
Rapport du Président

Proposition de prêt

République fédérative du Brésil

**Projet de développement durable dans les zones
rurales du Paraíba**

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Mesures à prendre: Le Conseil d'administration est invité à approuver la recommandation telle qu'elle figure au paragraphe 63.

Questions techniques:

Arnoud Hamелеers

Directeur de pays
Division Amérique latine et Caraïbes
courriel: a.hameleers@ifad.org

Hardi Vieira

Coordonnateur du programme de pays
Division Amérique latine et Caraïbes
courriel: h.vieira@ifad.org

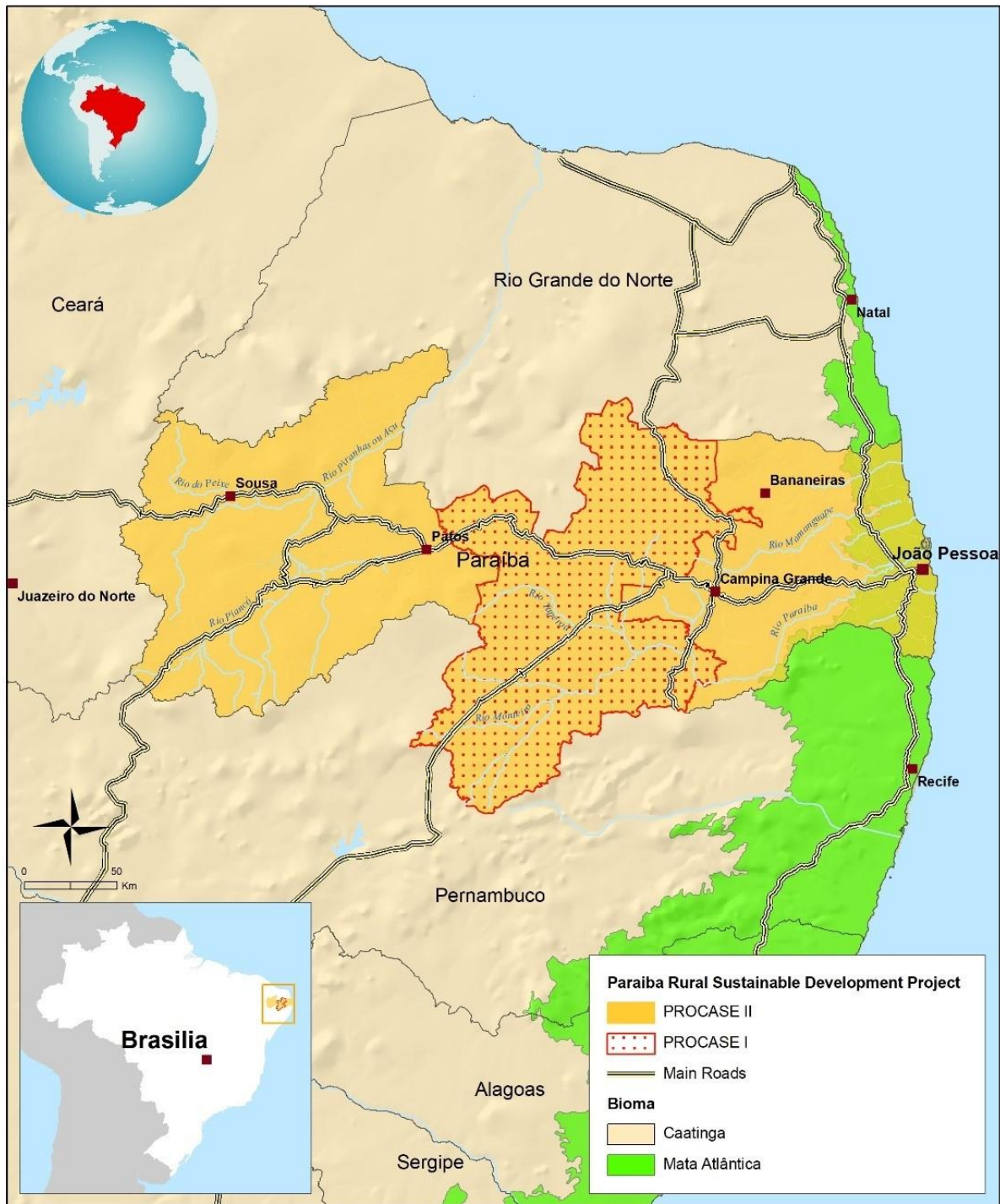
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Équipe d'exécution du projet

Directrice régionale:	Rossana Polastri
Directeur de pays:	Arnoud Hameleers
Coordonnateur du programme de pays:	Hardi Vieira
Responsable technique:	Luiz Claudio Marques Campos
Responsable des finances:	Johanna Herremans
Spécialiste climat et environnement:	Oliver Page
Juriste:	Adriana Lucia Jauregui Zabalaga

Carte de la zone du projet



Les appellations employées et la présentation des données n'expriment aucune position particulière du FIDA quant au tracé des frontières ou limites ni aux autorités concernées.
 Source: FIDA | 02/04/2024

Résumé du financement

Institution initiatrice:	Banque interaméricaine de développement
Emprunteur:	État de Paraíba, République fédérative du Brésil
Organisme d'exécution:	Secrétariat d'État à l'agriculture familiale et au développement du semi-aride
Coût total du projet:	105,0 millions d'USD
Montant du prêt du FIDA [au titre du Mécanisme d'accès aux ressources empruntées (MARE)]:	10,0 millions d'USD
Conditions du prêt du FIDA:	Conditions ordinaires, assorties d'un délai de remboursement de 18 ans, y compris un différé d'amortissement de 3 ans, à un taux d'intérêt correspondant au taux de référence du FIDA et incluant la marge variable
Cofinanceur:	Banque interaméricaine de développement
Montant du cofinancement:	70 millions d'USD (prêt)
Contribution de l'emprunteur:	25 millions d'USD
Montant du financement climatique apporté par le FIDA:	8,1 millions d'USD
Institution coopérante:	Banque interaméricaine de développement

I. Contexte

A. Contexte national et justification de l'intervention du FIDA

Contexte national

1. Après avoir enregistré une croissance de 2,9% en 2023, le produit intérieur brut (PIB) de la République fédérative du Brésil s'est maintenu à 1,9% au cours du premier trimestre 2024 et devrait atteindre 2,4% d'ici à la fin de l'année. L'inflation a culminé à 4,62% en 2023, et les projections la portent à 3,8% pour 2024. Le Gouvernement a introduit des réformes importantes, approuvé un nouveau cadre budgétaire et se prépare à approuver une réforme visant à simplifier le système fiscal. Il a par ailleurs adopté un Programme d'accélération de la croissance. Les inégalités dans le pays sont toutefois profondes et persistantes, en particulier dans la région du Nord-Est.
2. En 2023, quelque 60,4 millions de Brésiliens (soit 28% de la population) vivaient dans la pauvreté, dont 9,5 millions en situation d'extrême pauvreté (soit 4,4% de la population). Près de la moitié des populations pauvres se concentrent dans la région du Nord-Est. Entre 2022 et 2023, le nombre de Brésiliens souffrant d'insécurité alimentaire grave s'est réduit de 85%, passant de 17,2 millions à 2,5 millions. Le Nord-Est continue toutefois d'être le plus touché, 61,2% de sa population étant encore confrontée, au moins à un certain degré, à l'insécurité alimentaire. Il fait aussi partie des régions du pays les plus vulnérables aux effets des changements climatiques.
3. **L'État de Paraíba.** En 2022, la population du Paraíba s'élevait à 3,97 millions d'habitants (2% de la population du Brésil), dont 24% vivaient en milieu rural. En 2023, l'État a contribué au PIB à hauteur de 0,9% et au PIB agricole à hauteur de 0,34%. Le PIB par habitant du Paraíba représente 45% du PIB du Brésil, ce qui le place à l'avant-dernier rang dans le classement national. Au total, 80% de la population perçoit un revenu inférieur au salaire minimum, 47,4% vit dans la pauvreté et 15,6% dans l'extrême pauvreté, et 63,9% souffre d'insécurité alimentaire, dont 10,6% d'insécurité alimentaire grave.

Aspects particuliers relatifs aux thématiques transversales prioritaires du FIDA

4. Conformément aux engagements en matière de transversalisation, le Projet de développement durable dans les zones rurales du Paraíba (PROCASE II) a été validé comme:
 - porteur de transformations en matière de genre;
 - tenant compte des enjeux nutritionnels;
 - axé sur les jeunes;
 - ciblant en priorité les peuples autochtones;
 - ciblant en priorité les personnes handicapées;
 - incluant des activités relatives à la capacité d'adaptation;
 - incluant un financement climatique.
5. **Transformations en matière de genre.** Le PROCASE II créera de nouvelles sources de revenu pour les femmes grâce à des plans d'investissement et des plans d'activité résilients, et leur permettra d'obtenir un meilleur accès aux ressources naturelles et d'accroître leur contrôle sur ces dernières. Le projet s'appuiera sur l'assistance technique et les méthodes de formation, y compris les carnets de bord agroécologiques, pour améliorer la visibilité des contributions des femmes sur le plan économique et de la sécurité alimentaire et nutritionnelle. Leur charge de travail sera diminuée grâce à des technologies sociales d'accès à l'eau

permettant un gain de temps. Leur participation aux activités du projet sera facilitée par des services de garde d'enfants, une formation aux fonctions de direction et le renforcement de leur rôle dans les processus décisionnels au niveau communautaire ou organisationnel. Des actions de sensibilisation à la prévention et à la lutte contre la violence fondée sur le genre sont prévues.

6. **Prise en compte de la jeunesse.** Le projet favorisera la participation des jeunes à la gestion durable des ressources naturelles, créera de nouveaux emplois et possibilités d'activités rémunératrices, renforcera les organisations de jeunes, accroîtra le pouvoir décisionnel des jeunes ruraux au niveau communautaire, territorial et organisationnel, mettra en œuvre le Programme relatif aux jeunes communicateurs, sélectionnera de jeunes agents du développement local au sein des communautés pour appuyer l'exécution des plans d'investissement résilients, et fournira un appui aux réseaux de jeunes ruraux.
7. **Prise en compte des enjeux nutritionnels.** Les principaux angles d'attaque du projet en matière de nutrition sont les suivants: améliorer l'accès des ménages à l'eau, diversifier la production en appuyant la production domestique agroécologique pour améliorer la disponibilité d'aliments nutritifs pour les populations les plus vulnérables, mettre l'accent sur la valeur de la culture alimentaire traditionnelle et favoriser l'utilisation d'espèces nutritives négligées et sous-utilisées. Par ailleurs, l'éducation nutritionnelle portera sur les besoins nutritionnels élémentaires, les pratiques en matière de sécurité sanitaire des aliments, l'assainissement, l'hygiène et les pratiques de transformation et de conservation tenant compte de la nutrition.
8. **Financement climatique et renforcement de la capacité d'adaptation.** Toutes les composantes du projet contribuent au financement de l'action climatique. Le montant total alloué par le FIDA au projet au titre du financement de l'action climatique, calculé suivant les méthodes des banques multilatérales de développement, est estimé à 8 131 000 USD, soit 81% de l'investissement du FIDA, dont 4 716 000 USD pour les activités d'adaptation aux changements climatiques et 3 415 000 USD pour les activités d'atténuation des effets des changements climatiques.
9. **Peuples autochtones et communautés traditionnelles.** La préparation de plans d'investissement et de plans d'activités résilients tiendra compte des aspects sociaux et culturels, ainsi que des connaissances et des modes de vie traditionnels. Les communautés bénéficieront d'un plus large accès à l'eau pour l'usage domestique et la production et à d'autres technologies sociales (énergie et assainissement, notamment), ce qui leur permettra d'améliorer leurs moyens d'existence. Le projet œuvrera en faveur de l'attribution de titres fonciers aux communautés quilombolas et renforcera les organisations sociales de peuples traditionnels. Il mettra en valeur et diffusera les savoirs traditionnels en matière de production (systèmes agricoles traditionnels) et de nutrition.
10. **Personnes handicapées.** L'approche du PROCASE II concernant les personnes handicapées est double. Le projet ciblera ce groupe directement, et cherchera à le faire participer de manière significative en écoutant ses priorités et en l'impliquant dans la prise de décisions concernant la planification d'activités et d'investissements résilients. Les unités de transformation seront adaptées de façon à en assurer l'accessibilité, et le projet encouragera les innovations favorisant l'intégration des personnes handicapées aux activités agricoles. La sous-composante 2.3, Plan relatif à la diversité, affecte des ressources financières dédiées aux activités ciblant exclusivement les personnes handicapées, telles que les réunions et formations thématiques sur demande. Le PROCASE II publie des données ventilées par type de handicap correspondant à plusieurs indicateurs de la matrice de résultats.

