007	24.1	% Agriculture	5.7
Life expectancy at birth (years) 2007	72.5	% Industry	29.3
Number of rural poor (million) 2004 /3	8.8	% Services	65.0
Poor as % of total rural population 2004	27.7	Composition of GDP (%) 2005	
Economic Active Population (million) Dec. 2007	26.8	Household consumption	60.3
Female labour force as % of total 2004	41.0	Government consumption	19.9
		Gross capital formation	17
		Net trade account	3.6
Education		Balance of Payments (US\$ million)	
School enrolment, primary (% gross) 2005	105	Merchandise exports 2007	160,651
Adult illiteracy rate (% age 15 and above) 2005	11	Merchandise imports 2007	120,612
		Balance of merchandise trade	40,039
Nutrition		Current account balances 2007	1,460
Daily calorie supply per capita 2005 /4	3,060	Foreign direct investment, net 2007	34,585
Malnutrition, weight for age (% of children under 5) 2004	9.0	Government Finance	
Health		Cash surplus/deficit (% of GDP) 2007	-3.97
Health expenditure, total (as % of GDP) 2005	3.69	Total internal debt (% of GDP) 2007	51.68
Doctors (per thousand people) 2004	1.68	Total external debt US\$ million 2007	195,331
Population using improved water sources (%) 2006	87.0	Public sector net debt (% of GDP) 2007	42.7
Urban households with adequate sanitation (%) 2006	83.0	Basic interest rate (% annual) Jan 2008 /7	11.18
Agriculture and Food			
Food imports (% of merchandise imports) 2007	3.8		
Fertilizer consumption (million tons) 2007 /5	24.5		
Food production index (1999-01=100) 2005 /4	117		
Cereal yield (tons per ha) 2006	2.72		
Land Use			
Arable land 2006 (million hectares)	354.8		
Forest area 2006 (million hectares)	99.8		
Irrigated land 2006 (million hectares)	3.3		

NOTES

- 1/ Unless specified, data are from IBGE, Brazilian Statistic and Institution and is published in IBGE and Central Bank web pages.
- 2/ Refers to the INPA “Enlarged Consumer Price Index”
- 3/ Uses official estimates poverty line and National Household Survey – PNAD of 2004
- 4/ FAO
- 5/ Anda – Associação Nacional de Defensivos Agrícolas e Ministério da Agricultura e Pecuária
- 6/ Brazilian Central Bank estimate.
- 7/ SELIC rate of interest. Brazilian prime rate o interest.

COSOP results management framework

Country Alignment	Key Results for COSOP			Institutional/Policy Objectives
	Strategic Objectives	Outcome Indicators	Milestone Indicators	
<p>National programmes to support family agriculture, in particular <i>Plano Safra</i>-PRONAF but also SEAF, ATER, <i>Garantía Safra</i>, PGPAF, and PAA</p> <p>State programmes to support small farm agricultural intensification</p>	<p>SO1: To increase commercial agricultural production by small farmers with the corresponding access to markets in rewarding and sustainable conditions</p>	<p>75% of targeted farmers in the North-east report an average of 20% increase in farm income</p>	<p>40,000 North-eastern family farmers participate in IFAD-supported activities linked to agriculture development in the semi-arid in a climate change context: TA, training, organizational development/strengthening, marketing</p> <p>30,000 family farmers improve their access to markets in the North-east</p>	<p>Models for farm commercial development through participatory investment clustering, value chain approaches and partnerships with private market agents successfully tested and leading to policy improvements at the state and national level</p>
<p>National and regional micro-credit and small credit programs such as those supported by <i>Banco do Nordeste do Brasil</i>, BNDS and Banco do Brasil, and PRONAF agro-industrial loans.</p> <p>Technical support programs to small and micro-enterprises of SEBRAE</p> <p>State programs to support small enterprise development (including rural)</p>	<p>SO2: To <u>improve access of the rural poor to off-farm employment and business activities</u> in rural areas and villages, focusing on women and young people</p>	<p>7,500 rural small and micro-enterprises created/enhanced in the North-east region through IFAD-supported activities</p> <p>7,500 new jobs created, of which at least 60% are held by women and young</p> <p>75% of supported small and micro enterprises report an average of 20% increase in their profitability</p>	<p>10,000 North-eastern rural small and micro-enterprises (pre-existing and new) participate in IFAD-supported activities linked to entrepreneurial development: management, TA, training, technical innovations, marketing</p> <p>Opportunities for business development are identified, in order to support the creation of new small and micro enterprises</p> <p>At least 60% of rural entrepreneurs participating in IFAD-supported activities are women and/or young</p> <p>10,000 rural workers (men and women, mainly young and landless) trained for quality jobs with IFAD support</p>	<p>Models for income and employment generation in the rural off-farm sector through participatory investment clustering, value chain approaches, partnerships with private market agents and improved education and vocational training successfully tested and leading to policy improvements at the state and national level</p>
<p><i>Programa de ação nacional de combate à</i></p>	<p>SO3: To improve,</p>	<p>Networks and information flows supporting policy making, public</p>	<p>Regional discussion forums set up/enhanced in the North-east with IFAD</p>	<p>The discussion of issues relative to rural</p>

<p><i>desertificação e mitigação da seca</i></p> <p>Programmes of the Instituto Nacional do Semiárido</p> <p>Programme <i>Territórios da Cidadania</i></p> <p>State programs of <i>convivência com o semiárido</i></p>	<p>through knowledge generation and dissemination, the capacity of the rural poor and of relevant institutions in the North-East to coexist with semiarid conditions, adapt to climate change and exploit better the development potential of the semiarid region</p>	<p>management and technical innovations oriented to the North-Eastern rural development and focused on coexistence with semiarid conditions and adaptation to climate change</p> <p>Improved tools and methodologies for generation, replication and scaling up innovations</p>	<p>support, in which participate public, private and civil society organizations</p> <p>Partnerships established among North-Eastern stakeholders involved in rural development</p> <p>Knowledge generation and sharing activities supported by IFAD in the North-east: studies, researches, good practices systematization, training</p>	<p>development and poverty in the semiarid region of the northeast has acquired a regional dimension over and above the state level. Regional discussions and knowledge sharing involve state authorities, public sector regional entities, private sector and civil society organizations of the region, and relevant national actors.</p>
<p>Interest expressed by MAD and SEAIN in IFAD's support for national policy dialogue and programme M&E</p> <p>Ongoing South-South relevant cooperation networks and agreements with strong Brazilian presence, such as REAF-Mercosur and CPLP</p>	<p>SO4: To deepen the discussion on rural poverty reduction and family farming policies, at the national and international levels</p>	<p>Policy improvements focused on family farming and rural poverty reduction in Brazil, where the influence of IFAD-supported activities can be traced</p> <p>Improved policy dialogue and knowledge sharing between Brazil and other countries (MERCOSUR and African countries) about rural poverty reduction and family farming, supported by IFAD</p>	<p>Identification of good practices in public policies for rural poverty reduction and family farming</p> <p>Policy studies, research activities and programme evaluations carried out with IFAD support in order to feed policy discussions</p> <p>Policy discussions, supported by IFAD, on rural poverty and family farming</p> <p>South-South cooperation activities supported by IFAD with strong Brazilian participation</p>	<p>Regular discussions of policy issues relative to rural development take place involving major public, private and civil society actors. These discussions are influential in shaping policy.</p> <p>There are regular independent evaluations of major rural development programmes conducted with scientific criteria. The evaluations are influential in shaping policy</p>

CPE agreement at completion point

Federative Republic of Brazil

Country Programme Evaluation

Agreement at Completion Point

A. Background

1. The Office of Evaluation (OE) undertook a country programme evaluation (CPE) in Brazil in 2007. The main objective of the CPE was to assess the performance and impact of IFAD operations, and to generate building blocks that would serve as inputs for the preparation of the new IFAD country strategy opportunities programme (COSOP) document for Brazil.
2. This Agreement at Completion Point (ACP) summarises the main findings and recommendations from the CPE. It also benefits from the main issues emerging from the CPE national roundtable workshop held in Bahia on 22-23 November 2007.
3. The ACP has been reached between IFAD (represented by the Programme Management Department) and the Government of Brazil (represented by the Ministry of Planning, Budget and Management), and reflects their understanding of the main findings from the CPE (see section B below), as well as their commitment to adopt and implement the recommendations contained in section C of the ACP.

B. Main Evaluation Findings

4. The four priority areas identified by IFAD's strategy in Brazil, that is, focus on the northeast, promoting access to land, policy dialogue and support to the small holder sector were and remain by and large relevant. However, the evaluation also found that the country strategy did not pay adequate attention to promoting access to market linkages and in supporting indigenous peoples of the Amazon.
5. IFAD-funded projects achieved good results in promoting water security, developing fodder production and hence a decrease in animal mortality, enhancing agriculture development¹ and natural resources management, building grassroots institutions, and involving Non-Governmental Organizations in project activities. Off-farm activities were promoted through the support to traditional handicrafts and other artisanal industries and services.
6. In general, the operations supported by IFAD have contributed to the increase of welfare of the rural poor in the northeast, and have facilitated their participation in rural development processes. Benefits include access to education, infrastructure (e.g., rural roads, electricity, fresh water supplies), and support services, such as rural finance through rural credit cooperatives and the facilitation of access to PRONAF loans. Achievements in the empowerment of women may also be highlighted, for example, through the provision of identity documents and their participation in development initiatives
7. On another issue, IFAD-assisted operations have contributed to introducing some location-specific innovations, concerning both the general approach to rural development on the one hand, and innovations related to low-cost, easy to adopt technology and infrastructure on the other. The participatory approaches promoted through IFAD-funded projects have contributed to the sustainability of benefits. However, the provision of technical assistance on issues such as productive development, marketing, or organizational strengthening is still largely dependent on IFAD-financed projects, mainly due to the lack of resources allocated for the purpose by local institutions. Non-

¹ For example, by the introduction of pest resistant varieties of cassava and pineapples.

project activities were by and large marginal components of the IFAD country programme in the past. Policy dialogue was limited, partly because of the few resources allocated, and the lack of a systematic policy agenda and permanent country presence. There are, however, some more recent important policy dialogue initiatives such as the sub-regional grant funded programme related to the Commission on Family Farming (REAF), which provides a platform of dialogue and negotiations between farmers' organizations and governments within MERCOSUR.

8. With regard to partnership, IFAD established useful co-operation with ministries and institutions both at the federal and state levels. It is particularly noteworthy the good dialogue and co-operation existing between the Fund and two key ministries: the co-ordinating Ministry for IFAD, namely the Ministry of Planning, Budget and Management; and the Ministry of Agrarian Development. At the project level, there have been some efforts to establish links with agriculture research institutions, such as EMBRAPA. Partnerships with international financial institutions and United Nations organisations were generally weak.

9. Although there have been some activities related to knowledge management, there have been very few systematic efforts to document IFAD's experiences in Brazil or to capture relevant learning from experiences in other countries. The potential of FIDAMERICA – as one of IFAD's main knowledge management instrument in the region - has not been adequately exploited so far in the Brazil country programme.

10. In spite of the relatively limited resources invested by IFAD in Brazil (compared to the magnitude of government programmes contributing to rural poverty alleviation) the Fund has an important role to play in the country. However, given its upper middle income status, the requirements of Brazil are significantly different from the priorities of low income countries. By and large, Brazil's interest in engaging with the Fund is largely motivated by the desire to promote innovative practices and acquire knowledge on family agriculture and rural development know-how. Policy dialogue, regional integration, and south-south cooperation are also key areas for further collaboration.

C. Recommendations

11. **Strengthen innovation promotion and knowledge management.** IFAD's future country strategy and operations in Brazil should be built around two central elements, namely the promotion of replicable innovations and knowledge management. Policy dialogue, undertaken through initiatives such as REAF can provide a main tool by which IFAD-promoted innovations and knowledge are promoted and disseminated in the MERCOSUR region.

12. With regard to promoting innovations and policy dialogue (both at the national and regional level), it is crucial to ensure that the Fund devotes enhanced attention to scouting innovative solutions from different sources, including the rural poor and their organisations, the private sector, NGOs, research institutions and others. Greater use needs to be made especially of country-specific grants, but also regional grants, for this purpose. Grant-related activities need also to be more appropriately linked to loan-funded projects and programmes. Likewise, a more systematic approach, additional resources and larger efforts should be devoted to partnership building and knowledge management. These are essential components towards ensuring the replication and upscaling of the innovative approaches promoted through IFAD operations, which is in essence the ultimate test of IFAD's capacity to promote innovations.

13. IFAD can and should become an important partner for knowledge management on rural poverty reduction issues in Brazil. More systematic efforts and greater funds need to be allocated to documenting project experiences and sharing them among key actors involved in supporting the IFAD-funded programme in Brazil. These would not only contribute to improving the performance of the portfolio in general, but also inform the Fund's policy dialogue and partnership building activities, as well as contribute to the promotion of innovations. The knowledge acquired based on

IFAD operations in Brazil can also prove of value to other developing countries. In this regard, IFAD can facilitate the collaboration and knowledge sharing between Brazil and Africa, in the Lusophone, and also other countries. Furthermore the FIDAMERICA network's coverage should be expanded in the Brazil country programme, and periodic exchange visits between project staff, government officials and other partners from Brazil to other countries with IFAD operations should be organised.

14. Finally, IFAD could provide valuable support to strengthening Brazil's monitoring and evaluation capacity by, *inter-alia*, promoting a more active involvement of PREVAL in the country.

- *IFAD would take the lead in implementing this recommendation in the framework of the development of the new Brazil COSOP, which will be presented to the Executive Board by December 2008.*

15. **Partnerships to support the IFAD country programme.** It is important for IFAD to intensify its collaboration with the federal and state governments, with national and state research and knowledge institutions (e.g., EMBRAPA), and with civil society organizations. Additional efforts should be devoted to expanding IFAD's outreach to states, municipalities and other actors involved in its activities. Opportunities for direct lending to state governments, in consultation with relevant federal agencies, should be explored. At the same time, the Fund must devote sufficient attention to maintaining close dialogue and communication with the federal government on strategic directions, policy issues and all aspects of the Fund's relations with the country. Finally, IFAD should enhance partnerships with multi-lateral and bi-lateral agencies.

- *IFAD and the Government of Brazil would be responsible for implementing this recommendation, which would also be reflected in the new COSOP and operations funded by IFAD in the future in Brazil.*

16. **Expand geographical focus and targeting options.** In addition to focussing on the Northeast, the Fund should consider the possibility of expanding its geographic outreach to cover the rural poor living in the Northern areas of the country, which also show high levels of poverty. In view of the wide experience of IFAD, especially in the Latin America region, in assisting indigenous populations, it is recommended that IFAD seeks ways and means to support indigenous peoples in the Amazon in consultation with governmental agencies for indigenous peoples, such as FUNAI. For this purpose, the Latin America division might also consider mobilising resources from the indigenous people grant facility available at IFAD.

- *IFAD should implement this recommendation, while developing the COSOP, in consultation with the Government of Brazil and its concerned agencies.*

17. **Redefine priority areas of operations.** IFAD should continue working in the provision of support services for small farmers, such as financial services, technical assistance and applied research. A key new priority area should be further cooperation in the enhancement of market linkages, including access to markets, market infrastructure and market information. For this purpose, greater partnership with the private sector should be sought. The overall enhancement of access to markets should gain prominence in the new COSOP.

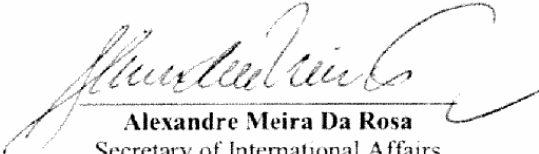
18. While IFAD's experience has been positive in providing direct services and capacity-building to communities in resettlement areas (*asentados*) the Fund should not engage directly in enabling access to land. It should however pay deeper emphasis to strengthening of rural financial services at the grassroots level. Through loans, IFAD could cooperate in creating or strengthening microfinance entities capable of providing a variety of financial services, including savings and non-agricultural loans. In addition, there are good opportunities to expand outreach to the rural poor through retail partnerships. For example, "correspondent banks" could be used, which allow banks to use retail

shops for providing financial services, such as deposits and order payments, in remote locations at a much lower cost compared to opening a branch.

- *IFAD should take the lead in implementing this recommendation by seeking the support of the Technical Advisory Division, and in consultation with the Government of Brazil and other IFIs operating in Brazil. These issues would also be covered in the new COSOP for the country.*

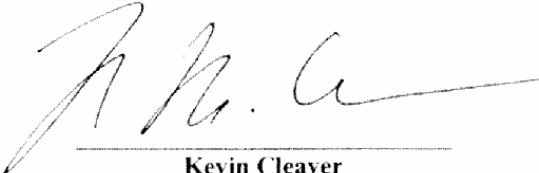
19. **IFAD's operating model.** As a means to enhancing IFAD's development effectiveness, it is recommended that the Latin America and Caribbean division explore the possibility of enhancing its country presence in Brazil. The options for using Brazil as a sub-regional office covering the MERCOSUR countries (and others) should also be explored. On a related issue, it is recommended to initiate the necessary dialogue and actions to bring under direct supervision² and implementation support the last two projects approved in Brazil. New projects funded to Brazil should also be under direct supervision and implementation support. Finally, it is important for IFAD to increase (within the overall framework of the PBAS) the level of resource allocated to Brazil and to increase attention and resources to non-project activities.

- *IFAD should implement this recommendation in close consultation with the Government of Brazil by December 2008.*



Alexandre Meira Da Rosa
Secretary of International Affairs
Ministry of Planning, Budget and Management
of the Federative Republic of Brazil

Date:



Kevin Cleaver
Assistant President
IFAD, Programme Management Department

Date :

² PL may like to explore alternative options for undertaking the supervision of fiduciary aspects, including the possibility of performing the duties from IFAD or sub-contracting this task to another institution, as was the case in the Direct Supervision Pilot Programme. The crucial aspect is to ensure that IFAD is solely responsible for the implementation support function as part of the overall supervision process.

Operations pipeline

Introduction

1. We survey in this annex the ideas and consultation process that guided the identification of operations for the next IFAD cycle in Brazil, and present brief concept notes for four operations—two of investment projects and two of non-project activities. We examine also the situation of the *Xingó* project and the possible scenarios of governmental decisions and corresponding courses of action open to the Fund. We briefly discuss whether there is need for on-going IFAD operations to adjust to the new COSOP, and finish by examining the possible scope of the new IFAD programme in Brazil and recommending next steps.
2. Due to the time and other constraints in the preparation of the present COSOP document, the pipeline here presented is limited, mainly oriented to the first years of the new IFAD investment cycle in the country. It is also preliminary, requiring further identification work, as well as full-fledged preparation of the identified project ideas¹⁴ and of grant applications.

Identification of the Operations Pipeline: Guiding Ideas and the Consultation Process

Continuity and change

3. Compared to IFAD's work in Brazil in the ten years since the last COSOP, the programme of operations proposed in this new COSOP has elements of continuity and change. This is natural in view of the transformations that have taken place in Brazil and of the lessons learned from IFAD's work in the country. The main elements of continuity are in the target group and in the regional focus in the Northeast. The main elements of change are the priority given to the development of commercial production and employment generation, the emphasis assigned to policy dialogue (PD) and knowledge management (KM), and the view of the Northeast semiarid region as a totality, even if project operations are carved up by states and by particular regions within the states.

Partnerships with government entities

4. In its work in the country, IFAD established partnerships with the federal government (MDA) and various governments of the Northeast states to carry out investment projects to fight rural poverty. The federal government was identified as the main IFAD partner in the last COSOP and it was indeed an important project partner during this period. Two changes however have taken place in recent years in this connection: an increased interest of IFAD in partnerships with state governments to carry out investment projects, and an emerging cooperation between the Fund and MDA in the area of policy dialogue, particular in the dialogue among MERCOSUR countries. The proposal now is to strengthen these two trends: preferential partnerships with state governments of the Northeast to carry out investment operations in favour of the rural poor in their states, and preferential partnerships with the federal government in policy dialogue concerning national and MERCOSUR level policies. In addition, two new levels of policy dialogue have been identified: regional, within the Northeast, and international, related to Brazil's South-South cooperation. State governments and regional entities will be the main partner for the former type of dialogue, and the federal government for the latter.

Projects and policies

5. In line with the strategic objectives of the new COSOP, the programme of operations proposed is not a "project pipeline" but a pipeline combining investment projects and

¹⁴ At the time of preparing the present COSOP document, IFAD had no projects in the pipeline in Brazil. A new project, *Terra de Valor*, in Bahia, had been in operation for less than one year, another project, *Dom Helder Câmara*, was one year away from completion with the possibility of being extended for one more year, and a third project, *Xingó*, had been approved by IFAD Directory in December 2004 but was not yet effective.

operations related to PD and KM. Furthermore, investment projects and policy dialogue are not seen in isolation. On the contrary, the proposal is to strengthen the relation between the two: federal and state policies should orient the design and implementation of projects, and projects should provide lessons that could help improve the design and implementation of policies. In addition, projects can also serve as laboratories to try out certain policies or to find ways to coordinate and articulate separate policies.