Justification de l'intervention du FIDA

11. Le FIDA et la Banque interaméricaine de développement (BID), qui ont signé un accord de partenariat en 1978, élaborent actuellement un nouveau mémorandum d'accord. Il s'agira de la troisième opération de prêt cofinancée par la BID et du troisième projet de type C au Brésil. Ce partenariat avec la BID permet au FIDA de donner suite à la demande de l'État de Paraíba visant à reproduire à plus grande échelle le Projet de développement durable dans les régions de Cariri et Seridó (PROCASE I), qui a obtenu une note globale de 5 à l'achèvement.
12. Le projet permettra d'étendre l'approche de développement agricole durable par l'intermédiaire des organisations rurales, mise au point par le FIDA, des 56 municipalités de la région semi-aride couvertes par la phase I à l'État tout entier, soit 223 municipalités situées dans le biome semi-aride et le biome de la forêt tropicale atlantique. Ce partenariat produira les résultats suivants:
 - i) mobilisation de ressources supplémentaires pour investir dans les populations rurales, l'inclusion sociale et la durabilité, en appliquant les priorités et l'expérience du FIDA; ii) élargissement des interventions et de la base de connaissances du FIDA; iii) accroissement de la portée; iv) réduction des coûts administratifs liés à la conception et à la supervision; v) mobilisation des connaissances et de l'expertise complémentaires du FIDA et de la BID; vi) consolidation du travail du FIDA en matière de gestion des connaissances et de coopération Sud-Sud et triangulaire (CSST); vii) renforcement du partenariat du FIDA avec l'État de Paraíba et avec la BID.

B. Enseignements à retenir

13. **Préparation à l'exécution.** Il est essentiel de disposer d'une équipe expérimentée pour faire démarrer rapidement le projet, notamment en ce qui concerne la planification, la passation des marchés et l'élaboration des plans communautaires. Assurer la poursuite des activités du personnel de base de l'unité de gestion du projet (UGP) PROCASE tout en recrutant de nouveaux membres du personnel ayant d'autres domaines d'expertise permettra d'établir une base solide pour l'exécution du projet.
14. **Gestion des connaissances.** L'État de Paraíba attache une grande valeur à l'appui fourni par le FIDA en matière de gestion des connaissances, en particulier dans le cadre de son partenariat avec des institutions comme l'Institut national de recherche agronomique brésilien et l'Institut national pour la région semi-aride.
15. **Coopération Sud-Sud et triangulaire.** Des informations sur d'autres expériences positives ont été rassemblées dans le cadre du PROCASE I, qui a reçu des visites techniques de l'Argentine, de la Colombie, de l'État plurinational de Bolivie et du Mexique dans le cadre d'échanges de CSST. Elles ont été incorporées dans le PROCASE II.
16. **Suivi-évaluation.** Des données factuelles robustes sont indispensables pour mettre en lumière la manière dont le projet est exécuté et témoigner de l'efficacité des interventions du type de celles menées par le FIDA. L'expérience positive avec le système de suivi-évaluation de l'État et les données de l'évaluation de l'impact du PROCASE I ont servi de base à la conception de la phase II.
17. **Concertation sur les politiques.** Le dialogue continu du FIDA avec les autorités de l'État et d'autres partenaires comme des ONG a renforcé ses relations avec les décideurs et a permis la mise en place de nombreuses innovations du PROCASE I, telles que les carnets de bord agroécologiques, destinées à être intégrées dans les programmes publics. Les innovations du PROCASE II viseront aussi à influencer sur les politiques publiques.
18. **Cohérence de la supervision.** Le bureau du FIDA en El Salvador joue un rôle central dans la concertation sur les politiques et la supervision des projets. Il a permis de reconnaître la nécessité d'un PROCASE II et d'en assurer la conception

en collaboration avec la BID. Le maintien d'une équipe de consultants clés a garanti une supervision cohérente, fiable et adaptée au contexte du projet, ce qui a conduit à un engagement de qualité, à la production de résultats et à des réponses efficaces en cas de crise.

19. **Assistance technique à l'échelle locale.** Le PROCASE I a mis à profit l'expertise d'organisations locales de la société civile pour renforcer la capacité d'exécution, en particulier en matière d'agroécologie, de transformation de la dynamique femmes-hommes et d'inclusion des jeunes. Cette approche revêt une importance particulière pour les nouvelles zones du projet comme la forêt tropicale atlantique.
20. **Accès aux ressources en eau et aux technologies sociales.** Le PROCASE I a mis en évidence le besoin vital en eau propre des familles, en particulier dans le contexte des changements climatiques. Il a prouvé l'efficacité des technologies sociales telles que les citernes, les biodigesteurs, les fourneaux à bon rendement énergétique et les systèmes de réutilisation des eaux ménagères pour la résilience face aux changements climatiques. Le PROCASE II développera davantage ces solutions et introduira de nouvelles technologies d'assainissement pour réduire la dégradation de l'environnement et améliorer la santé et la nutrition.
21. **Accès aux marchés.** Les investissements productifs doivent être complétés par la commercialisation des produits, car l'équipe du projet travaillera avec des produits dans le cadre de filières consolidées comme celle du miel et des noix de cajou. L'expérience acquise avec le coton biologique et le partenariat avec le secteur privé servira de référence pour le développement et la reproduction de cette approche.
22. **Agents de développement local.** Le PROCASE I a employé des jeunes issus des communautés bénéficiaires comme agents de développement local. Intégrés dans l'équipe du projet, ces agents ont appuyé l'exécution locale en renforçant les organisations, tout en veillant à la prise en main des activités par les communautés, à favoriser la participation de ces dernières et à gagner leur confiance. Ce modèle sera amélioré et reproduit par le PROCASE II.
23. **Approche agroécologique.** Le PROCASE II s'appuiera sur l'approche agroécologique adoptée par le PROCASE I en encourageant une stratégie globale intégrant l'agroforesterie, la diversification de la production, la restauration de l'écosystème et le recyclage efficace pour réduire la dépendance vis-à-vis des intrants externes. Ces pratiques visent à atténuer les effets des changements climatiques et à offrir une plus grande variété d'aliments nutritifs.

II. Description du projet

A. Objectifs, zone d'intervention et groupes cibles

24. L'**objectif global** du projet est de réduire le niveau de pauvreté rurale, d'améliorer la sécurité alimentaire et nutritionnelle et de renforcer la capacité d'adaptation aux changements climatiques de la population rurale. Ses **objectifs spécifiques** sont les suivants: i) accroître l'adoption des technologies agricoles qui contribuent à l'adaptation aux changements climatiques et à l'atténuation de leurs effets; ii) accroître l'inclusion productive et sociale des exploitants familiaux, en mettant l'accent sur les femmes, les jeunes, les communautés et peuples ancestraux et les personnes handicapées; iii) améliorer les conditions environnementales des communautés rurales et de leur milieu.
25. Le projet bénéficiera directement à 60 000 ménages ruraux (soit quelque 210 000 personnes), dont 50% sont dirigés par une femme, 20% sont dirigés par un jeune, 5% sont issus d'une communauté ou d'un peuple ancestraux et 2% sont des personnes handicapées.
26. **Ciblage géographique.** Le PROCASE II élargira sa portée à l'ensemble des 223 municipalités du Paraíba, contre seulement 56 lors de la phase I, pour mieux atteindre les communautés autochtones des zones côtières et de la forêt tropicale

atlantique. La priorité sera donnée aux communautés sur la base des critères techniques suivants: i) pauvreté rurale; ii) présence de communautés et peuples ancestraux; iii) insécurité alimentaire et malnutrition; iv) concentration de femmes et de jeunes ruraux; v) accès limité à l'eau; vi) absence de chevauchement avec d'autres projets du FIDA, comme le PROCASE I, Sertão Vivo et la phase III du Projet en faveur de la résilience climatique, de la sécurité alimentaire et de la nutrition dans le Nord-Est semi-aride du Brésil.

27. **Ciblage social.** La population cible comprend les agriculteurs familiaux pauvres et les autres populations rurales pauvres, la primauté étant accordée aux femmes, aux jeunes, aux peuples et communautés traditionnelles, aux personnes handicapées et aux personnes LGBTQIAPN+ issues des communautés rurales prioritaires. Un panachage des méthodes de ciblage direct et d'autociblage garantira l'inclusion sociale et une forte participation des groupes cibles. Les activités destinées aux groupes cibles seront associées à des critères de sélection clairement définis, à des quotas et à des mesures de renforcement des capacités et de sensibilisation pour garantir la participation des groupes les plus vulnérables.

B. Composantes, résultats et activités

28. **Composante 1: Des systèmes de production résilients pour réduire la pauvreté rurale**

Cette composante vise à accroître les revenus, la sécurité alimentaire et la nutrition, à adapter les systèmes de production aux changements climatiques et à protéger la base de ressources naturelles en finançant des plans destinés à stimuler la production et la commercialisation, à restaurer les zones dégradées sur le plan environnemental et à renforcer les capacités organisationnelles et des familles. Des plans d'investissement résilients bénéficieront aux groupes de communautés rurales en encourageant la polyculture et les systèmes d'agroforesterie, afin d'intensifier la production agricole et de la biomasse et de réduire la vulnérabilité au climat. Ils soutiendront aussi les unités de production animale adaptées aux contextes locaux. Les plans d'activité élaborés avec les organisations de producteurs (généralement des coopératives) financeront les investissements structurants dans les unités de transformation et l'assistance technique spécialisée visant à stimuler la capacité de gestion et à favoriser la création de valeur, la commercialisation et l'adaptation aux changements climatiques. Cette composante prévoit aussi des incitations à l'innovation, telles que des équipements, des machines, des intrants, des produits et des outils adaptés aux besoins des exploitants familiaux.