A programme approach to investment projects

6. A key design idea for the pipeline of investment projects is to structure it as a programme built around core ideas and activities rather than as a sum of unrelated project proposals. The programme would consist of a set of state projects, implemented by state governments, which would be rather similar although with some differences that respond to local situations. The two project concept notes, for the states of Paraíba and Piauí, presented further down, have been drafted in this spirit.
7. The conditions are favourable for the Fund to take a programme approach because the type of regions, target groups and activities that state governments would like IFAD to support in their states are very similar across states, and there is also similarity in the scope of IFAD loans envisaged. Furthermore, the priorities of state governments are fully consistent with the strategic objectives and other features of the COSOP. Indeed, the COSOP has largely been built around them. There is hence the opportunity to design a coherent programme of IFAD interventions in the Northeast for the next five years. The World Bank followed this idea when it redesigned its poverty projects in the Northeast after the evaluation carried out in 1992, and it paid off.
8. A programme approach has advantages for project design, supervision and evaluation, and will also facilitate the exchange of ideas and the dissemination of innovations among states, regarding in particular the coexistence with the semiarid. By facilitating knowledge exchange on semiarid issues, the programme will help attaining Strategic Objective 3. Belonging to a programme should provide an identity mark to the projects supported by the Fund. This may, *inter alia*, raise IFAD's profile in Brazil and facilitate the dialogue between IFAD and state governments concerning new possible projects.
9. The name proposed for the programme is *Semiárido Produtivo* (productive semiarid). In correspondence, the individual projects would be named *Semiárido Produtivo do Piauí*, *Semiárido Produtivo da Paraíba*, etc.
10. The core features of the programme would be: (1) project focus on the semiarid areas of the states; (2) the target group are the poor (farm and non-farm) producers and workers of the rural areas covered by the projects; (3) projects have a productive thrust, an agro-ecological thrust and an institutional thrust; (4) the productive thrust aims at the generation of income and employment opportunities (on and off-farm) on a sustainable basis through five lines of action: (a) support to production enhancement; (b) support to productive alliances and market access; (c) support to the addition of value to local products; (d) provision of technical training and vocational education particularly for young men and women of the target group; and (e) support to micro and associative enterprises; (5) the agro-ecological thrust focus on the fight against desertification and goes hand in hand with the productive thrust; (6) the institutional thrust focus on strengthening territorial governance organizations and the extension/ technical assistance systems; and (7) projects endeavour to facilitate knowledge management with respect to the coexistence with semiarid conditions as well as policy formulation by state authorities.
11. Several principles would guide the operation of the projects included in the programme: (1) clustering of investments around programmes decided in a

participatory manner, capable of attracting the interest of a sufficient number of producers in order to achieve critical masses of output; (2) use of a value chain approach in the support to productive development; (3) adaptation of technical proposals to the production conditions and abilities of potential participants; (4) integration of production oriented measures with natural resources and environmental management; (5) adoption of co-financing systems through competitive funding of qualifying individuals or groups using competitive funds or similar instruments; (6) attention to the particular needs of women and young individuals; (7) inclusion of distinct ethnic communities and agrarian reform settlements as project beneficiaries when they exist in the project areas, adjusting to their particular cultural and institutional circumstances; and (8) decentralized project management through management teams located in each of the project territories.

12. Apart from the projects identified in Piauí and Paraíba, presented further down, other projects to be identified during the life of the new COSOP would also be included in the programme. Once the above two projects have been prepared and there is a more comprehensive view of the programme, IFAD could check with other Northeast state governments their interest to participate in the programme. This does not mean that IFAD should not support state government or federal entity requests of assistance for projects falling within the broad objectives of the new COSOP but outside the *Semiárido Produtivo* programme. This programme should be the core of IFAD project operations during the next cycle but other projects would also be possible.

The consultation process

13. The consultation process for the preparation of the new COSOP is described in Appendix I. Here we indicate how that process influenced the identification of the operations proposed in the pipeline and how were they conceived.
14. The identification of investment projects of Piauí and Paraíba is the result of discussions and field visits during the short reconnaissance missions to these two states carried out in March-April 2008. These missions could only achieve their purpose because the ideas for the possible projects had matured. Their maturing (in the minds of the COSOP team and of those of state stakeholders) was made possible by the previous visit to these states in January 2008 and by the Brasilia workshop of February 2008. The earlier visits and the Brasilia workshop served also to establish which states were more committed to an early IFAD operation within the new COSOP.
15. The idea of a programme approach to investment projects appeared only late in the consultation process. It was the result of gradually observing remarkable similarities in the priorities and actions proposed by Northeast, states and their interest on IFAD's assistance to exploit semiarid development opportunities in favour of the poor.
16. The idea of a non-project regional operation to promote knowledge generation and exchange among private, public and civil society actors in the broad semiarid region of the Northeast was born out of a number of meetings and visits. The most important ones were a meeting with the Secretary of Social Inclusion of MCT, meetings with intellectuals and Northeast development experts in Recife, São Paulo and Rio de Janeiro, a visit to the MCT centre for the semiarid region (INSA) in Campina Grande, discussions with the director of MMA's programme to combat desertification, and the positive feedback received from state governments and other stakeholders when this idea was floated during the Brasilia workshop and the visits to the states. Crucial to the forging of this idea and that of a programme approach to investment projects, was the recognition of the need to see the semiarid as a single unit –a region with local differences but facing similar problems and development options and with its own identity.

17. The idea of a non-project operation to promote policy dialogue grew out of the experience of the support provided by IFAD to such dialogue among MERCOSUR countries through REAF. This experience evidenced to MDA and SEAIN the value of having IFAD assistance in PD and the possibility of expanding this assistance to the analysis/evaluation of national policies and to facilitating Brazil's South-South cooperation. The possible areas of work for IFAD's assistance in PD (indicated below in the corresponding grant proposal) were discussed in various meetings mainly between the COSOP preparation team and MDA.

Investment Project Profile: Piauí Semi-arid Project

Background

18. Located in the transition zone between the Northeast semi-arid and the Amazonian sub-humid zones, Piauí has a variety of agro-ecological regions in its 251,529 sq km. With its R\$2,892 GDP per capita in 2004 and its IDH of 0.656, Piauí is the second poorest Brazilian state (after Maranhão). Its population of 3 million, one third of which is rural, is sparsely settled, with a density of 12 inhabitants per sq km.
19. The semi-arid region of Piauí, which is the focus of the project, covers some 150 thousand sq km located in the central, eastern and south-eastern parts of the state, encompassing 151 of the 223 municipalities of the state.

Title, Geographic Area and Target Group

20. The project, which is named "Piauí Semi-arid Project (PISP)" or *Semiarido Produtivo do Piauí*, will cover 4 of the 11 territories in which GoP divides the state. These territories span most of the semi-arid region of Piauí and include 89 municipalities. The territories included are: *Vale do Sambito* (15 municipalities); *Vale do Rio Guaribas* (37 municipalities); *Vale do Rio Canindé* (19 municipalities); and *Serra da Capivara* (18 municipalities). These territories stand amongst the poorest in Brazil and have recently attracted much attention from both federal and state governments. Not all project activities will cover all municipalities. Precise criteria for the targeting of municipalities, communities and families will be established during project preparation.
21. The poor farmers and rural landless families of the project area form the target group of the proposed project. Within this target group, particular attention will be paid to the needs of women and young individuals. Distinct ethnic communities existing in the project area, like the *quilombolas*¹⁵, will be included. Project work with these communities will be adapted to their particular cultural circumstances.

Project Rationale

22. The high incidence of rural poverty in Piauí, especially in its semi-arid region, and the existence of interesting local economic potentials offer the main rationale for the project. Environmental vulnerability, degradation of natural resources like soils and the *caatinga* biome, and climate change with the risk of desertification are additional reasons for an IFAD operation in the proposed area.
23. Important progress has been made in the state in the last two decades in the supply of social infrastructure like rural roads, electricity and fresh water. Also, large federal and state programmes as well as projects with World Bank support are currently in operation in the state for the provision of social infrastructure and for land access. Some progress has also been made in the exploitation of the economic potentials open to small farmers and assetless rural workers. But progress here has been much smaller than in social infrastructure. This is why the thrust of the proposed project is to tackle the economic potential existing in the project area helping to develop sustainable employment and income opportunities for the target group. The Governor of Piauí is fully committed to this orientation of the project. Economic oriented interventions will be aligned with the improvement of natural resources

¹⁵ Remnants of communities historically formed by runaway slaves.

management and will be complemented by other actions, like for instance "contextualized education", within an integrated view of the development process.

24. Like in other states of the Northeast, very valuable knowledge of semiarid conditions and how to coexist with them has evolved in Piauí over the years. Little however has been or is being done to systematize and disseminate/exchange this knowledge, which refers not just to physical works and farming technologies but also to incentive policies, development models, intervention methodologies for poverty reduction, and institutional arrangements. The proposed project will pay attention to the management of this area of knowledge.
25. A view based on a territorial approach is steadily taking hold of policy making in rural development in Brazil. This is evident in the creation of a *Secretaria de Desenvolvimento Territorial* (SDT) within the Ministry of Agrarian Development and the recent launching of the *Territórios da Cidadania* programme. Two of the four territories included in the project area have been selected to be part of the *Territórios da Cidadania* programme, while the other two are included as priority territories for the work of SDT in Piauí. This means that there are on-going actions to carry out territorial planning and the coordination of public-civil society stakeholders in these territories. The project will cooperate in the strengthening of this institutional framework.

Project Objectives and Duration

26. *General Objective:* The reduction of poverty in the semiarid areas of Piauí through the generation of sustainable sources of employment and income suitable to the semiarid conditions of the project area and in line with federal and state policies.
27. *Specific Objectives:*
 - Promote the generation of increased farm and non-farm incomes of poor producers in the project area in full respect of the sustainable use of natural resources, and of the human and cultural development of the target population. This will be achieved through the integration of small producers in value chains, the co-financing of infrastructure, equipment and support services, and the strengthening of social and productive organizations.
 - Enhance personal capabilities and the capacity of the target population, particularly of its young segment, to generate income and have improved access to labour markets, through the trying out and eventual dissemination of contextualized and scientifically strong education systems, and the promotion of vocational education and technical training.
 - Strengthen key institutions for the development of the project area related to technical assistance systems, organization of the territories, and policy formulation /implementation regarding semiarid development.

Ownership, Harmonization and Alignment

28. As is evident from its Pluriannual Plan 2008-11, there is a strong commitment of GoP with the fight of rural poverty, which is at the core of the proposed project. The Governor of Piauí has personally expressed to an IFAD mission his support to the project. Furthermore, in its negotiations with the federal treasury, the State Government has included in its fiscal space for state indebtedness a provision of R\$35 million (US\$21 million) for an IFAD loan. The objectives of the project are fully in line with the objectives of Piauí's Pluriannual Plan 2008-11, and project components and activities are in agreement with the actions prioritized in that Plan, particularly in axes 17 *Educação profissional*, 44 "*Fortalecimento dos arranjos produtivos*", 48 *Assistência técnica e extensão rural*, 49 *Desenvolvimento da agricultura familiar*, 53 *Convivência com o semi-árido*, 56 *Educação ambiental*, and 57 *Uso sustentável dos recursos naturais*.
29. The other major international donor active in the project area is the World Bank through its Piauí Poverty Reduction Project. This project is mainly oriented to the

provision of small social infrastructure and is thus complementary to the project proposed for IFAD financing. Synergies should be exploited. Conversations in this respect with WB managers have already been started and should be continued during preparation.

Project Components and Activities

30. The proposed project would have four components. These components and the main activities envisaged are indicated below.

Component 1: Productive Development

- Integrated support to the sustainable participation of small producers in specific production chains (cashew, various fruits, sheep and goat production, manioc, handicrafts, tourism, honey, vegetables and medicinal plants, and others), including support to farm production, processing and marketing.
- Promotion of a wide use of sustainable technologies adapted to the semiarid, like agro-forestry systems, mandalas, organic gardens, medicinal gardens, caipira (rustic) chickens, and others.
- Construction of small irrigation and improved water conservation and use systems for individual or community use.
- Support to agriculture and non-agriculture associative businesses and micro-enterprises of target group members.

Component 2: Human Development

- Support to the introduction and dissemination in rural schools in the project area of scientifically based agro-ecological activities and environmental context knowledge as an instrument of education in the coexistence with the Northeast semiarid environment.
- Support to the strengthening of the Escolas Famílias Agrícolas¹⁶ operating in the project area and to the creation of new ones.
- Support to the vocational education and technical training of young men and women members of the target group in non-agricultural activities, like IT, machinery operation, hairdressing, tailoring, vehicle repair and maintenance, installation and repair of electric systems, civil constructions, and others.
- Support to activities for the generation and dissemination of knowledge relevant to the semiarid such as the development of the Universidade do Campo project of the State Government, the promotion of farmer to farmer exchange and extension systems, and the promotion of farmers' field schools.

Component 3: Institutional Development

- Strengthening of the governmental and non-governmental technical assistance/extension systems for the Piauí semiarid region
- Strengthening of the territorial organizations of the project areas and support to their planning and economic coordination functions
- Support to the formulation of state policies for the semi-arid region and to the monitoring of the State Plan for Coexistence with the Semiarid (currently under preparation)
- Support to the participation of Piauí stakeholders in discussion forums of semiarid development issues and in knowledge exchanges with stakeholders from other Northeast states.
- Institutional support to producer and other associations of target group members at the ground and meso levels.

¹⁶ Agriculture vocational secondary schools with a special pedagogic system alternating residential school attendance with work in the family farm.

Component 4: Project Management

- Strengthening of the implementation unit, including the establishment and operation of an administrative/financial team.
- Setting up and operation of evaluation and management information systems.
- Establishment and operation of decentralized implementation hubs.
- Design of specific subprojects and other interventions to carry out approved project activities
- Thematic and other relevant studies
- Support to the dissemination of project results and innovations

The duration proposed for the project is five years.

Cost and Financing

31. The total cost of the project is preliminary estimated at US\$40 million. This cost would be financed with an IFAD loan of US\$21 million, a counterpart contribution from the State Government of US\$15 million, and a contribution from project beneficiaries (including labour and other in kind contributions, own financial contributions and contributions from loans) of US\$4 million.
32. The breakdown of costs among components is preliminary estimated as follows: 50 per cent for Component 1.25 per cent for Component 2.15 per cent for Component 3, and 10 per cent for Component 4.

Organization and Management

33. The proposed project would be implemented by the *Casa do Semiárido*, a Directorate of the Secretariat of Rural Development of Piauí, which is in the process of becoming a semiautonomous entity under the umbrella of the above Secretariat. The possibility should be examined during preparation of sharing the financial/administrative facilities already in place in the Secretariat of Planning for the implementation of the World Bank Rural Poverty Reduction Project.

M&E Indicators

34. Some of the outcome and milestone indicators to be used are: number of beneficiaries of income generation activities; per cent increase in the income of beneficiaries of income generation activities; number of production groups formed/strengthened; number of jobs created; number of beneficiaries trained in occasional training activities; number of producers that have received technical assistance through project support; number of young individuals that have received vocational education or technical training with project assistance; number of schools that have adopted context education systems; number of families that have benefited from support to micro-enterprises and associative business; number of organizations that have been strengthened by the project; number of individuals/organization that have participated in knowledge exchange forums and similar activities; results from support to specific production chains (measured through indicators to be developed for each chain during project preparation); results of small irrigation and other water systems (measures to be developed during project preparation according to the various types of work); results from support to state policy formulation (measures to be developed during project preparation); results from the strengthening of territorial organizations (measures to be developed during project preparation); results from the strengthening of technical assistance systems (measures to be developed during project preparation).

Risks

35. Three main risks can be envisaged at this stage. The first is the discontinuation of political support to the project during implementation upon the change in government authorities. The second is the difficulty of access to remunerative markets in the relevant chains for producers supported by the project. The third is

the resistance of farmers and extension workers in the project area to introduce measures to improve natural resources management. These risks are not considered to be high at present. Other risks and relevant mitigation measures should be identified during preparation.

Timing

36. The Carta *Consulta*¹⁷ of the project is expected to be approved during the COFIEIX meeting of late June. The project is expected to be presented to the IFAD board in April 2009.

Investment Project Profile: Paraiba Semiarid Project

Background

37. The state of Paraiba, located in the eastern part of the Northeast region, has 56,440 sq km and a population estimated at 3.6 million. With a GDP per capita of US\$4,165, it is the fifth poorest state in Brazil (after Maranhão, Piauí, Tocantins and Alagoas) with economic and social indicators well below the Brazilian average. Thus, the IDH of the state in 2000 was 0.661 compared to 0.766 for Brazil, the income per capita is R\$150 per month compared to R\$605 per month for Brazil, and the proportion of extreme poor in the state is four times that of Brazil.
38. Nearly 85 per cent of the state's area is considered semiarid. The semiarid region has experienced long-term relative decline, and even absolute in some parts, since the mid-80s, mostly because of the cotton crises (due to market conditions and pest infestation), since cotton was the axis of the dominant livestock-cotton-food crops production system. Contrary to what happened in other states, the semiarid region of Paraiba recovered little from the cotton crisis experiencing difficulties to find new activities to substitute for the cotton-centred production system. An exception in the project area is the surge in recent years of a promising goat-based dairy economy in the Cariri area.
39. The stagnation that has characterized the semiarid zone of Paraiba does not mean that there is lack of endogenous development potentials. It is widely recognized today that the semiarid has many resources that can be mobilized to the benefit of the poor. Thus, for instance, the project area has good advantages for goat rearing, where notable improvements have already been made, potentially irrigated areas that can support a variety of crops, areas suitable for cashew trees, mineral resources amenable to small scale exploitation, a good potential for the production of high quality bee honey, a rich artisanal tradition, and a good system of social organization, to quote some of the most obvious potentials.

Title, Geographic Area and Target Group

40. The project, which is named "Paraiba Semiarid Project (PBSP)" or *Semiarido Produtivo da Paraiba*, will cover five regions of Paraiba state: *Cariri Oriental*, *Cariri Ocidental*, *Seridó Oriental*, *Seridó Ocidental* and *Curimataú Oriental*. The regions included are among the ones with lower rainfall in Brazil, suffering acutely from the consequences of desertification. The two Seridó regions were recently recognized as the 13th meso region of the state and have received particular attention from the Ministry of Regional development, while the two Cariri regions have been included as *Territórios de Identidade* by MDA. Not all municipalities in the project area would be covered by all project activities. Some activities would focus on municipalities with potential for the development of a particular product or value chain. Other activities may have wide coverage and could indirectly benefit families or enterprises outside the target group. Precise criteria for the targeting of municipalities, communities and families will be established during project preparation.

¹⁷ Project identification document prepared by the state government and presented to COFIEIX, the federal committee that authorizes the international financing operations of government entities.

41. The target group are the poor rural families, with or without land, of the project area employed in agriculture or in non-farm activities. Within this target group, particular attention will be paid to women and young individuals.

Project Rationale

42. The high incidence of rural poverty in Paraíba, especially in its semiarid region, and the existence of interesting local economic potentials not currently exploited or underexploited offer the main rationale for the project. Environmental vulnerability, degradation of natural resources like soils and the *caatinga* biome, and climate change with the risk of desertification are additional reasons for an IFAD operation in the proposed area. This area was selected by the Government of Paraíba as the one most in need of external assistance within the state.
43. Important progress has been made in the state in the last two decades in the supply of social infrastructure like rural roads, electricity and fresh water in poor rural areas. Notwithstanding this progress, the indicators of satisfaction of basic needs are worst in the project area than in Paraíba as a whole, which points to the need of further investments in social infrastructure. There are currently in operation in the state large federal and state programmes as well as projects with World Bank support, like *Cooperar*, focused on this type of investments.
44. Some progress has also been made in the provision of assets and the improvement of the production capacity of poor rural producers. Programmes like *Reforma Agrária*, *Crédito Fundiário*, *Crediamigo*, *Qualificação Profissional para o Mercado de Trabalho*, *Meu Trabalho*, and *Programa Cidadão Rural* have contributed to this effort. But progress here has been much smaller than in the area of social infrastructure. This is why the thrust of the proposed project is to tackle the economic potential of the project area helping to develop sustainable employment and income opportunities for the target group. This focus is fully shared by the Government of Paraíba. Production oriented interventions will be aligned with the improvement of natural resources management, and will be complemented by other actions devoted to the enhancement of human and social capital, within an integrated view of the development process.

Project Objectives and Duration

45. *General Objective*: To enhance the rural economy of the territories included in the project area through a sustainable increase of the production capacity of the rural poor, an improved insertion of small producers in the markets, the development of human, social and institutional capital, and the adoption of measures to fight desertification.
46. *Specific Objective 1: Production strengthening and improved market insertion*. This objective aims at promoting the competitive participation in markets of small rural producers and producers' associations through the strengthening of relevant production activities and of the capacity to access markets and add value to local products.
47. *Specific Objective 2: Sustainable management of natural resources and combat to desertification*. This objective aims at fighting desertification and promoting the sustainable management of the *caatinga* biome in the project area through environmental education, adequate training of extensionists and rural development agents, reforestation of the *caatinga*, dissemination of agro-forestry systems, and the exchange of experiences of coexistence with the semiarid.
48. *Specific Objective 3: Development of human and social capital*. This objective aims at promoting the development of human and social capital through technical training, vocational education, strengthening of participatory extension systems, strengthening of producers' and community organizations, and exchange of innovative experiences.

49. *Specific Objective 4: Institutional strengthening.* This objective aims at strengthening the institutional framework of the territories in the project area through the provision of technical assistance and training to councils, forums and other organizations that can help improve local development governance.
50. The duration envisaged for the proposed project is five years.

Ownership, Harmonization and Alignment

51. The Pluriannual Plan 2008-11 of the Government of Paraíba indicates the strong commitment of the State Government to the reduction of rural poverty, the coexistence with the semiarid, the mitigation of the desertification process, and the sustainable exploitation of the resources of the semiarid region.
52. The Secretary of Agricultural Development and Fisheries of the State of Paraíba and the Executive Director of the state's planning system have indicated formally the decision of the State Governor to use IFAD's financial support to strengthen state actions to fight rural poverty and improve the capacity of poor rural producers to generate income in a sustainable manner. This commitment was evident in the assistance provided to the COSOP team throughout the COSOP preparation process and in the drafting of a preliminary version of the *Carta Consulta* for COFIEX. The State Secretariat of Planning has indicated that sufficient counterpart resources are included in the Pluriannual Plan, and that the state qualifies for an IFAD loan of US\$25 million, to be disbursed in five years, starting in 2009.
53. The World Bank has an important participation in the fight of rural poverty in the state through the co-financing of the rural poverty reduction project *Cooperar*. Over the last years, this project was responsible for the provision of small social infrastructure for rural communities, particularly electricity and fresh water supplies, with an important impact on the wellbeing of poor rural families. Because of its focus on employment and income generation, the proposed IFAD project is not competitive but complementary to *Cooperar*. Synergies should be exploited.

Project Components and Activities

54. The proposed project would have five components. These components and the main activities envisaged are indicated below.