Composante 2: Renforcement organisationnel, développement des capacités et gestion des connaissances

Cette composante porte sur le renforcement des unités de production familiale par la fourniture d'une assistance technique individuelle et collective et l'adoption de politiques publiques fondamentales pour l'agriculture familiale. L'assistance technique appuiera la préparation et l'exécution de plans d'investissement résilients, tandis que l'assistance technique spécialisée sera axée sur les plans d'activité et le renforcement des capacités des organisations bénéficiaires. Parmi les activités visant à améliorer la commercialisation, citons la création de systèmes participatifs de garanties, l'organisation de foires et la création de centres de commercialisation. Cette composante prévoit également des plans spécifiques pour promouvoir l'équité de genre et l'inclusion sociale des jeunes, des communautés et peuples ancestraux, des personnes LGBTQIAPN+ et des personnes handicapées, ainsi que la sécurité alimentaire et nutritionnelle. Les exploitants recevront des titres fonciers et bénéficieront de services de régularisation environnementale, ce qui favorisera la sécurité foncière et la durabilité des moyens de production. Les connaissances acquises dans ce cadre seront consignées et diffusées par la voie d'activités de gestion des connaissances, de publications, d'échanges et de la CSST.

Gestion et suivi-évaluation du projet. Il est prévu de financer les équipements, les services de conseil et autres dépenses nécessaires: i) à la gestion de projet; ii) au suivi-évaluation; iii) à la formation du personnel de l'UGP; iv) aux audits du projet.

C. Théorie du changement

29. Si le projet offre une assistance technique qualifiée et une assistance technique spécialisée, des technologies climato-résilientes, des investissements productifs, des plans d'activité et un meilleur accès aux politiques publiques, les familles rurales et les organisations de producteurs moderniseront leurs systèmes alimentaires et de production et obtiendront un accès à de nouveaux marchés. Cela améliorera la résilience, la sécurité alimentaire et les revenus des agriculteurs, et réduira ainsi les inégalités subies par ce groupe cible par rapport au reste de la population. Le projet permettra de reproduire à grande échelle les initiatives fructueuses et les solutions innovantes grâce à la gestion des connaissances, à la CSST et à la concertation sur les politiques.
30. Pour atteindre ses objectifs, le projet s'articulera autour de deux trajectoires de développement interconnectées. Par le biais de la **composante 1**, les familles et les communautés rurales moderniseront leurs systèmes alimentaires et de production, accéderont à de nouveaux marchés et dopperont leurs ventes grâce à des solutions durables, personnalisées et climato-résilientes. Divers moyens seront mis en œuvre pour parvenir à ces résultats: i) l'adoption de plans d'investissement résilients axés sur les organisations paysannes communautaires pour multiplier le nombre de systèmes de production diversifiés, résilients et nutritifs et axer la gestion durable des ressources naturelles sur l'intensification de la production et l'amélioration des revenus; ii) la mise en place de technologies sociales au niveau des ménages pour collecter et stocker l'eau de pluie et l'installation d'infrastructures d'assainissement au niveau des ménages; iii) la création ou l'adaptation d'innovations en matière de machines, d'intrants, de produits et d'outils pour répondre aux demandes et aux besoins des agriculteurs familiaux; iv) l'adoption de plans d'activité axés sur les organisations économiques d'agriculteurs (principalement des coopératives), encourageant l'amélioration/l'adaptation des petites unités de transformation pour diversifier et améliorer l'accès aux marchés.
31. La **composante 2** améliorera la capacité des familles rurales, en particulier des groupes cibles, et de leurs organisations, les encouragera à adopter des pratiques climato-résilientes et améliorera leur accès aux titres fonciers, à la régularisation environnementale et à d'autres politiques publiques par: i) le renforcement de la capacité des équipes d'assistance technique à promouvoir des systèmes de production agroécologique adaptés aux changements climatiques qui favorisent la sécurité alimentaire grâce à un niveau élevé d'agrobiodiversité; ii) la prestation d'une assistance technique, y compris spécialisée, par des méthodes participatives qui répondent aux besoins spécifiques des groupes cibles, valorisant la sociobiodiversité, les innovations personnalisées et l'utilisation de technologies sociales pour la gestion de l'eau au niveau des ménages et l'accès aux marchés; iii) l'autonomisation transversale des groupes cibles par le biais de sessions de formation, de sensibilisation et d'échanges d'informations; iv) l'appui à la délivrance de titres fonciers et à la régularisation environnementale; v) le renforcement des capacités en matière d'accès aux politiques publiques; vi) la production de supports de gestion des connaissances et la réalisation d'activités visant à développer les échanges de connaissances dans le Sud mondial.
32. Une approche territoriale participative, associée à une assistance technique adaptée aux groupes cibles, servira de fondement à la maximisation de l'impact et au développement de la restauration des ressources naturelles et des services écosystémiques. Cela contribuera ensuite à une production agroécologique

diversifiée et productive, qui améliorera la nutrition et favorisera l'autonomisation des familles de bénéficiaires.

D. Alignement, appropriation et partenariats

33. Les objectifs du projet sont conformes au Programme de développement durable à l'horizon 2030, visant à ne laisser personne de côté, et en particulier aux objectifs de développement durable n^{os} 1 (pas de pauvreté), 2 (faim zéro et agriculture durable), 4 (éducation de qualité), 5 (égalité entre les sexes), 6 (eau propre et assainissement), 10 (inégalités réduites), 12 (consommation et production responsables), 13 (mesures relatives à la lutte contre les changements climatiques) et 15 (vie terrestre). Le projet concorde avec la Décennie des Nations Unies pour l'agriculture familiale 2019-2028 et le Plan-cadre de coopération des Nations Unies pour le développement durable 2023-2027.
34. Le projet contribuera à toutes les thématiques transversales de la Treizième reconstitution des ressources du FIDA et aux objectifs stratégiques du Cadre stratégique du FIDA 2016-2025: accroissement de la production, participation accrue au marché et renforcement de la résilience. Il contribuera également aux objectifs stratégiques du programme d'options stratégiques pour le Brésil 2024-2029: i) renforcer la production agricole durable, la sécurité alimentaire, la nutrition et l'accès aux marchés, en mettant l'accent sur la durabilité environnementale et la protection des biens publics mondiaux; ii) renforcer les politiques et les programmes publics en les révisant à partir d'éléments factuels et en diffusant les meilleures pratiques; iii) renforcer les capacités des institutions gouvernementales et des organisations des populations rurales pauvres pour favoriser un développement rural durable et inclusif.
35. Le projet s'aligne sur le Plan pluriannuel pour 2020-2023 de l'État de Paraíba et plusieurs politiques et programmes nationaux de développement rural durable, tels que la contribution déterminée au niveau national, la Stratégie nationale d'adaptation et le Plan national d'adaptation aux changements climatiques, le Plan national de sécurité hydrique, le Programme national d'assainissement rural, la Politique nationale d'assistance technique et de vulgarisation rurale pour l'agriculture familiale et la réforme agraire, le Programme d'achat de produits alimentaires, le Programme national d'alimentation scolaire et le programme de crédit rural pour l'agriculture familiale. Il est aussi cohérent avec la Politique nationale pour le développement durable des peuples et communautés traditionnels, le Plan national d'action en faveur des citoyens et des droits des personnes LGBTQIAPN+ et le Plan national pour l'agroécologie et la production biologique, actuellement élaboré avec l'appui du FIDA.

E. Coût, avantages et financement

Coût du projet

36. Le coût total du projet s'élèvera à 105 millions d'USD, sur lesquels 70 millions d'USD (66,7%) seront financés par un prêt de la BID, 10 millions d'USD (9,5%) par un prêt du FIDA et 25 millions d'USD (23,8%) par une contribution de contrepartie de l'État. En outre, les bénéficiaires du projet apporteront une contribution de l'ordre de 10 millions d'USD, qui n'a pas été incluse dans le coût total du projet, conformément aux procédures de la BID, mais qui sera suivie par l'UGP et prise en compte par le FIDA lors des missions de supervision. Le Gouvernement fédéral apportera sa garantie souveraine pour l'opération, qui sera une condition pour son entrée en vigueur.
37. Les différentes composantes du projet seront financées proportionnellement par le FIDA, la BID et l'État de Paraíba, ce qui offrira au FIDA une participation et une visibilité totales. Le financement de contrepartie de l'État de Paraíba sera apporté

en espèces. Les financements du FIDA et de la BID seront nets d'impôts, ce qui sera compris dans le financement de contrepartie.

Tableau 1

Coût du projet par composante et par source de financement

(en milliers d'USD)

Composante	État de Paraíba		Prêt du FIDA		Prêt de la BID		Total	
	Montant	%	Montant	%	Montant	%	Montant	%
1. Des systèmes de production résilients pour réduire la pauvreté rurale	15 100	60,4	6 040	60,4	42 280	60,4	63 420	60,4
2. Renforcement organisationnel, développement des capacités et gestion des connaissances	7 450	29,8	2 980	29,8	20 870	29,8	31 300	29,8
Gestion et suivi-évaluation du projet	2 450	9,8	980	9,8	6 850	9,8	10 280	9,8
Total	25 000	23,8	10 000	9,5	70 000	66,7	105 000	100

Tableau 2

Coût du projet par composante et par année du projet

(en milliers d'USD)

Composante	Année 1	Année 2	Année 3	Année 4	Année 5	Année 6	Total
	Montant	Montant	Montant	Montant	Montant	Montant	Montant
1. Des systèmes de production résilients pour réduire la pauvreté rurale	-	40	9 241	21 647	23 057	9 424	63 420
2. Renforcement organisationnel, développement des capacités et gestion des connaissances	213	4 347	10 769	12 657	1 919	1 397	31 301
Gestion et suivi-évaluation du projet	2 037	1 163	1 610	1 948	1 663	1 858	10 280
Total	2 250	5 550	21 620	36 252	26 650	12 680	105 000

Stratégie et plan de financement et de cofinancement

38. Conformément aux politiques de la BID, le tableau d'affectation des fonds est ventilé par composantes. Afin de simplifier les modalités d'exécution, le suivi budgétaire et les prescriptions en matière d'information financière, le tableau d'affectation des fonds figurant dans l'accord de financement du FIDA sera présenté par composantes et non pas par catégories. Par conséquent, le tableau sur les coûts du projet par catégorie de dépenses et par source de financement n'est pas inclus.

Décaissement

39. L'État de Paraíba ouvrira un compte désigné en dollar des États-Unis, qui sera utilisé exclusivement pour les ressources du FIDA. Les fonds seront virés en monnaie locale depuis le compte désigné vers les comptes opérationnels de l'État de Paraíba. Une clause *pari passu* sera appliquée pour les composantes cofinancées par la BID et le FIDA.
40. Les responsables du projet utiliseront les modèles et procédures de la BID pour présenter les justificatifs de dépenses et les demandes de décaissement d'avances, lesquels sont conformes aux procédures de décaissement du FIDA. Ils soumettront

les demandes de retrait (justificatifs de dépenses et demandes de décaissement d'avances) à la BID. La BID examinera les demandes pour s'assurer de leur conformité avec l'accord de financement du FIDA et confirmera au Fonds que les conditions de décaissement ont été remplies avant le versement. L'équipe du projet soumettra les formulaires de déclaration de la BID sur le Portail clients du FIDA, que le Fonds acceptera comme équivalents aux rapports financiers intermédiaires.