Component 1: Productive Development and Competitive Market Insertion

- Strengthening of the goats/sheep dairy and meat production chain. This activity would have various aspects: productivity increases through the continuation of genetic improvements and the dissemination of improved forage systems and stock management practices; integration into the chain of new groups of small producers; introduction of participatory extension systems and training of extensionists; investments in processing plants and equipment; support to the organization of producers; and support to access credit sources.
- Strengthening of artisanal production. The thrust would be in lace handicrafts in the Cariri region and semiprecious stones in the Seridó region, but other artisanal lines may also be included. The activities envisaged are: expansion of the number of artisans; training; design improvements; investments in processing plants and equipment; support to the organization of producers; and support to access credit sources.
- Support to poor producers of the project area participating in other value chains. Possible activities include tanning and leather industries, bee honey, cattle dairy, cashew production, and various fruits.
- Improved market access. This activity will consist of the following: identification and study of markets for the main value chains in the project area relevant to poor producers; training of producers to satisfy the requirements of markets; support to increase the processing capacity and add value to local production;

- development of new products; design of marketing strategies for the national and international markets.
- Support to farm- and non-farm based associative and micro-enterprises. This activity will be mostly oriented to poor young rural men and women interested in becoming small entrepreneurs either individually or in groups. The main instruments will be training, assistance to access credit sources, and a fund to co-finance the investments required.

Component 2: Sustainable Management of Natural Resources and Support to Fight of Desertification

- Reforestation of the caatinga. This activity will promote the reforestation of degraded caatinga areas of small farmers. Reforestation will be associated with environmental improvements (erosion control, water retention systems, etc.) and the reduction of economic vulnerability through the introduction of useful vegetal species for human or animal consumption.
- Introduction of environmental activities in schools as an instrument to educate in the coexistence with the semi-arid. This activity will include the dissemination in the schools of the project area of education materials relevant to the coexistence with the semi-arid, and the introduction in selected schools of productive activities oriented to educate students in technologies and practices relevant to the coexistence with the semi-arid.
- Support to the generation and dissemination of knowledge relevant for the coexistence with the semi-arid. This includes the support to relevant research activities carried out by EMEPA-PB, support to exchanges of information on semi-arid related issues among public, private and civil society entities, and support to partnerships for the dissemination of technologies and practices relevant to the coexistence with the semi-arid.

Component 3: Development of Human and Social Capital

- Support to technical training and vocational education. This activity will particularly target young men and women and will involve both farm and non-farm activities. It will support relevant training and educational facilities existing in the project area and promote their possible expansion, and will use methodologies that facilitate beneficiary participation and the combination of theory and practice.
- Support to beneficiary organization. This activity will provide support to beneficiary groups and community organizations in matters relative to the management of collective assets, accounting, administrative and legal information, leadership, and others.

Component 4: Institutional Development

- Strengthening of the technical assistance/extension system in the project area. This will have two prongs. The first will be based on EMATER-PB and will strengthen its methodological and operational capacity to carry out a participatory type of extension based on agro-ecological principles, and to enhance the system of ADRs. The second will be based on specialized NGOs and will support them in the dissemination through various means in the project area of knowledge, practices and technologies relevant to the semi-arid conditions and to fight desertification.
- Strengthening of participatory territorial organizations. This activity will consist of technical assistance and training the municipal and territorial councils and forums of public, private and civil society organizations in the project area, relevant to rural and territorial development, to allow them to better fulfil their governance function.

- Support to policy formulation and dialogue. This activity will support the formulation by the State Government of Paraíba of rural development and poverty alleviation policies as well as the coordination in the project area of state and feral level policies relevant to project objectives. This activity will support, inter alia, the implementation in the project area of the Pluriannual Plan 2008-11, and the participation of state actors in Northeast forums oriented to the discussion of policies and the exchange of experience of coexistence with the semi-arid.

Component 5: Project Management

- Strengthening of the implementation unit, including the establishment and operation of an administrative/financial team.
- Setting up and operation of evaluation and management information systems.
- Establishment and operation of decentralized implementation teams.
- Design of specific subprojects and other interventions to carry out approved project activities
- Thematic and other relevant studies
- Support to the dissemination of project results and innovations

The duration proposed for the project is five years.

Cost and Financing

55. The total cost of the project is preliminary estimated at US\$55 million. This cost would be financed with an IFAD loan of US\$25 million, a counterpart contribution from the State Government of US\$25 million, and a contribution from project beneficiaries (including labour and other in kind contributions, own financial contributions and contributions from loans) of US\$5 million.
56. The breakdown of costs among components is preliminary estimated as follows: 60 per cent for Component 1. 10 per cent for Component 2. 10 per cent for Component 3. 10 per cent for Component 4, and 10 per cent for Component 5.

Organization and Management

57. The Secretariat of Agricultural Development and Fisheries of the State of Paraíba would implement the proposed project. The possibility should be examined during preparation of sharing the financial/administrative facilities already in place for the implementation of the World Bank Rural Poverty Reduction Project, *Cooperar*.

M&E Indicators

58. Some of the outcome and milestone indicators to be used are: number of beneficiaries of income generation activities; per cent increase in the income of beneficiaries of income generation activities; number of production groups formed/strengthened; number of jobs created; number of beneficiaries trained in occasional training activities; number of producers that have received technical assistance through project support; number of young individuals that have received vocational education or technical training with project assistance; number of schools that have adopted context education systems; number of families that have benefited from support to micro-enterprises and associative business; number of organizations that have been strengthened by the project; number of individuals/organization that have participated in knowledge exchange forums and similar activities; results from support to specific production chains (measured through indicators to be developed for each chain during project preparation); results of small irrigation and other water systems (measures to be developed during project preparation according to the various types of work); results from support to state policy formulation (measures to be developed during project preparation); results from the strengthening of territorial organizations (measures to be developed

during project preparation); results from the strengthening of technical assistance systems (measures to be developed during project preparation).

Risks

59. Three main risks can be envisaged at this stage. The first is the discontinuation of political support to the project during implementation upon the change in government authorities. The second is the difficulty of access to remunerative markets in the relevant chains for producers supported by the project. The third is the resistance of farmers and extension workers in the project area to introduce measures to improve natural resources management. These risks are not considered to be high at present. Other risks and relevant mitigation measures should be identified during preparation.

Timing

60. The *Carta Consulta*¹⁸ of the project is expected to be approved during the COFIEC meeting of late June. The project is expected to be presented to the IFAD board in April 2009.

Non-project Operation: Grant to Facilitate Knowledge Management on Development Issues of the Semiarid Region

Rationale

61. The evaluation of the country programme of IFAD in Brazil observed the scarce importance of knowledge management (KM) activities in the programme, and recommended giving more attention to this in the new COSOP. The COSOP preparation team included KM with respect to northeast semiarid issues as an essential ingredient of the new programme, with one of the strategic objectives (SO 3) of the programme oriented to this.
62. There are several reasons why promoting KM of semiarid issues is considered important for the new programme: (1) IFAD has developed already some expertise on the semiarid region, and more expertise will be developed during the new programme, which will be centred in this region; (2) as explained before, the region should be looked at as a unity presenting many similar problems and opportunities; (3) the exchange of experiences and innovations on semiarid issues that currently exists among Northeast states and civil organizations is clearly insufficient; (4) interesting opportunities of generating new technical knowledge on the semiarid exist through institutions such as EMBRAPA's regional centres, INSA, regional universities, and state research outfits; and (5) new IFAD projects are likely to become a nursery of innovations regarding economic activities, technologies, organization models, and intervention methodologies in the semiarid, which will need to be disseminated.
63. The proposed IFAD grant will be a financial instrument to carry out KM activities. Other sources of funding are also envisaged, such as resources from the projects themselves, and from partnerships with other international agencies, government entities, knowledge centres and private foundations. A basic source of non-reimbursable funding is essential, however, to start up and manage operations. Access to the proposed IFAD grant would insure the carrying out of a basic core of KM activities and would serve as seed capital to attract resources from potential partners.

Proposed activities

64. The grant will serve to finance most of the activities envisaged under SO 3. It will be used to fund: (1) the dissemination and exchange of information on sustainable livelihoods in semiarid conditions among Northeast sub-national governments, knowledge institutions, and civil organizations interested in sustainable development

¹⁸ Project identification document prepared by the state government and presented to COFIEC, the federal committee that authorizes the international financing operations of government entities.

in the region; (2) support to monitor climate change in the Northeast and disseminate adaptation measures; (3) partnerships with relevant institutions dealing with science, technology and innovation for the semi-arid; (4) a strengthened capacity to learn from experience in IFAD projects in the region and disseminate successful local innovations through appropriate KM; and (5) the organization within the Northeast of a forum of government authorities, knowledge institutions and civil society organizations similar to the system of discussion meetings of REAF under MERCOSUR. The collection and dissemination of lessons and innovations deriving from IFAD projects will for the most part be funded by the projects themselves.

Duration

65. The duration will be defined depending on the amount of the grant, the co-financing sources and the institutional arrangements...

Management

66. The grant will be operated by an independent and well-respected knowledge institution of the region.

Non-project Operation: Grant to Facilitate Policy Dialogue at the National and International Levels

Rationale

67. As in the case of KM, the evaluation of the IFAD country programme observed the scarce importance of policy dialogue (PD) in the Brazilian programme, and recommended giving more attention to PD in the new COSOP. There was one important exception, however: the support given by the Fund to PD regarding family agriculture among stakeholders of the MERCOSUR countries through its assistance to the system of REAF meetings. The COSOP preparation team included PD as an essential part of the new programme. In fact, one of the strategic objectives in the new COSOP (SO 4) refers to PD. There are two levels at which support to PD is proposed: national and international. The national level concerns federal policies related to rural development and poverty reduction. The international level relates to policy dialogue on family agriculture issues among MERCOSUR countries, and to IFAD support to Brazil in its South-South cooperation.
68. There are several reasons why promoting PD is considered important for the new IFAD programme: (1) federal policies for rural development and poverty reduction are very important in Brazil and are in a state of flux, with GOB trying out ways to promote territorial development, expand and improve credit and other assistance systems to family farms, facilitate access to land of rural landless workers, and help small producers to market their output; (2) the M&E systems of the main federal programmes is deficient and in urgent need of improvement; (3) IFAD has considerable know-how and international experience in many of the policy areas relevant for PD in Brazil; (4) MDA is interested in IFAD's support in PD; (5) because of its characteristics and reputation, IFAD has a comparative advantage to play a catalytic role and act as honest broker in policy dialogue involving different sectors of society; (6) IFAD has already shown its capacity to facilitate PD through the REAF experience; and (7) through its network of projects and contacts, IFAD is well placed to assist Brazil to expand its South-South cooperation activities, particularly in the African region.
69. The IFAD grant will be a financial instrument to carry out the PD activities proposed below. Like in the KM case, other sources of funding are also envisaged, including possible partnerships with other international agencies and government entities willing to co-finance PD activities, but a basic source of non-reimbursable resources is also essential in this case to start up and manage operations.
- #### **Proposed activities**
70. IFAD collaboration with GOB in PD will mainly consist in providing discussion inputs on relevant policy themes and assisting in setting up discussion forums, with the

clear understanding that policy-making is an exclusive national responsibility. The grant will fund activities relevant to national level policy dialogue only, not international. It will finance studies, consultancies, workshops, study travel, publications, and dissemination activities. PD will not be limited to the mainstreaming of innovations coming from IFAD projects. IFAD's global knowledge of rural development and poverty issues acquired through its analytical activities and worldwide development practice allows the Fund to cooperate with countries in PD matters over and above the experience from country projects.