Résumé des avantages et analyse économique

41. L'analyse coûts-avantages évalue les avantages du prêt, notamment en ce qui concerne l'accroissement des revenus des agriculteurs, la baisse des coûts et les gains liés à des services environnementaux améliorés. Les résultats confirment la viabilité économique du projet, qui présente une valeur actuelle nette de 52,5 millions d'USD et un taux de rentabilité interne de 26,6% sur une période de 20 ans.

Stratégie de retrait et durabilité

42. Les responsables du projet mettront en œuvre une stratégie de retrait assortie d'un budget (200 000 USD) visant à assurer la durabilité des interventions au niveau de l'État, des communautés et des ménages. Plusieurs facteurs contribueront à la durabilité: i) le programme de formation intensive à l'intention des bénéficiaires et des équipes d'assistance technique; ii) la diffusion de pratiques agroécologiques et l'amélioration de l'accès aux marchés; iii) les partenariats avec des secrétariats et organismes gouvernementaux, des organisations de la société civile et des organisations paysannes; iv) l'octroi de titres fonciers, qui jouera un rôle essentiel en garantissant la durabilité des activités environnementales et de production du projet; v) l'élaboration de plans d'investissement résilients axés spécifiquement sur l'environnement et dotés de ressources réservées à cette fin; vi) la diffusion des expériences par l'intermédiaire des activités de gestion des connaissances et de CSST.

III. Gestion des risques

A. Risques et mesures d'atténuation

43. La matrice intégrée des risques du projet a été établie conformément aux directives du FIDA. Le risque global inhérent au projet est modéré, tout comme le risque résiduel.

Tableau 3

Synthèse des risques

Aspect du risque	Niveau de risque inhérent	Évaluation du risque résiduel
Contexte national	Modéré	Modéré
Stratégies et politiques sectorielles	Faible	Faible
Contexte environnemental et climatique	Substantiel	Substantiel
Portée du projet	Modéré	Modéré
Capacités institutionnelles d'exécution et viabilité	Substantiel	Substantiel
Gestion financière	Substantiel	Modéré
Passation des marchés au titre du projet	Modéré	Modéré
Impact environnemental, social et climatique	Substantiel	Modéré
Parties prenantes	Modéré	Modéré
Risque global	Modéré	Modéré

44. Le risque de gestion financière résiduel est jugé modéré, les principaux risques étant: i) le risque de retard d'exécution si le recrutement des membres du personnel de l'UGP spécialisés dans les finances ne se fait pas en temps voulu; ii) l'insuffisance de la marge de manœuvre budgétaire allouée ou le retard dans le décaissement des fonds du gouvernement, affectant l'exécution du projet; iii) le retard ou la mauvaise qualité des rapports sur l'utilisation des fonds provenant des

plans d'investissement et d'activité par les organisations paysannes et/ou les coopératives. Les mesures d'atténuation à entreprendre sont les suivantes: i) le recrutement et la nomination des principaux membres du personnel financier comme condition préalable au premier décaissement au titre de l'accord de financement; ii) la soumission en temps voulu par le Secrétariat à l'agriculture familiale et au développement du semi-aride (SEAFDS) de la demande de marge de manœuvre budgétaire et de fonds de contrepartie, complétée par une coordination continue avec le Secrétariat aux finances; iii) le manuel d'exécution du projet [ou *Regulamento Operacional do Projeto* (ROP) selon la terminologie de la BID] et les accords signés avec les organisations paysannes et les coopératives établiront des procédures claires pour la communication de données sur l'utilisation des fonds transférés au titre des plans d'investissement et d'activité.

B. Catégorie environnementale et sociale

45. L'analyse des lacunes du FIDA a confirmé que ses engagements au titre des Procédures d'évaluation sociale, environnementale et climatique du FIDA seront respectés à l'aide du Cadre de politique environnementale et sociale de la BID. Le projet est classé dans la **catégorie B** en vertu du Cadre de politique environnementale et sociale de la BID parce que les activités prévues sont susceptibles d'avoir des impacts environnementaux et sociaux négatifs principalement à l'échelle locale et à court terme, qui sont réversibles et peuvent être assortis de mesures d'atténuation connues et facilement accessibles. Un suivi adéquat et une vérification du respect des mesures de protection seront garantis pour toute la durée du projet.

C. Classement au regard des risques climatiques

46. Le risque climatique de l'opération est jugé **substantiel** compte tenu: i) de la vulnérabilité de la population cible et de son exposition aux effets de la variabilité du climat; ii) de l'accès toujours limité de la population cible du projet aux politiques et instruments pouvant réduire sa vulnérabilité; iii) du danger des phénomènes climatiques/météorologiques extrêmes qui affectent négativement les investissements du projet. Les mesures d'atténuation de ces risques ont été définies, et le projet prévoit une évaluation ciblée de l'adaptation.

D. Soutenabilité de la dette

47. La dette de l'État de Paraíba a reçu la note de « CAPAG-A » en 2023, qui correspond à la meilleure classification émise par le Trésor national. En 2023, pour la troisième année consécutive, le Paraíba a aussi reçu une note AA+ de Standard & Poor's Global Ratings.

IV. Exécution

A. Cadre organisationnel

Gestion et coordination du projet

48. Le Secrétariat à l'agriculture familiale et au développement du semi-aride de l'État de Paraíba sera l'organisme chargé de l'exécution, responsable de la gestion technique et fiduciaire et de la coordination du projet. Il mettra sur pied une UGP en son sein, et a une grande expérience des projets financés au niveau international, dont un projet du FIDA. L'Agence de l'État de Paraíba chargée de la vulgarisation rurale, de la recherche et de la régularisation foncière agira comme sous-exécutrice responsable des activités de régularisation foncière.

Gestion financière, passation des marchés et gouvernance

49. **Gestion financière.** L'équipe chargée des finances au sein de l'UGP créée sous l'égide du SEAFDS sera responsable de la gestion financière du projet. La BID sera désignée comme institution coopérante et sera chargée d'administrer et de superviser l'exécution du financement du FIDA, dans le cadre d'un accord de coopération avec le Fonds. Cet accord comprend des modalités de supervision

(missions, information financière et audits) similaires à celles du Projet inclusif et durable au Piauí et du Projet Parceiros da Mata, également cofinancés par la BID. Le FIDA acceptera les politiques et procédures financières de la BID, qui sont conformes aux prescriptions fiduciaires du FIDA. Conformément à ses Conditions générales applicables au financement du développement agricole, le FIDA exigera que les archives soient conservées pour une durée minimale de dix ans après l'exécution, alors que les conditions de la BID prévoient une durée de conservation de trois ans.

50. **Financement rétroactif.** Le FIDA reconnaît les dépenses encourues par le Gouvernement du Paraíba après le 13 septembre 2024, date de l'approbation du Groupe assurance qualité, au titre du financement de contrepartie pour des services de consultants dans le cadre de la réalisation d'études et de diagnostics, les effectifs et les prestations de l'UGP et les dépenses de fonctionnement nécessaires, notamment l'achat du matériel informatique.
51. **Audit externe.** L'équipe du projet doit soumettre des états financiers audités élaborés en vertu de cadres spéciaux et cohérents avec les Normes comptables internationales du secteur public. Ces états financiers seront audités par la Cour des comptes de l'État de Paraíba, conformément aux normes internationales d'audit. La BID devra transmettre les états financiers audités au FIDA au plus tard six mois après la clôture de chaque exercice financier.
52. **Manuel d'exécution du projet.** Les modalités de gestion financière, de passation de marchés et de gouvernance sont exposées de manière détaillée dans le manuel d'exécution du projet/le ROP. Elles sont fondées sur les directives concernant la gestion financière des projets financés par la BID (OP-273-12) et la passation de marchés (GN-2349-15: passation de marchés pour les biens et travaux; GN-2350-15: passation de marchés avec les consultants). Elles profiteront également de l'expérience acquise lors de l'exécution du PROCASE I, appuyé par le FIDA.
53. Conformément à l'analyse des lacunes des directives et procédures de la BID, les procédures du FIDA ci-après seront appliquées par la BID: i) les prestataires et les consultants devront remplir un formulaire d'autocertification pour tous les dossiers d'appel d'offres et contrats, en application de la Politique du FIDA en matière de prévention de la fraude et de la corruption dans le cadre de ses activités et opérations et de sa Politique en matière de prévention et de répression du harcèlement sexuel et de l'exploitation et des atteintes sexuelles; ii) l'outil de suivi des contrats du FIDA sera utilisé pour enregistrer les contrats signés et actualiser leur statut.

Participation et retours d'information du groupe cible, et mécanisme de réponse aux doléances

54. La conception du projet s'est appuyée sur une vaste consultation publique avec de multiples parties prenantes, des membres des communautés susceptibles de bénéficier du projet et des partenaires d'exécution potentiels, tels que des organisations sociales et des secrétariats d'État, comme le Secrétariat aux femmes et à la diversité humaine.

Mécanisme de réponse aux doléances

55. Conformément au Cadre de politique environnementale et sociale de la BID, un mécanisme spécifique de réponse aux doléances sera mis en place lors des consultations et maintenu tout au long de l'exécution du projet.

B. Planification, suivi-évaluation, apprentissage, gestion des savoirs et communication

56. Le système de planification et de suivi-évaluation du projet suit son cadre logique. Le cadre logique comprend plusieurs indicateurs de base du Fonds, qui en garantissent la cohérence avec les critères de transversalisation du FIDA, y

compris: i) le suivi de la portée à l'aide de données ventilées; ii) le nombre total de personnes occupant un nouvel emploi ou ayant accès à de nouvelles possibilités d'emploi; iii) le pourcentage de femmes déclarant une diversité alimentaire minimale; iv) le nombre de tonnes d'équivalent dioxyde de carbone dont l'émission a été évitée ou le carbone fixé; v) l'indicateur d'autonomisation du FIDA. Dans le cadre du projet, des études de référence, à mi-parcours et de l'impact seront réalisées.

Innovations et reproduction à plus grande échelle

57. Le PROCASE II reproduira à plus grande échelle les interventions réussies de la phase I et introduira des innovations telles que: i) l'élargissement de la cible géographique à un nouveau biome, la forêt tropicale atlantique; ii) le renforcement des ambitions en matière de transversalisation (produire des transformations en matière d'égalité femmes-hommes, tenir compte des enjeux nutritionnels, être axé sur les jeunes et donner la priorité aux personnes handicapées et aux peuples autochtones); iii) l'élargissement des solutions de technologie sociale pour accéder à l'eau, à l'assainissement et à l'énergie durable; iv) l'accent mis sur la gestion des connaissances, la CSST et la concertation sur les politiques; v) la délivrance de titres fonciers et la régularisation environnementale.

C. Plans d'exécution

Plans de préparation à l'exécution et de démarrage

58. Le PROCASE I a considérablement amélioré la préparation de l'État de Paraíba à l'exécution du PROCASE II, favorisant ainsi un démarrage rapide et sans heurt du projet. Une fois l'UGP en place, la BID et le FIDA appuieront le projet en lançant une mission de démarrage, comme demandé par le Gouvernement de l'État de Paraíba.