71. Upon discussion with relevant stakeholders, the menu of possible themes preliminary selected as options for policy dialogue are:
- Fine tuning of PRONAF through: experimentation with microfinance technologies and the expansion of financial services (like savings) to better reach poor farmers; improvement of economic sustainability through better calibration of subsidies, as well as measures to improve repayment rates; and better M&E of the Programme.
 - Reform of technical assistance and extension systems to expand and diversify services, increase quality, and give extension an agro-ecological emphasis.
 - New policies to facilitate productive alliances, including technical and organizational assistance, market facilitation, and new financial instruments, such as competitive funds to co-finance the investments required.
 - Policies regarding approaches and incentives that facilitate the clustering of investments.
 - Policies to support the participation of family farmers in bio-energy markets.
 - Deepening of the territorial approach to rural development embraced by MDA, through instruments like investments oriented to increase productive employment in rural towns, a competitive fund to co-finance investments prioritized in the territorial plan, and the strengthening of meso-level institutions, regional councils in particular.
 - Policies to expand and improve technical training and vocational education in poor rural areas.
 - Policies to support the expansion of rural micro and associative enterprises.
 - Policies to enhance regional development poles capable of promoting an endogenous and inclusive type of growth in the rural areas of the Northeast semiarid.
 - Policies for the conservation of biodiversity, to fight desertification and adapt to climate change in the Northeast semiarid.
72. These themes are a menu of options subject to change over time according to evolving circumstances and government priorities, and only a few of them could possibly be covered. In addition to the above themes and in agreement with MDA, the grant may also serve to provide support to the evaluation of rural development/poverty programs.
73. The activities related to supporting Brazil's South-South cooperation, envisaged under SO4, may be marginally supported by this grant, but a separate line of financing should be found for the bulk of these activities.

Duration

74. The duration will be defined depending on the amount of the grant, the co-financing sources and the institutional arrangements..

Management

75. The grant will be operated by an independent and well-respected knowledge institution of national authority.

Programme Scope and Next Steps

76. It is possible to envisage the preparation and launching of three investment projects during the next two years, and another three or four, depending on circumstances,

during the following three years. This will be facilitated by the adoption of a programme approach to project operations. Co-financing of some of these projects is being discussed with the CAF. The size of IFAD loans could be of the order of US\$20 to 25 million per project.

77. The two non-project operations are envisaged to start in years 1 and 2 of the COSOP.
78. The State Governments of Piau  and Paraiba are preparing *Cartas Consulta* for their *Semi rido Produtivo* projects to submit to COFIEX. These *Cartas Consultas* will hopefully be approved during the COFIEX meeting of late June 2008. In the meanwhile, IFAD's PL Division should discuss and clear the concept notes of these two projects. If the *Cartas Consulta* is in fact approved in late June, project preparation could take place in August-September 2008. One single mission could jointly prepare both projects. This would permit exploiting synergies and save time.
79. To expedite preparation, PL should start identifying and lining up the members of the preparation team. As soon as notice of the clearance of the *Cartas Consultas* is received, a mission composed of the team leader of the project preparation team, the CPM and a national consultant should visit the two states. This mission will have three objectives: complete the identification of the projects to IFAD satisfaction; assist in the identification and setting up of a local preparation team; and agree on a work plan for the local team for the period previous to the visit of the IFAD preparation mission. This mission could also carry out discussions and collect information for the preparation of the grant applications, which should be done well before the end of 2008.
80. It is advisable that on the basis of the experience collected in the preparation of the Piau  and Paraiba projects and of the concepts presented above when discussing the programme approach to investment projects, a short programme concept document is prepared. This document would be useful to discuss new operations with other government of the Northeast states.

Key file 1: Rural poverty and agricultural/rural sector issues

<i>Priority Area</i>	<i>Affected Group</i>	<i>Major Issues</i>	<i>Actions Needed</i>
Rural poverty in general	<p>Poor small-scale farmers</p> <p>Landless peasants</p> <p>Agricultural and seasonally migrant workers</p> <p>Women- headed households</p> <p>Rural youth</p>	<p>High level of geographical dispersion in rural areas:</p> <ul style="list-style-type: none"> • 86% (82% in the Northeast) of rural population live in rural areas outside agglomerations and only 11% (16% in the Northeast) in isolated rural agglomerations <p>High levels of social exclusion.</p> <ul style="list-style-type: none"> • In 2006, 3 million rural people living in extreme poverty • In 2004, 15 million people living in food insecurity in rural areas: 5.9 million (18,2%) in slight food insecurity; 6 million (23,6%) in moderate food insecurity and 3.4 million (24.7%) in severe food insecurity <p>Limited productive assets; growing but still limited social capital; low level of capitalization</p> <p>Limited access to land:</p> <ul style="list-style-type: none"> • Almost half of poor rural households without access to land • Over 2 million minifundio holdings according to the 1996 Agricultural Census <p>Insecure and irregular land ownership</p> <p>Limited basic rural infrastructure:</p> <ul style="list-style-type: none"> • Inadequate housing conditions, particularly water supply and sanitation • Overcrowded houses <p>Increased degradation of natural resources</p> <p>Low productivity, limited use of available technology and unsustainable production practices</p> <p>Subsistence agricultural production with low incomes from rain fed crops and livestock farming</p> <p>Limited access to good primary education</p> <p>Limited access to good quality basic health attention in rural areas and difficult access to medium and complex medical care</p> <p>Seasonal migrations, particularly of males, within states and across states</p> <p>Large numbers of women headed rural households</p> <p>High participation of pensions and other transfers in total income</p> <p>Limited access to financial & other production and marketing support services</p>	<p>Improving basic health attention and access to health care facilities</p> <p>Strengthening local organizations for community-centred, self-managed development</p> <p>Improving access to land through legal, administrative and operational improvements of current land policy mechanisms</p> <p>Facilitating access by rural youth (male and female) to quality primary, secondary and higher education</p> <p>Investment in social and economic rural infrastructure, with special attention to water supply in the rural semiarid areas of Northeast Region</p> <p>Development of local technical capacities and skills</p> <p>Provision of demand-led, participatory, market-oriented, production-related and other technical services, and natural resource conservation technologies</p> <p>Crop diversification with emphasis on high value crops</p> <p>Promotion of income-generating, non-agricultural activities and micro and small businesses in rural areas</p> <p>Promotion of productive investment funds and local micro financing services</p>

Priority Area	Affected Group	Major Issues	Actions Needed
Environmentally vulnerable zones/ natural assets and degraded areas	All rural poor	<p>Degradation and overexploitation of natural resources (soil, water, biodiversity)</p> <p>Desertification of large areas in semi-arid region</p> <p>Unsustainable agricultural practices</p> <p>Inadequate land use/allocation in environmentally fragile areas</p> <p>Systematic clandestine deforestation</p> <p>Rural energy constraints</p> <p>Lack of effective climate-change-related plans and risk-management mechanisms overall and in smallholder agriculture</p> <p>Concentration of government efforts in some regions with neglect of others</p> <p>Low levels of participation and investment in micro-watershed-based, municipal and local development programmes</p>	<p>Reinforcement and enhancement of territorially-based, integrated rural development programmes and approaches</p> <p>Participatory environmental planning and implementation, with direct involvement of local communities in decision making</p> <p>Promotion of micro-watershed management plans</p> <p>Promotion of agro-forestry</p> <p>Strengthening of decentralization policies and mechanisms to strengthen environmental governance through local control</p> <p>Training in risk prevention, vulnerability-reduction, micro-watershed-based planning and resource development</p> <p>Increased provision of social and economic rural infrastructure, rehabilitation and conservation of soils, water and vegetation, and demonstration units of innovative-technologies</p> <p>Introduction of environmental service schemes adequate to the needs of arid and other vulnerable agro-ecological zones</p> <p>Promotion of "nature-based tourism" within wider rural development strategies at micro-watershed and municipal levels</p> <p>Participatory inventories of the natural (physical), cultural and historical potential of regions and sites</p>
Rural businesses and micro-enterprises	Micro and small rural entrepreneurs (farm and off-farm)	<p>Limited knowledge of market conditions</p> <p>Limited business-management capacities</p> <p>Low & inappropriate levels of capital, technology and supporting infrastructure to compete in national and external markets</p> <p>Limited local value added in production chains</p> <p>Poor quality of rural products and services</p> <p>Low capacity to articulate consistent business plans</p>	<p>Support to diversification of regional economies, including agricultural and non-agricultural production</p> <p>Provision of market information systems at local, micro-regional and sub-national levels</p> <p>Selection and training of local commercial leaders and entrepreneurs in micro-enterprise development and quality-control management</p> <p>Support to the formulation of relevant rural "business plans"</p> <p>Facilitation of access to dynamic markets and technical and managerial support services with continued "coaching"</p> <p>Facilitation of access to investment resources for micro and small rural enterprise</p> <p>Establishment, expansion and consolidation of rural financial systems</p> <p>Provision of demand-led, participatory, culturally-sensitive, market-oriented rural extension services and natural resource conservation technologies</p>
Gender development issues	Women headed households	<p>High number of rural women-headed households due to temporary and permanent migration of males and to family breakdown</p> <p>High levels of social, nutritional and economic vulnerability of household</p> <p>High demand on women time and capabilities for daily household work, community-based social responsibilities, production, marketing and other survival activities</p> <p>Limited labour-market skills beyond household work in urban areas</p> <p>Low access to social, financial and production support services</p> <p>High dependency on social development programmes</p> <p>Efficacy of numerous public initiatives to deal with gender issues to be confirmed</p>	<p>Provision of adult women literacy programmes</p> <p>Guaranteed access to education at all levels for rural males and females</p> <p>Improved facilities and resources for health and nutrition services particularly oriented to women</p> <p>Strengthening of community approaches to the delivery of social services and the provision of domestic time-saving equipment</p> <p>Innovative participatory approaches to the capitalization of rural women</p> <p>Provision of demand-led, participatory financial and extension services to rural women</p> <p>Training in farm and off-farm rural productive activities and labour skills with equal opportunities for young males and females</p> <p>Gender awareness campaigns within rural communities and local society at large</p>

Priority Area	Affected Group	Major Issues	Actions Needed
			Nutritional and health awareness campaigns for women and children
Marginal regions and particularly vulnerable households	<p>Rural poor living in marginal regions</p> <p>Small <i>minifundistas</i></p> <p>Landless rural workers</p>	<p>High levels of social exclusion, extreme poverty and food insecurity</p> <p>Depressed local economy with little employment and income generation opportunity for the rural poor, particularly for landless households</p> <p>Poor basic economic infrastructure and services (roads, production support services, access to markets) and low levels of social capital</p> <p>Lack of basic welfare rural infrastructure, including housing, electricity, water and sanitation</p> <p>Low levels of social capital associated with geographical dispersion of rural communities</p> <p>Dominance of paternalistic/clientelistic culture and policy approaches, with paternalistic and insufficiently funded interventions from government, philanthropic institutions and NGO programmes</p> <p>Very limited productive assets, land fragmentation and limited social and economic capitalization</p> <p>Degradation of natural resources</p> <p>Limited access to education & health services</p> <p>Low incomes from subsistence, traditional technology-based rain fed crops and livestock farming</p> <p>Very limited access to culturally-suitable technical assistance, rural finance and other production/marketing support services</p>	<p>Higher priority targeting and more investment resources in marginalized territories</p> <p>Higher priority to primary education and adult illiteracy eradication programmes</p> <p>Innovative, community-centred, self-managed development processes with strong public support</p> <p>Provision of health and nutrition services with quality at all levels (primary care & hospitalization)</p> <p>Investment in basic rural infrastructure and housing</p> <p>Development of local capacities through technical and labour skills training</p> <p>Provision of demand-led, participatory, culturally-sensitive, market-oriented rural extension services and natural resource conservation technologies</p> <p>Support to production diversification with emphasis on high value activities</p> <p>Development of the income-earning potential of poor households through literacy, vocational training and local development actions designed to respond to local conditions</p> <p>Nutritional and health awareness campaigns for women and children</p>
Marginalized indigenous peoples and traditional communities	Indigenous peoples and traditional communities	<p>High levels of social exclusion, extreme poverty & food insecurity</p> <p>Limited productive assets in the case of traditional and indigenous communities</p> <p>Limited capacity to use available resources efficiently</p> <p>Limited social and economic capitalization</p> <p>Degradation of natural resources and tenure threats to indigenous territories</p> <p>Lack of basic rural infrastructure and housing</p> <p>Limited access to good quality education & basic health services</p> <p>Low incomes from subsistence, traditional technology-based rain fed crops and livestock farming, particularly unsuitable in semi-arid areas</p> <p>Limited access to culturally-suitable technical assistance, rural finance and other production/marketing support services</p> <p>Paternalistic and insufficiently funded interventions from government, philanthropic institutions and NGO programmes</p>	<p>Higher priority and more investment resources from federal programmes</p> <p>Policy coordination between municipal, state and federal administrations to deal with all development aspects (social, economic, natural resources, land tenure etc)</p> <p>Enhanced legal framework to recognize and protect special groups</p> <p>Enhanced coordination of policies and actions between FUNAI (indigenous issues), Fundação Palmares (traditional communities) and specialized ministries, NGOs and private sector</p> <p>Innovative, community-centred, self-managed development processes and strengthening of ethnic identity and culture</p> <p>Provision of health and nutrition services with quality at all levels (primary care & hospitalization)</p> <p>Access by young indigenous males and females to intercultural primary, middle and higher education</p> <p>Investment in basic rural infrastructure and housing</p> <p>Development of local capacities through technical and labour skills training</p> <p>Provision of demand-led, participatory, culturally-sensitive, market-oriented rural extension services and natural resource conservation technologies</p> <p>Support to production diversification with emphasis on high value activities</p>

Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis)

Organization	Strength	Weakness	Opportunities and Threats	Comments
GOVERNMENT IMPLEMENTATION AGENCIES				
Ministério do Desenvolvimento Agrário (MDA)	<ul style="list-style-type: none"> Focus on family farming, rural poverty and agrarian reform Recent progress in marketing support to small farmers Sensitive to gender and environmental issues Enthusiastic and proactive in bio-energy (Pronaf BioDiesel and Selo Combustível Social). Experience with FIDA (Dom Helder Câmara project) and other multilateral agencies Good relation with rural social movements 	<ul style="list-style-type: none"> Shortage of human resources Limited M&E capacity, especially of national programmes Approach to marketing and territorial development suffers from weak conceptual basis, including an insufficient understanding of value chains Limited direct activity in technical assistance and rural extension including supervision and training. TA services are delegated to state governments and civil society Little local presence (only state level offices). 	<ul style="list-style-type: none"> Pronaf M&E could improve substantially with a modicum of investment in human resources Present actions to support marketing are valuable in the transition to full independent integration of beneficiaries in value chains, particularly in view of bio-diesel potential 	<ul style="list-style-type: none"> Is responsible for Pronaf and all main policies oriented to family farmers
Ministério da Agricultura, Pecuária, e Abastecimento (MAPA)	<ul style="list-style-type: none"> Good understanding of agri-businesses Wide local presence at national level Efficient staff cadre, but rather limited to cope with MAPA mandate. Proactive in international agricultural negotiations 	<ul style="list-style-type: none"> Main focus on large-scale agriculture Low capacity to support small farmers to comply with SPS requirements Low capacity to enforce regulations and implement innovative policies 	<ul style="list-style-type: none"> Know-how in agri-business could serve family farmers and agrarian reform settlements 	<ul style="list-style-type: none"> Responsible for all aspects of agricultural support to the non-family farm sector Has also many functions related to the SPS vigilance system
Ministério da Integração Nacional	<ul style="list-style-type: none"> Large budget Long experience with international financing agencies Focus on the development of Brazil's poorest macro-regions 	<ul style="list-style-type: none"> Territorial approach incompatible with that of MDA and still to be accepted by Ministry of Planning and to be incorporated at national budget 	<ul style="list-style-type: none"> Suffers strong conflicting pressures at state level regarding main macro-regional projects, such as the transposition of Rio Sao Francisco. 	<ul style="list-style-type: none"> Responsible for macro regional development actions particularly regarding hydraulic infrastructure

<i>Organization</i>	<i>Strength</i>	<i>Weakness</i>	<i>Opportunities and Threats</i>	<i>Comments</i>
GOVERNMENT IMPLEMENTATION AGENCIES				
Companhia de Desenvolvimento dos Vales do S. Francisco e do Parnaíba (CODEVASF)	<ul style="list-style-type: none"> • Long experience with irrigation projects • Experience with international financing 	<ul style="list-style-type: none"> • Emphasis on enclave-type projects rather than regional projects with a multiplier effects • Carries the burden of inefficient projects implemented in the past • Limited investment capacity in new irrigation projects 	<ul style="list-style-type: none"> • Focus on productive articulation and multiplier effects of projects outside their own areas is starting to develop 	<ul style="list-style-type: none"> • Regional development company specialized in financing and implementation of irrigation projects
Ministério do Desenvolvimento Social	<ul style="list-style-type: none"> • Large budget • Strong partnership with civil society, state and municipal administration • Programmes focused on poor households and population with special needs 	<ul style="list-style-type: none"> • Limited capacity of M&E of main programmes • Very limited capacity to monitor implementation of decentralized programs 	<ul style="list-style-type: none"> • If subsistence support (through minimum income programmes) is associated with other policies, it may favour the transition to a rural business approach 	<ul style="list-style-type: none"> • Main implementation and supervisory agent of national social policy
Secretarias Estaduais de Agricultura (SEAGRIs)	<ul style="list-style-type: none"> • Closeness to served population • Most of SEAGRIs operate in close partnership with federal institutions, particularly MAPA, MDA, and MMA. 	<ul style="list-style-type: none"> • Low paid and often little qualified staff • Low budget to deal with state responsibilities in the area • Low capacity to implement autonomous agro-development programmes at state level. 	<ul style="list-style-type: none"> • Risk of appropriation with electoral purposes of projects co-financed by multilateral agencies 	<ul style="list-style-type: none"> • Manage state agriculture and rural development policies; are partners of ministries of agriculture, rural development and regional integration with respect to irrigation
Secretarias Estaduais de Desenvolvimento Regional (SDRs)	<ul style="list-style-type: none"> • Closeness to served population • Experience with multilateral financing • Most programmes funded by international agencies, subject to appropriate rules 	<ul style="list-style-type: none"> • Low paid and often Little qualified staff 	<ul style="list-style-type: none"> • Risks associated with low capacity to implement development projects • Enhancement of policy design and efficiency through M&E 	<ul style="list-style-type: none"> • Responsible of assisting municipalities and help drafting regional development plans
Secretarias Estaduais de Combate à Pobreza e Assistência Social	<ul style="list-style-type: none"> • Closeness to served population 	<ul style="list-style-type: none"> • Low paid and often little qualified staff • Subject to strong local pressures regarding resources allocation • Focus on disaster situations and short run measure 	<ul style="list-style-type: none"> • Risks associated with low capacity to implement development projects • Enhancement of policy design and efficiency through M&E 	<ul style="list-style-type: none"> • Responsible for state level social policies
Secretarias Municipais de Agricultura (SEMAGRIs)	<ul style="list-style-type: none"> • Closeness to served population 	<ul style="list-style-type: none"> • Very scarce or inexistent human and material resources • Mostly an instance of political representation, without action capacity • Lack of operational and policy instruments to promote agricultural and rural development 	<ul style="list-style-type: none"> • Can be used as a local coordination unit 	<ul style="list-style-type: none"> • Act in practice as rural development advisors to mayors

<i>Organization</i>	<i>Strength</i>	<i>Weakness</i>	<i>Opportunities and Threats</i>	<i>Comments</i>
GOVERNMENT IMPLEMENTATION AGENCIES				
SERVICE PROVIDERS				
Instituto Nacional de Colonização e Reforma Agrária (INCRA)	<ul style="list-style-type: none"> • Large presence throughout the national territory • Exclusive focus on agrarian reform 	<ul style="list-style-type: none"> • Shortage of human and material resources • Unable to address marketing issues • Excessively responsive to social movement pressure 	<ul style="list-style-type: none"> • Recent staff increase of 40% may serve to advance in the autonomy of agrarian reform settlements 	<ul style="list-style-type: none"> • In charge of providing support to the agrarian reform settlements. • Operates under MDA.
Companhia Nacional de Abastecimento (CONAB)	<ul style="list-style-type: none"> • Very much involved with poverty reduction policies • Large presence throughout the national territory • Important for the marketing of family farm produce • Experience with IFAD project Progavião 	<ul style="list-style-type: none"> • Responsive to political pressure 	<ul style="list-style-type: none"> • Present actions to support marketing are valuable in the transition to full independent integration of beneficiaries in value chains • Risk of overstocking because of political pressure to buy surpluses 	<ul style="list-style-type: none"> • In charge of federal government regulatory food stocks and of procurement and sale of food linked to social policies
Empresa Nacional de Pesquisa Agropecuária (EMBRAPA)	<ul style="list-style-type: none"> • Large and efficient technical staff • Good research infrastructure • Focus on value chains many of which relevant for small farmers • Many centres distributed in the national territory focussed on local technological needs • Experience with IFAD 	<ul style="list-style-type: none"> • Lack of focus on the most strategic issues for sustainable agricultural development • Scattering of scarce resources • Weak linkages with extension services that should be provided by state and local institutions 	<ul style="list-style-type: none"> • Increased competitiveness of small farmers in the bio-diesel chain • Possibility of fostering value chains by linking irrigation projects to their rain-fed environments • Stronger support to innovation by small farmers 	<ul style="list-style-type: none"> • Main agricultural research and technology agency of Brazil