Supervision, examen à mi-parcours et plans d'achèvement

59. Le FIDA fera appel à la BID en tant qu'institution coopérante du projet au moyen d'un accord de coordination entre les institutions. En vertu de cet accord, la BID coordonnera avec le FIDA la supervision et les autres missions. La participation directe du Fonds aux missions de supervision, d'examen à mi-parcours et d'achèvement permettra de traiter les questions liées aux besoins de coordination avec la BID dans le cadre du projet et pourra être axée sur le ciblage, les thématiques transversales du FIDA, le développement rural, le suivi-évaluation, la gestion des connaissances et la CSST, entre autres questions techniques.

V. Instruments et pouvoirs juridiques

60. L'octroi à l'emprunteur du financement proposé est régi par un accord de financement entre la République fédérative du Brésil et le FIDA. Une copie de l'accord de financement négocié figure à l'appendice I.
61. L'État de Paraíba est habilité, en vertu de son ordre juridique, à recevoir un financement du FIDA.
62. Je certifie que le financement proposé est conforme aux dispositions de l'Accord portant création du FIDA, et aux Principes et critères applicables aux financements du FIDA.

VI. Recommandation

63. Je recommande au Conseil d'administration d'approuver le financement proposé par la résolution suivante:

DÉCIDE: que le Fonds accordera à l'État de Paraíba, avec garantie souveraine de la République fédérative du Brésil, un prêt à des conditions ordinaires d'un montant de dix millions de dollars des États-Unis (10 000 000 USD), qui sera régi par des modalités et conditions conformes en substance aux modalités et conditions indiquées dans le présent rapport.

Le Président
Alvaro Lario

Negotiated financing agreement: "Paraíba Rural Sustainable Development Project (PROCASE II)"

(Negotiations concluded on 11 November 2024)

Loan No:

Project Name: Paraíba Rural Sustainable Development Project (PROCASE II) (Projeto de Desenvolvimento Rural Sustentável da Paraíba) ("the Project")

State of Paraíba - Federative Republic of Brazil (the "Borrower")

and

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

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

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

WHEREAS, the Project shall be co-financed by the Inter-American Development Bank (the "IDB"). The Borrower and the IDB will enter into a financing agreement (the "IDB Loan Agreement") to provide seventy million United States dollars (USD 70,000,000) for the Project;

WHEREAS, the Fund and IDB will enter into a Coordination Agreement (the "Coordination Agreement") to establish the responsibilities of IDB as the administrator (the "Cooperating Institution") of the execution of the activities financed through the IFAD Loan;

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

NOW THEREFORE, the Parties hereby agree as follows:

Section A

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

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

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

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

Section B

1. The amount of the BRAM Loan is ten million United States dollars (USD 10 000 000).
2. The Loan is granted on ordinary terms and shall have a maturity period of eighteen (18) years, including a grace period of three (3) years starting from the date that the Fund has determined that all general conditions precedent to withdrawal have been fulfilled in accordance with Section 4.02(b) of the General Conditions.
3. The Loan Service Payment Currency shall be in United States dollars (USD).
4. The first day of the applicable Fiscal Year shall be 1 January.
5. Payments of principal and interest shall be payable on each 15 May and 15 November.
6. There shall be a Designated Account opened by and held in the name of the Borrower in USD, for the exclusive use of the Project. The Borrower shall inform the Fund of the officials authorized to operate the Designated Account.
7. There shall be a Project Account in Brazilian Real (BRL) for the benefit of the Government of the State of Paraiba in a bank selected by the Borrower.
8. The Borrower shall provide counterpart financing for the Project in the amount of twenty-five million United States dollars (USD 25 000 000), which shall include the payment of taxes and duties and of which three million one hundred twenty-five thousand United States dollars (USD 3 125 000) is considered as counterpart funding towards the IFAD Loan.

Section C

1. The Lead Project Agency shall be the Secretariat of Family Agriculture and Semi-arid Development (SEAFDS) or its successor with the same attributions and legal competencies, subject to prior approval by the Fund for the purposes of the Project.
2. A Mid-Term Review will be conducted as specified in Section 8.03 (b) and (c) of the General Conditions; however, the Parties may agree on a different date for the Mid-Term Review of the implementation of the Project.
3. The Project Completion Date shall be the sixth anniversary of the date of entry into force of this Agreement and the Financing Closing Date shall be 6 months later, or such other date as the Fund may designate by notice to the Borrower.

Section D

1. The Loan shall be administered by the Fund.
2. The Project shall be supervised by the IDB as the Cooperating Institution.

Section E

1. The following are designated as additional grounds for suspension of this Agreement:
 - (a) The Project Implementation Manual (PIM), or Regulamento Operacional do Projeto (ROP) in IDB terminology, and/or any provision thereof, has been waived, suspended, terminated, amended or modified without the prior

agreement of the Fund and the Fund, after consultation with the Borrower, has determined that it has had, or is likely to have, a material adverse effect on the Project.

2. The following are designated as additional conditions precedent to withdrawal:
 - (a) The Guarantee Agreement shall have been duly signed, and the signature thereof by the Guarantor shall have been duly authorized by all necessary administrative and governmental authorities;
 - (b) The approval of the PIM/ROP shall have been confirmed in writing by IDB;
 - (c) The Project Designated Account and the operational accounts shall have been opened;
 - (d) The Project Management Unit (PMU) shall have been established within the SEAFDS and the following key members appointed: i) State Coordinator, ii) Technical Coordinator; iii) Finance and Administrative Coordinator; iv) Monitoring and Evaluation Specialist; and v) Procurement Specialist;
 - (e) A subsidiary execution agreement between the SEAFDS of the State of Paraíba and The Rural Extension, Research, and Land Regularization State Agency (EMPAER) shall have been signed.
 - (f) The IDB Loan Agreement shall have entered into full force and effect.
 - (g) The right of the Borrower to withdraw the proceeds of the IDB Loan Agreement has not been suspended, cancelled or terminated, in whole or in part, or the IDB Loan has become due and payable prior to the agreed maturity thereof provided that the Parties could not have reached an agreement on a mutual solution.

3. The following provisions of the General Conditions shall be interpreted to read as follows:

3.1 Section 7.05 of the General Conditions: Procurement of goods, works and services financed by the Financing shall be carried out in accordance with the provisions of the IDB Policy for the Procurement of Goods and Works Financed by the IDB (GN-2349-15) and the Policy for the Selection and Contracting of Consultants Financed by the IDB (GN-2350-15) as referred in the Coordination Agreement between IDB and IFAD.

3.2 Section 7.06 of the General Conditions: The Environmental and Social Policy Framework (ESPF) and the Access to Information Policy (OP-102) of IDB, as amended from time to time, shall apply to this Agreement.

3.3 Section 5.02 c), d), and e) of the General Conditions shall not apply to this Agreement.

3.4. Section 4.07 of the General Conditions shall be interpreted as per Section 2 (b) on Retroactive Financing provided in Annex 2 hereto.

4. The following are the designated representatives and addresses to be used for any communication related to this Agreement:

For the Borrower:

Estado da Paraíba
Av. João da Mata, S/N - Jaguaribe
João Pessoa - Paraíba - CEP.: 58015-020

E-mail: cg@sefaz365.pb.gov.br

Copy to:

Secretaria do Planejamento, Orçamento e Gestão (SEPLAG)
Av. João da Mata, S/N - Jaguaribe
João Pessoa - Paraíba - CEP.: 58015-020
E-mail: gabinete@seplag.pb.gov.br

For the Lead Project Agency:

Secretaria da Agricultura Familiar e Desenvolvimento do Semiárido (SEAFDS)
Avenida Rio Grande do Sul, nº 1345 - 16º andar
João Pessoa - Paraíba - CEP.: 58030-020

E-mail: agriculturafamiliar@seafds.pb.gov.br
coordenadorestadual@procase.pb.gov.br

For the Fund:

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

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

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

THE STATE OF PARAIBA

João Azevêdo Lins Filho
Governador

Date: _____

INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

Alvaro Lario
President

Date: _____

Schedule 1

Project Description and Implementation Arrangements

I. Project Description

1. *Target Population.* PROCASE II will target family farming families in poverty and extreme poverty, especially in municipalities with a lower Human Development Index and more significant deprivation. The Project will directly reach 60,000 families (around 210,000 people), of which 50% will be women, 20% young people, 5% PCTs, and 2% persons with disabilities. The Project's main target groups are: i) family farmers living in poverty and extreme poverty, ii) rural women, iii) rural youth, iv) PCTs, v) persons with disabilities, and v) LGBTQIABP+. To close the income gap, 50% of the Resilient Investment Plan (PIR) funds and 50% of the Business Plans (PN) funds will go to women-led associations and cooperatives, and 20% of the PIR funds will go to youth groups.

2. *Project Area.* PROCASE II will cover the rural areas of all 223 municipalities of the State of Paraíba. The interventions will prioritize communities based on the following technical criteria: i) incidence of rural poverty (Single Registry or Cadastro Único – CadÚnico); ii) presence of traditional peoples and communities (PCTs); iii) incidence of food insecurity and malnutrition; iv) concentration of rural women and youth; v) limited access to water for human consumption and production; vi) overlapping or synergies with other IFAD interventions, such as PROCASE I, Sertão Vivo (PCRP) and PDHC III.

3. *Overall Objective.* The overall objective of the Project is to reduce rural poverty levels, improving food and nutritional security and adapting the rural population to climate change.

Specific objectives are:

- a) Increasing the adoption of agricultural technologies that contribute to the adaptation and mitigation of climate change;
- b) Improving the productive and social inclusion of family farmers, prioritizing women, young people, Traditional Peoples and Communities (PCT) and persons with disabilities;
- c) Improving the environmental conditions of rural communities and their surroundings

4. *Components.* The Project will have two interrelated components:

4.1 *Component 1. Resilient production systems to reduce rural poverty.* It will make investments to improve income, food security and nutrition, adapt production systems to climate change, and protect the natural resource base. Productive investments will be made in rural communities and processing units (cooperatives). All the activities will particularly target women, youth, persons with disabilities, LGBTQIAPN+ and families from traditional communities, with activities planned specifically for these groups. Investments will be made through the Resilient Investment Plan (PIR), which will be the instrument for planning and implementing the resources of this subcomponent.

Business Plans (PNs) will be the main instrument for strengthening and diversifying commercialization and will be drawn up with producer organizations, usually cooperatives. The PNs should make it possible to finance structuring investments and include producers who benefited from the PIRs. The component will also finance incentives for innovation such as equipment, machinery, inputs, products and/or implements developed or adapted to meet the demands and needs of family farmers.

4.2 *Component 2. Organizational strengthening, capacity building and knowledge management.* It will invest in strengthening family production units, ensuring that activities are carried out to assist families individually and collectively, and presenting the

main public policies available in the country. The Technical Assistance (TA) and Rural Extension services will support the preparation and implementation of the Resilient Investment Plans (PIRs). The services of Specialized Technical Assistance (STA) will be especially dedicated to the Business Plans (PNs) and to strengthening the capacities of beneficiary organizations. This includes activities aimed at strengthening commercialization by creating participatory guarantee systems (PGS) for agricultural products and establishing fairs and commercialization centers. It will have the following subcomponents:

It will work to strengthen families' capacities, considering the weaknesses identified in various areas, such as production processes; the environmental sustainability of this production and the broader landscape; the protection and recovery of threatened natural resources; organizational and governance issues; administrative and financial management issues; commercialization and access to public policies. This will be done by contracting agroecological TA services, which will elaborate and implement the PIRs.

It will also strengthen beneficiary organizations' capacities, such as cooperatives, prioritizing assistance for better business management, processes, and commercialization. Its main activities will be done by contracting specialized technical assistance (STA) services, which will elaborate and implement the PNs.

The component will also finance Gender, Diversity, Nutrition, and PCT Plans which will be activities to promote gender equality and women's empowerment, as well as the social inclusion and empowerment of Afro-descendants, Traditional Peoples and Communities (PCTs), the LGBTQIAPN+ community and persons with disabilities.

The component will finance activities to promote the guarantee of ownership and the right to property of the land occupied by farming families and traditional communities located in the area covered by the Project, providing legal security and access to public policies. It will also support the organization and systematization of knowledge materials, as well exchanges and knowledge-sharing through South-South and Triangular Cooperation (SSTC).

II. Implementation Arrangements

5. *Lead Project Agency.* The Lead Project Agency will be the Secretariat of Family Agriculture and Semiarid Development (SEAFDS). The Rural Extension, Research, and Land Regularization State Agency (EMPAER) will be Project's sub-executor for activities related to land regularization. The PMU will be established within SEAFDS structure. To guarantee the Project's presence in the field, up to 5 (five) Regional Project Management Units (URGPs) will be established within the physical structure of field offices of EMPAER.

6. *Project Management Unit (PMU).* The PMU's key team, exclusively dedicated to the Project, will include the following members: i) State Coordinator, ii) Technical Coordinator; iii) Finance and Administrative Coordinator; iv) Operational Coordinator of Component 1; v) Operational Coordinator for Component 2; vi) Gender and Diversity Specialist; vii) Traditional Communities and Peoples Specialist; viii) Environmental and Social Safeguards Specialist; ix) Monitoring and Evaluation Specialist; x) Procurement Specialist. The PMU's team will consist of government employees and will be complemented by professionals hired through a partnership agreement to be made with the Inter-American Institute for Cooperation on Agriculture (IICA). The PMU team will be recruited under an open selection process. An exception will be made for professionals who worked on the previous phase I of PROCASE and who have undergone a selection process, who may be hired directly to work on phase II.

7. *Project Steering Committee:* The steering committee function will be implemented by the Executive Committee of Productive Investments (CEGIP) and will have as key role: a) strategic planning and revision of progress reports and approval of the Annual Workplan

and Budget (AWPB), PNs, PIRs which should be previously approved by the Project Evaluation Committee (CAP) within the PMU.

8. *Financial Management.* The Finance Team within the PMU will be responsible for, maintaining project accounts, maintaining adequate internal controls, monitoring budget execution and timely submission of withdrawal applications and justifications of expenditure. The PMU will ensure financial reporting will be generated through an automated system to be operational before the start of Project.

IFAD accepts the IDB formats and procedures for presenting justifications of expenditure and request for disbursements of advances. The PMU will submit withdrawal applications (justifications of expenditure and request for of advances) to the IDB for review and in parallel to IFAD through the IFAD Client Portal (ICP).

9. *Monitoring and Evaluation (M&E).* The Project will also fund equipment, systems and consultancy needed for administration and management, monitoring and evaluation.

10. *Project Implementation Manual (PIM or ROP according to IDB).* The Project implementation will be in accordance with this Agreement and the PIM or ROP. In case of discrepancy between this Agreement and the PIM, the Agreement will prevail. Any change or modification in the ROP, will require prior no objection.

Schedule 2

Allocation Table

1. *Allocation of Loan Proceeds.* (a) The Table below sets forth the components to be financed by the Loan and the allocation of the amounts to each component of the Financing and the percentages of expenditures for items to be financed in each component:

Component	IFAD Loan Amount Allocated (Expressed in USD)	Percentage
1. Resilient production systems to reduce rural poverty	6 030 000	100% Net of Taxes
2. Organizational strengthening, capacity building and knowledge management.	2 970 000	100% Net of Taxes
3. Project management, monitoring and evaluation	1 000 000	100% Net of Taxes
TOTAL	10 000 000	

1. The terms used in the Table above are defined as follows:

- (i) "Resilient production systems to reduce rural poverty": Eligible expenditure under Component 1 including subsidies and technical assistance.
- (ii) "Organizational strengthening, capacity building and knowledge management" "Project management": Eligible expenditure under Component 2 including subsidies, technical assistance, goods and services and inputs, Training and Workshops.
- (iii) Eligible Expenditures for the operation of the PMU and monitoring and evaluation of the Project including salaries and allowances, consultancies, operating costs, goods and services (including consultancies and external audits, training and workshops.

Disbursement arrangements

- (a) *Start-up Costs.* Withdrawals in respect of expenditures for start-up costs (Project Management, monitoring and evaluation) incurred before the satisfaction of the general conditions precedent to withdrawal shall not exceed an aggregate amount of USD 200 000. Activities to be financed by Start-up Costs will require the no objection from IFAD to be considered eligible.

The financial statements of the program will be audited annually by the Court of Accounts of the State of Paraíba (TCE).

Schedule 3*Special Covenants*

1. Within 6 (six) months of entry into force of this financing agreement, the Borrower shall appoint within the PMU the following key members: i) State Coordinator, ii) Technical Coordinator; iii) Finance and Administrative Coordinator; iv) Operational Coordinator of Component 1; v) Operational Coordinator for Component 2; vi) Gender and Diversity Specialist; vii) Traditional Communities and Peoples Specialist; viii) Environmental and Social Safeguards Specialist; ix) Monitoring and Evaluation Specialist; x) Procurement Specialist.

Logical framework

Paraiba Rural Sustainable Development Project

Logical Framework

Results Hierarchy	Indicators				Means of Verification			Assumptions
	Name	Baseline	Mid-Term	End Target	Source	Frequency	Responsibility	
Outreach	1 Persons receiving services promoted or supported by the project				Project M&E System	Annual	Project M&E Unit	Continuity of public policies and programmes that support rural poverty reduction.
	Males – Males	0	12000	30000				
	Females – Females	0	12000	30000				
	Young - Young people	0	4800	12000				
	Indigenous people - Indigenous people	0	1200	3000				
	Total number of persons receiving services - Number of people	0	24000	60000				
	Persons with disabilities - Number	0	480	1200				
	1.a Corresponding number of households reached				Project M&E System	Annual	Project M&E Unit	
	Households - Households	0	24000	60000				
	1.b Estimated corresponding total number of households members				Project M&E System	Annual	Project M&E Unit	
Household members - Number of people	0	84000	210000					
	Poverty reduction (multidimensional)							

Project Goal Reduce rural poverty and food and nutrition insecurity for family farmers	Percentage of reduction - Percentage (%)	43	39	30	Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	Continuity of public policies and programmes that support rural poverty reduction/ Non-occurrence of acute drought episodes.
Development Objective Continuity of public policies and programmes that support rural poverty reduction/ Non-occurrence of acute drought episodes.	1.2.8 Women reporting minimum dietary diversity (MDDW)				Impact Survey	Baseline, Mid-Term and End of Project	Independent consultancy firm	Continuity of public policies and programmes that support rural poverty reduction/ Non-occurrence of acute drought episodes.
	Women (%) - Percentage (%)	46	55	68				
	Women (number) - Females	4140	4950	6120				
	Households (%) - Percentage (%)	44	53	64				
	Households (number) - Households	7920	9540	11520				
	Household members - Number of people	27720	33390	40320				
	Women-headed households - Households	4140	4950	6120				
	2.2.1 Persons with new jobs/employment opportunities				Impact Survey	Baseline, Mid-Term and End of Project	Independent consultancy firm	
	Males - Males	0	40	100				
	Females - Females	0	40	100				
	Indigenous people - Indigenous people	0	20	50				
Young - Young people	0	60	150					

Total number of persons with new jobs/employment opportunities - Number of people	0	80	200			
Persons with disabilities - Number	0	20	50			
IE.2.1 Individuals demonstrating an improvement in empowerment				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm
Indigenous people - Percentage (%)	0	8	5			
Indigenous people - Indigenous people	0	72	45			
Young - Percentage (%)	0	8	5			
Young - Young people	0	288	180			
Total persons - Percentage (%)	0	8	5			
Total persons - Number of people	0	1440	900			
Females - Percentage (%)	0	8	5			
Females - Females	0	720	450			
Males - Percentage (%)	0	8	5			
Males - Males	0	720	450			
Persons with disabilities - Number	0	29	18			
Persons with disabilities - Percentage (%)	0	8	5			

	3.2.1 Tons of Greenhouse gas emissions (tCO2e) avoided and/or sequestered			Impact Survey - Carbon-Balance Tool (EX-ACT)	Baseline, Mid-Term, and End of Project	Independent consultancy firm		
	Hectares of land - Area (ha)	0	0				13575	
	tCO2e/20 years - Number	0	0				1449802	
	tCO2e/ha - Number	0	0				107	
	tCO2e/ha/year - Number	0	0				5	
Outcome C1. Families increase their resilience through agroecological productive intensification for self-consumption and improved market access	1.2.4 Households reporting an increase in production			Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	Droughts or climate change are managed with appropriate adaptation measures.	
	Total number of household members - Number of people	0	15120					37800
	Households - Percentage (%)	0	60					60
	Households - Households	0	4320					10800
	Households who sell their production in markets			Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm		
	Households - Percentage (%)	61	66					72
	2.2.5 Rural producers' organizations reporting an increase in sales			Project M&E System	Baseline, Mid-Term, and End of Project	Project M&E Unit		
	Percentage of rural POs - Percentage (%)	0	20					20
	Number of Rural POs - Organizations	0	5					12
	Rural POs with women in leadership position - Organizations	0	4					10
	Resilient Investment Plans (RIP) implemented				Annual			

<p>Output C1. Families and their organizations receive investments to improve their production, adding value to products for sale, as well as infrastructure for access to water and energy, in a context of adaptation to climate change.</p>	Plans - Number	0	80	200	Project M&E System	Project M&E Unit	Droughts or climate change are managed with appropriate adaptation measures.	
	Households - Households	0	7200	18000				
	Males - Males	0	3600	9000				
	Females - Females	0	3600	9000				
	Young - Young people	0	1440	3600				
	Indigenous people - Indigenous people	0	360	900				
	Persons with disabilities - Number	0	144	360				
	3.1.3 Persons accessing technologies that sequester carbon or reduce greenhouse gas emissions				Project M&E System	Annual		Project M&E Unit
	Males - Males	0	752	1880				
	Females - Females	0	752	1880				
	Young - Young people	0	301	752				
	Indigenous people - Indigenous people	0	75	188				
	Total persons accessing technologies - Number of people	0	1504	3760				
	Persons with disabilities - Number	0	30	75				
2.1.3 Rural producers' organizations supported				Project M&E System	Annual	Project M&E Unit		
Total size of POs - Organizations	0	2000	5000					
Rural POs supported - Organizations	0	24	60					