Key file 3: Complementary donor initiative/partnership potential

<i>Agency</i>	<i>Priority sectors and areas of focus</i>	<i>Period of current country strategy</i>	<i>Complementarity/Synergy Potential</i>
World Bank	<ul style="list-style-type: none"> • Human development (education, health, nutrition, poverty reduction) • Rural development (rural poverty reduction, rural infrastructure, land redistribution) • Private sector development 	2004-2007	<ul style="list-style-type: none"> • Rural poverty reduction: The WB is financing poverty reduction projects in nine states of the Northeast region. Projects are implemented by state government agencies, providing grants to rural community associations to cofinance the implementation of small infrastructure and income generation projects. These initiatives are evaluated, prioritized, and approved by Municipal Councils with broad participation of beneficiaries, local governments, and government agencies working in the respective municipalities. IFAD and World Bank projects occasionally benefit the same rural communities, and there have been some partnerships in the context of the IFAD-funded Dom Helder Câmara Project, especially in the state of Rio Grande do Norte. There is good potential to coordinate activities at field level that imply avoiding duplication, mobilizing additional funds, and making complementary investments in poor communities. • Land policies: The World Bank has been financing the Land Credit Program implemented by the Federal Government through the Ministry of Agrarian Development. The program provides long-term credit to groups of landless rural dwellers in order to purchase land and make complementary investments. The World Bank and the Federal Government are negotiating a new loan of about US\$400 million that would extend the program to all states of Brazil, benefiting about 60.000 families. All IFAD projects have supported land settlements created with the support of loans from the Land Credit Program, providing technical assistance, training, and small infrastructure investments.
Interamerican Development Bank	<ul style="list-style-type: none"> • Promoting sustainable economic growth • Reducing poverty and social and regional inequities • Urban development • Institutional modernization 	2004-2007	<ul style="list-style-type: none"> • IADB has been implementing five projects in the area of agriculture and rural development, three technical assistance grants, and two projects financed by the Multilateral Investments Fund. Main operations focus on the Northeast region, including the states of Pernambuco and Bahia, but in zones not covered by IFAD projects. A Consolidation and Self-sufficiency of Agrarian Reform Settlements project executed by INCRA is implemented in states outside the Northeast region (with the exception of Rio Grande do Norte), reason why there was no interaction with IFAD projects. As long as there is no overlapping in the areas covered by IADB and IFAD projects, possibilities of collaboration could focus on knowledge management and policy dialogue on rural development issues like support to land reform settlements, microfinance and the promotion of rural businesses.
Food and Agriculture Organization	<ul style="list-style-type: none"> • Technical assistance in agriculture, aquaculture, environment, and land reform • Technical assistance to policy development in the area of food security 	No published formal strategy	<ul style="list-style-type: none"> • FAO has been active in the first stages of development of the Fome Zero Programa broad set of government interventions to reduce poverty and improve food security. In addition, it has national and regional technical assistance projects that cover topics like animal health, training in land policies, environmental training in schools, and planning and training on land reform. FAO has collaborated with the World Bank through a World Bank/FAO Cooperative Programme in which FAO provided staff and consultants for the formulation and supervision of World Bank rural development and poverty reduction projects. Possibilities of partnerships could include lessons sharing in rural development, participation in targeted analytical work and pipeline development.

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
Interamerican Institute for Cooperation on Agriculture	<ul style="list-style-type: none"> • Technical cooperation on Trade and Agribusiness Development, Technology and Innovation, Animal and Food Health, Sustainable Rural Development, Participatory Rural Development, and Knowledge and Information Management. 	2002-2006	<ul style="list-style-type: none"> • IICA has developed partnerships with many government agencies and state governments, providing technical assistance to projects and interventions of great interest to IFAD. Some of the most important ones for IFAD include: a) support to the implementation of the World Bank funded Poverty Reduction Program in states of the Northeast Region; b) support to the Ministry of Agrarian Development on the management of the Land Credit Program and to state governments in the Northeast, Southeast, and South regions on its implementation; c) support to the management of the National Family Agriculture Strengthening Programme; d) support to rural territorial development through the Territorial Development Secretariat of the Ministry of Agrarian Development; e) support to territorial planning and sustainable rural development planning in the states of Pernambuco, Piaui, and Maranhão; and f) support to the Ministry of National Integration on the development of activities oriented to mitigate the negative impacts of natural and human disasters. Possibilities of collaboration with IICA include implementation support, policy dialogue and knowledge management.
United Nations Development Programme	<ul style="list-style-type: none"> • Human Development (poverty reduction, social inclusion) • Capacity Development for sustainable governance • Sustainable Development and Energy Development 	2002-2006	<ul style="list-style-type: none"> • Coordination in follow-up of social agenda and progress in meeting of MDG

Key file 4: Target group identification, priority issues and potential response

<i>Typology</i>	<i>Poverty Level and Causes</i>	<i>Coping Actions</i>	<i>Priority Needs</i>	<i>Support from Other Initiatives</i>	<i>COSOP Response</i>
Poor family farmers (including indigenous population)	<ul style="list-style-type: none"> Approximately 40% of rural poor households are small farmers. Except for unoccupied workers, rural households relying mostly on farming registered in 2006 the highest rate of poverty; Geographic isolation and dispersion (in the Northeast Region 87,7% of poor rural households were located in rural areas outside rural agglomerations) Limited land, water and other productive assets Degraded natural-resource base Inadequate housing conditions. Lack of water supply Limited access to good quality education and to basic and more advanced health services Limited access to production, financial and marketing support services High Adult illiteracy Low total factor productivity 	<ul style="list-style-type: none"> Government transfers e.g. <i>Bolsa Familia</i> and Pension Fund (INSS) Low input/output farming for family subsistence and markets Overexploitation of natural resources base Seasonal off-farm employment in the region and in other regions Daily off farm work Seasonal/permanent migration to urban areas, particularly young men and women Direct benefits from poverty combat programs, particularly housing, electricity and water supply (Rural Poverty Combat Projects, many co-financed by the World Bank) Low productivity informal non agricultural activities 	<ul style="list-style-type: none"> Technical training and vocational education Demand-led agricultural and non-agricultural support services Financial services and resources for agricultural and non-agricultural production Comprehensive technical assistance on production, marketing and management of production unit and natural resources Social investment in education, health and nutrition Investment in rural infrastructure, housing (particularly water supply and electricity) Rehabilitation and rational development of natural-resource base Access to investment funds 	<ul style="list-style-type: none"> Pronaf – National Programme Land Reform Programs (Incra and Crédito Fundiário) Rural Development and Poverty Combat Programmes at State Level (mostly co-financed by World Bank) Crediamigo and Agrocredit (Banco do Nordeste) Pluristate IFAD project (Dom Helder) and IFAD projects in Bahia Irrigation Program Various state level programs and projects, such as Flores da Bahia, in Bahia and Agropolis, in Ceará PAA (Food Acquisition Program) – Conab ONGs local initiatives, from facilitating market access to water management and supply. 	<ul style="list-style-type: none"> Employment and income opportunities New or more productive sustainable agricultural production (crop conversion/diversification) New non-agricultural activities Market-oriented micro and small agricultural and non-agricultural rural businesses Technical support services Social and economic organization Enhanced policy response through policy coordination mechanisms at project level and policy dialogue at regional and federal levels
Landless households, rural workers and seasonal migrant labour	<ul style="list-style-type: none"> Range: from poverty to extreme poverty; and from high to very high social and economic exclusion High illiteracy and very low professional qualification Inadequate housing conditions. Lack of water supply Limited access to good quality education and to basic and more advanced health services Very precarious working conditions Low wages Lack of productive assets Lack of social and start-up production, financial and marketing support services 	<ul style="list-style-type: none"> Low input/output farming for family subsistence in rented land Seasonal employment as workers in commercial agricultural holdings Daily local work Permanent migration to urban areas (i.e. Construction work) Diversified household income i.e. Domestic work in urban areas 	<ul style="list-style-type: none"> Social investment in education, health and nutrition Investment in rural infrastructure and housing Technical training and vocational education Better labour conditions and opportunities Access to land and /or to land rental markets Financial resources for agricultural and non-agricultural production 	<ul style="list-style-type: none"> Agrarian Reform – Incra and Credito Fundiário Credi Amigo (Banco do Nordeste) Rural Development and Poverty Combat Programmes at State Level (mostly co-financed by World Bank) Food Distribution Program – MDS (Programa de Distribuição de Cestas de Alimentos -PDCA) Training Programs (federal, state and NGOs initiatives) Adult education (Ministry of Education and Agrarian Development) 	<ul style="list-style-type: none"> Employment and income opportunities New non-agricultural activities Market-oriented micro and small rural businesses Technical and financial support services Social and economic organization

<i>Typology</i>	<i>Poverty Level and Causes</i>	<i>Coping Actions</i>	<i>Priority Needs</i>	<i>Support from Other Initiatives</i>	<i>COSOP Response</i>
Micro and Small rural entrepreneurs (farm and off-farm)	<ul style="list-style-type: none"> Moderate to extreme poverty Limited capitalization of non-agricultural production activities Low technological level and limited infrastructure Lack of access to production and marketing support services Low education level Limited management skills 	<ul style="list-style-type: none"> Production and marketing micro-enterprise Partial involvement in small agriculture-related activities Seasonal labour work by some member of the household Permanent wage labour by some member of the household 	<ul style="list-style-type: none"> Support services for micro-entrepreneurial activities Marketing analysis of small rural enterprise opportunities and limitation in the context of local and regional markets Assistance to prepare effective business plans, and inproject financing and implementation Demand-led agricultural and non-agricultural support services Access to financial resources and services 	<ul style="list-style-type: none"> Pronaf (special credit line for non agricultural activities) Several Programmes of Banco do Nordeste Sebrae – Serviço de Apoio às Micro e Pequenas Empresas various programmes (Brazilian Micro and Small Business Support Service) State and local level initiatives 	<ul style="list-style-type: none"> Employment and income opportunities New sustainable agricultural production (crop conversion/diversification) New non-agricultural activities Market-oriented micro and small agricultural and non-agricultural rural businesses Technical support services Social and economic organization
Rural youth and women	<ul style="list-style-type: none"> Range: from poverty to extreme poverty; and from high to very high social and economic exclusion Limited access to good education and health services Lack of access to production, financial and marketing support services Insufficient access to professional training 	<ul style="list-style-type: none"> Contribution to household economy through low input/output farming for family subsistence and markets Seasonal off-farm employment Seasonal/permanent migration to urban areas 	<ul style="list-style-type: none"> Social investment in education, health and nutrition Wider access to education at all levels: primary, middle and higher Investment in rural infrastructure and housing Technical training and vocational education Demand-led, agricultural and non-agricultural support services Financial services and resources for agricultural and non-agricultural production 	<ul style="list-style-type: none"> Pronaf has special credit lines for rural youth and women Incra pays special attention to women as preferential beneficiaries of land settlements Sebrae has special activities for young entrepreneurs (limited in rural areas) Contag gives special attention to rural youth and women 	<ul style="list-style-type: none"> Employment and income opportunities New sustainable agricultural production (crop conversion/diversification) New non-agricultural activities Market-oriented micro and small agricultural and non-agricultural rural businesses Technical support services Social and economic organization