	Males - Males	0	1000	2500				
	Females - Females	0	1000	2500				
	Young - Young people	0	400	1000				
	Indigenous people - Indigenous people	0	100	250				
	Rural POs supported that are headed by women - Organizations	0	12	30				
	Persons with disabilities - Number	0	40	100				
	Innovative technologies developed or adapted				Project M&E System	Annual	Project M&E Unit	
	Technologies - Number	0	5	25				
Outcome C2. Families adopt environmentally sustainable practices adapted to climate change.	3.2.2 Households reporting adoption of environmentally sustainable and climate-resilient technologies and practices				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	Maintenance of public policies and access conditions to credit and public procurement/ Non-occurrence of acute drought episodes.
	Total number of household members - Number of people	44640	46800	48240				
	Households - Percentage (%)	62	65	67				
	Households - Households	11160	11700	12060				
	Women who hold management positions in rural organizations				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	
	Females - Percentage (%)	5	8	12				
	Area of rural properties registered in the CAR in the municipalities covered by the Project				Project M&E System	Baseline, Mid-Term, and End of Project	Project M&E Unit	
Hectares of land - Area (ha)	68804	108804	168804					

	Communities with land and environmental regularization title delivered				Project M&E System	Baseline, Mid-Term, and End of Project	Project M&E Unit	
	Communities - Number	0	100	150				
	SF.2.1 Households satisfied with project-supported services				Impact Survey	Baseline, Mid-Term, and End of Project	Independent consultancy firm	
	Household members - Number of people	0	63000	157500				
	Households (%) - Percentage (%)	0	75	75				
	Households (number) - Households	0	18000	45000				
	SF.2.2 Households reporting they can influence decision-making of local authorities and project-supported service providers				Impact Survey	Baseline, Mid-term and End of Project	Independent consultancy firm	
	Household members - Number of people	0	58800	147000				
	Households (%) - Percentage (%)	0	70	70				
	Households (number) - Households	0	16800	42000				
Output C2. Families and their organizations have increased their capacities, including women, young people, PCT and PwD, for agroecological production, improving their food and nutrition, and accessing other public policies.	Training events for TA organizations				Project M&E System	Annual	Project M&E Unit	Droughts or climate change are managed with appropriate adaptation measures/ Agricultural products' prices remain favorable for family farmers.
	Events - Number	0	18	20				
	Trained ATER and CTE technicians - Number	0	270	300	Project M&E System	Annual	Project M&E Unit	
	Families assisted by TA							
	Households - Households	0	7200	18000				
	Males - Males	0	3600	9000				
Females - Females	0	3600	9000					

Young - Young people	0	1440	3600			
Indigenous people - Indigenous people	0	360	900			
Persons with disabilities - Number	0	144	360			
Training events and farmer exchanges held				Project M&E System	Annual	Project M&E Unit
Events - Number	0	62	132			
Training events for access to Public Policies and Other Programs				Project M&E System	Annual	Project M&E Unit
Events - Number	0	135	400			
Households - Households	0	10800	32000			
Females - Females	0	5400	16000			
Young - Young people	0	2160	6400			
Indigenous people - Indigenous people	0	540	1600			
Persons with disabilities - Number	0	216	640			
Cooperatives and producer organizations assisted with CTE						
Cooperatives and producer organizations - Number	0	24	60			
Cooperative families - Number	0	2000	5000			
Local fairs and Marketing Centers created/improved				Project M&E System	Annual	Project M&E Unit
Fairs and marketing centers - Number	0	15	50			

Health Inspection Services in operation				Project M&E System	Annual	Project M&E Unit
Health inspection services - Number	0	1	2			
Participatory certification systems pilot in operation				Project M&E System	Annual	Project M&E Unit
Systems - Number	0	7	15			
Diversity, gender, youth, nutrition and food security plans prepared				Project M&E System	Annual	Project M&E Unit
Gender Plan - Number	0	1	1			
Youth Plan - Number	0	1	1			
PCT Strengthening Plan - Number	0	1	1			
Nutrition and Food Safety Plan - Number	0	1	1			
1.1.8 Households provided with targeted support to improve their nutrition				Project M&E System	Annual	Project M&E Unit
Total persons participating - Number of people	0	7200	18000			
Males - Males	0	3600	9000			
Females - Females	0	3600	9000			
Households - Households	0	7200	18000			
Household members benefitted - Number of people	0	25200	63000			
Indigenous people - Indigenous people	0	360	900			
Young - Young people	0	1440	3600			

Number of persons with disabilities - Number	0	144	360			
Local Development Agents hired				Project M&E System	Annual	Project M&E Unit
Agents - Number	0	200	200			
1.1.1 Number of beneficiaries gaining increased secure access to land				Project M&E System	Annual	Project M&E Unit
Males - Males	0	1000	2500			
Females - Females	0	1000	2500			
Indigenous people - Indigenous people	0	100	250			
Young - Young people	0	400	1000			
Total number of beneficiaries with increased secure access to land - Number of people	0	2000	5000			
Persons with disabilities - Number	0	40	100			
Knowledge Management Studies prepared				Project M&E System	Annual	Project M&E Unit
Studies - Number	0	5	25			
South-South Cooperation exchange events held				Project M&E System	Annual	Project M&E Unit
Events - Number	0	4	10			

Integrated project risk matrix

Risk Category / Subcategory	Inherent risk	Residual risk
Country Context	Moderate	Moderate
<i>Political Commitment</i>	<i>Low</i>	<i>Low</i>
<i>Governance</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Macroeconomic</i>	<i>Low</i>	<i>Low</i>
<i>Fragility and Security</i>	<i>Moderate</i>	<i>Moderate</i>
Sector Strategies and Policies	Low	Low
<i>Policy alignment</i>	<i>Low</i>	<i>Low</i>
<i>Policy Development and Implementation</i>	<i>Low</i>	<i>Low</i>
Environment and Climate Context	Substantial	Substantial
<i>Project vulnerability to environmental conditions</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Project vulnerability to climate change impacts</i>	<i>Substantial</i>	<i>Substantial</i>
Project Scope	Moderate	Moderate
<i>Project Relevance</i>	<i>Low</i>	<i>Low</i>
<i>Technical Soundness</i>	<i>Moderate</i>	<i>Moderate</i>
Institutional Capacity for Implementation and Sustainability	Substantial	Substantial
<i>Implementation Arrangements</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Monitoring and Evaluation Arrangements</i>	<i>Moderate</i>	<i>Moderate</i>
Project Financial Management	Substantial	Moderate
<i>Project Organization and Staffing</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project Budgeting</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Project Funds Flow/Disbursement Arrangements</i>	<i>Substantial</i>	<i>Substantial</i>
<i>Project Internal Controls</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project Accounting and Financial Reporting</i>	<i>Substantial</i>	<i>Moderate</i>
<i>Project External Audit</i>	<i>Moderate</i>	<i>Moderate</i>
Project Procurement	Moderate	Moderate
<i>A.1 Legal, Regulatory and Policy Framework</i>	<i>Moderate</i>	<i>Moderate</i>
<i>A.2 Institutional Framework and Management Capacity</i>	<i>Low</i>	<i>Low</i>
<i>A.3 Public Procurement Operations and Market Practices.</i>	<i>Low</i>	<i>Low</i>
<i>A.4 Accountability, Integrity and Transparency of the Public Procurement System</i>	<i>Substantial</i>	<i>Substantial</i>
<i>B.1 Assessment of Project Complexity</i>	<i>Substantial</i>	<i>Substantial</i>
<i>B.2 Assesment of Implementing Agency Capacity</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Project Procurement Overall</i>	<i>Moderate</i>	<i>Moderate</i>
Environment, Social and Climate Impact	Substantial	Moderate
<i>Biodiversity Conservation</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Resource Efficiency and Pollution Prevention</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Cultural Heritage</i>	<i>Low</i>	<i>Low</i>
<i>Indigenous People</i>	<i>Low</i>	<i>Low</i>
<i>Labour and Working Conditions</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Community health, safety and security</i>	<i>Moderate</i>	<i>Moderate</i>

Risk Category / Subcategory	Inherent risk	Residual risk
<i>Physical and Economic Resettlement</i>	<i>Low</i>	<i>Low</i>
<i>Greenhouse Gas Emissions</i>	<i>Moderate</i>	<i>Moderate</i>
<i>Vulnerability of target populations and ecosystems to climate variability and hazards</i>	<i>Substantial</i>	<i>Substantial</i>
Stakeholders	Moderate	Moderate
<i>Stakeholder Engagement/Coordination</i>	<i>Low</i>	<i>Low</i>
<i>Stakeholder Grievances</i>	<i>Moderate</i>	<i>Moderate</i>
Overall	Moderate	Moderate

Country Context	Moderate	Moderate
Political Commitment	Low	Low
<p>Risk:</p> <p>There will be elections for state and federal governments throughout the implementation, which may alter the degree of political priority given to the Project, leading to changes in technical teams, implementation delays, discontinuity of correlated rural development public policies, and budgetary restrictions.</p>	Low	Low
<p>Mitigations:</p> <p>The Project directly responds to the priorities and interests of the state government. Phase II of PROCASE will be one of the main instruments for combating rural poverty in the state, mobilizing more territories and local actors. PROCASE is included in the state's Pluriannual Plan, which ensures programmatic and budgetary stability for at least the next three years and is aligned with the Pluriannual Plan and priorities of the federal government. The SEAFDS team actively participated in the Project's design and the consultation process involving local farmers and civil society organizations. IDB and IFAD will closely follow up on the evolving political situation and keep a continuous dialogue with state and federal counterparts to inform new authorities of Project characteristics and benefits, as well as keep participating in policy dialogue platforms such as the Forum of State Secretaries and Northeast Consortium. The IFAD Office in Salvador will play a critical role in monitoring changes in the political scenario.</p>		
Governance	Moderate	Moderate
<p>Risk:</p> <p>The Project Management Unit and partner institutions may not possess all the knowledge and capacities necessary for the geographic expansion of the Project and implementation of new activities. The design of the structure, positions, and competencies of the PMU may not be the most suitable for Project implementation.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>The challenges and lessons learned from the implementation of phase I have been considered in the design of phase II, minimizing, or pre-emptively addressing future implementation risks. Similarly, the design of the new PMU and institutional arrangements with key partners will be defined considering these lessons learned and challenges to improve the governance and the effective implementation of activities. The Project design also includes capacity-building and institutional strengthening activities for partner organizations with the same objective. IFAD systematic monitoring will also identify potential governance issues in the Project and contribute to finding timely solutions.</p>		
Macroeconomic	Low	Low

<p>Risk:</p> <p>There may be difficulty mobilizing the counterpart funding from the State Government for the Project. A downturn in economic activity could lead to a decrease in tax revenue and, consequently, budgetary constraints on public policies complementary to the Project.</p>	Low	Low
<p>Mitigations:</p> <p>The design of phase II is incorporated into the Pluriannual Plan 2024-2027, ensuring a minimum level of programmatic and budgetary stability. The State of Paraíba has a well-evaluated fiscal management by the federal government due to low indebtedness, current savings, and a favorable liquidity index. The state has been evolving in its macroeconomic context post-COVID, and the projections for the coming years are favorable.</p>		
<p>Fragility and Security</p>	Moderate	Moderate
<p>Risk:</p> <p>Brazil as a whole, and especially the poorest states, still suffer from the effects of the country's political and economic crisis and the global health crisis of COVID-19, which have caused high unemployment rates, an exponential increase in the population living below the poverty line, as well as food insecurity. Food insecurity has increased throughout the pandemic, especially in the North and Northeast regions. Additionally, data reveals the growing negative effects of climate change in Project areas, especially the concentration and spatial and temporal irregularity of rainfall, increased temperatures, and more frequent, longer, and more severe droughts. This could require expansion and/or reformulation of interventions to achieve the planned objectives.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Since 2023, the country's economic and fiscal situation has improved, with an increase in GDP and a significant decrease in unemployment and food insecurity rates. The forecasts for the national macroeconomic scenario are favorable for the coming years. PROCASE II will contribute to this scenario by seeking to increase the income and food security of beneficiary families, especially women, youth, traditional communities, and Indigenous people. The Project will seek to implement an integrated resilience approach to assist family farmers in adapting to, coping with, and/or recovering more rapidly from future climatic, economic, and environmental shocks, prioritizing, for example, social technologies for water access, technical assistance with an agroecological approach, as well as marketing strategies for family agriculture products.</p>		
<p>Sector Strategies and Policies</p>	Low	Low
<p>Policy alignment</p>	Low	Low
<p>Risk:</p> <p>Non-alignment of PROCASE II with the main public policies of the Government of Paraíba and/or the Federal Government.</p>	Low	Low
<p>Mitigations:</p> <p>Since phase I, PROCASE has been included in the state's Pluriannual Plan and is aligned with the main federal government programs to support family farming and fight rural poverty and hunger (including topics such as food security, water, rural women, youth, and PCTs empowerment, agroecology, and sustainable natural resources management). The current and new IFAD COSOPs were formulated considering this alignment with the federal government and the state governments of the Northeast (through close coordination and collaboration with the Governors' Northeast Consortium). The Project was also designed considering IDB's development goals and strategy for Brazil.</p>		
<p>Policy Development and Implementation</p>	Low	Low

<p>Risk:</p> <p>Considering the design process involving the state government and local organizations and focused on the continuity of actions to combat rural poverty, there is no identified risk that it will not represent or be in conflict with such priorities, targeted beneficiary population, and the main programs to combat rural poverty.</p>	Low	Low
<p>Mitigations:</p> <p>The Project design envisages collaboration and complementary activities with other state agencies and partners. The Project will have knowledge management activities and will seek to strengthen the monitoring and evaluation system. IFAD's systematic monitoring will track proper implementation and timely corrective actions when needed.</p>		
<p>Environment and Climate Context</p>	Substantial	Substantial
<p><i>Project vulnerability to environmental conditions</i></p>	<i>Moderate</i>	<i>Moderate</i>
<p>Risk:</p> <p>The Project will be executed in two biomes: the Caatinga and the Atlantic Forest (Portuguese: Mata Atlântica or Zona da Mata). The challenges family farmers face, however, are similar in both biomes. These include adverse soil conditions (shallow, with little organic matter and subject to erosion and desertification processes) and restrictions on water availability (quality and quantity), which can affect the productive activities supported by the Project. Some traditional practices of clear-cutting, slash and burn, and overgrazing are exacerbating deforestation and desertification trends, accentuating the negative effects of any environmental restrictions on the Project's activities.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>The Project will promote agroecological farming practices, with a focus on agroforestry systems, combined with restoration projects of degraded areas. In combination and at the landscape level, these practices can improve air and water quality and mitigate extreme events such as floods and droughts. In addition, agroecological practices can improve the productivity of agricultural areas, thereby reducing the pressure on existing natural areas. Native species will be prioritized during the implementation of productive systems, increasing climate resilience. The Project will also promote social technologies for water resource management to improve communities' resilience during drought periods, including cisterns for human consumption and agricultural production, gray water reuse, and subterranean dams.</p>		
<p><i>Project vulnerability to climate change impacts</i></p>	<i>Substantial</i>	<i>Substantial</i>
<p>Risk:</p> <p>Using the ThinkHazard tool reveals the incidence of floods, droughts, landslides, fires, and extreme heat events. Climate models point to a significant increase in temperature and higher variability of precipitation events. They also predict a drop in precipitation, although it is not significant. Such changes will affect crop and animal production, as well as local biodiversity and supply chains. The tendency is for family income to deteriorate, contributing to an increase in inequality and exacerbating existing conflicts and migratory flows.</p>	Substantial	Substantial

<p>Mitigations:</p> <p>The Project aims to develop climate-resilient agroecological agriculture in synergy with environmental recovery and preservation through the adoption of agroecological practices, such as restoration of degraded lands (pastures, agricultural soils, and riparian areas), agroforestry systems, integrated pest management (IPM), species diversification and adoption of green fertilizers. The Project will promote the adoption of native species adapted to the local climate and strengthen the production chains of family farming products, increasing marketing and processing capacity. The Project also aims to increase access to agroecological, climate-resilient technical assistance (TA). PROCASE II will also provide access to better quality water for the community, promoting social technologies such as cisterns for human consumption and agricultural production, subterranean dams, and water tanks. Water treatment and recycling solutions will be adopted to ensure that part of the communities have access to basic sanitation and, as a result, reduce soil, land, and water contamination, in addition to preventing diseases associated with waste produced in family units.</p>		
Project Scope	Moderate	Moderate
Project Relevance	Low	Low
<p>Risk:</p> <p>There is no significant risk that the Project's objectives and relevance are not fully aligned with the development priorities of the IDB, IFAD (new COSOP 2024-2032), or the state government. The Project addresses the central challenges of rural development, and its design is also aligned with Paraíba's policies and priorities.</p>	Low	Low
<p>Mitigations:</p> <p>Nonetheless, mitigation measures will be taken through permanent dialog between the IDB, IFAD, and the State Government. The full involvement of stakeholders during preparation and implementation, including civil society and farmers' organizations, should allow adjustments to be made in an aligned and early manner.</p>		
Technical Soundness	Moderate	Moderate
<p>Risk:</p> <p>The area of operation will be much larger than during the first phase, which presents the risk of dispersion of the Project's activities as well as greater complexity for operational management.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>The Project's intervention will follow a plan based on the definition of priority areas, which will consider the location of the target group and the interventions of other projects (Sertão Vivo, PDHC III, COOPERAR). The Project's intervention will also consider the priorities defined for each of the state's 15 Rural Territories.</p>		
Institutional Capacity for Implementation and Sustainability	Substantial	Substantial
Implementation Arrangements	Substantial	Substantial
<p>Risk:</p> <p>i) The risk that the Project executing agency's capacities are insufficient for adequate and effective Project management, leading to delays and lower quality of execution. ii) EMPAER should take on the role of sub-executor and be in charge of land and environmental regularization activities, as well as being responsible for part of the TA services that will be provided to beneficiary families, with a methodology and intensity that is quite different from what the institution's technical staff is used to. In PROCASE I, EMPAER only took on the provision of TA on a limited scale. iii) The risk related to two multilateral actors (IFAD and IDB) involved in the project supervision and implementation.</p>	Substantial	Substantial

<p>Mitigations:</p> <p>i) PROCASE II will establish a Project Management Unit (PMU) in SEAFDS that has extensive experience in project execution, including from International Financial Institutions, such as IFAD, and keep key staff with vast experience in executing the previous phase. ii) Based on the institutional capacity assessment carried out in the final design phase, the needs to be considered can be identified to define an operational mode and a project management organization that considers the most fragile areas and plans mitigation actions. A training program for TA teams and evaluations will also be implemented. iii) The Coordination Agreement drafted and to be signed between IFAD and IDB clearly sets roles and responsibilities. This is the third Type C project with IDB and the PSI in Piauí has entered into force in November 2023 and the “implementation arrangements” between IFAD and IDB are working well with both agencies well-coordinated.</p>		
<p>Monitoring and Evaluation Arrangements</p>	Moderate	Moderate
<p>Risk:</p> <p>PROCASE has not adopted an information management system that could monitor activities and account for beneficiaries efficiently. PROCASE I's current M&E team is reduced.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>PROCASE II will have resources for developing or acquiring an M&E system to monitor all Project information. Regarding management, there are resources for hiring 2 M&E professionals exclusively for the Project, as well as resources for attending courses to strengthen the team's capacities.</p>		
<p>Project Financial Management</p>	Substantial	Moderate
<p>Project Organization and Staffing</p>	Substantial	Moderate
<p>Risk:</p> <p>i) risk of implementation delays if dedicated finance staff PMU is not hired in a timely manner; ii) Incompliance with finance policies and procedures and financing agreements if requirements are not well understood by PMU Finance Staff</p>	Substantial	Moderate
<p>Mitigations:</p> <p>(i) include budget for PMU finance staff in project budget and recruitment and appointment of key finance staff as a condition for first disbursement in FA; ii) During start up phase training on IDB and IFAD finance policies and procedures.</p>		
<p>Project Budgeting</p>	Substantial	Substantial
<p>Risk:</p> <p>If the state's fiscal situation worsens, the budget allocated to the project could be reduced with as a result delays in implementation.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>Close coordination with SEFAZ to ensure the availability of a sufficient budget from the start date of the Project.</p>		
<p>Project Funds Flow/Disbursement Arrangements</p>	Substantial	Substantial
<p>Risk:</p> <p>Implementation delays if counterpart funds are not transferred on time to the Project to cover salaries and operating costs, which are fully funded by the government of Paraíba.</p>	Substantial	Substantial

Mitigations: Close coordination with SEFAZ to ensure the availability of a sufficient budget from the start date of the Project.		
Project Internal Controls	Substantial	Moderate
Risk: i) Use of funds transferred to farmers organizations under investment or business plans not used for intended purposes. ii) Lack of segregation of duties, in particular during the start-up phase, if the hiring of finance staff is delayed	Substantial	Moderate
Mitigations: i) Establish in the Program's Operational Regulations (ROP) clear mechanisms for the approval, disbursements and reporting on the use of funds transferred in the form of investment and business plan and include in agreements signed with producer organizations details of responsibilities and procedures. The approval of the Program's Operational Regulations (ROP), by IDB and IFAD as a condition for first disbursement; ii) Hiring of key finance staff as a condition for disbursement in FA; segregation of duties incorporated in the ROP.		
Project Accounting and Financial Reporting	Substantial	Moderate
Risk: (i) Reliance on Excel for preparation of Interim Financial Reports in Excel, resulting in human errors and delays in submission; ii) Delays or inadequate quality of reporting on use of funds from investment and business plans by farmers organizations and/or cooperatives; iii) Incomplete or delayed reporting of counterpart funding in particular since, as per IDB's standard practice, beneficiary contributions are not included in total project.	Substantial	Moderate
Mitigations: (i) Before the start of the Project and as a condition for disbursement in FA, implementation of a complementary automated reporting system similar to the SIGMA system used within the Worldbank financed Cooperar project, that generates basic financial statements and financial reports as required by IDB and accepted by IFAD as equivalent to IFRS and allows for budget monitoring by component and categories based on data from the governmental SIAF system.ii) The ROP and agreements signed with farmers organization and cooperatives will establish a clear procedures for reporting on the use of funds transferred under investment and business plans (iii) Establish and document in the ROP a process for capturing beneficiaries' contributions in conjunction with M&E data, training of technicians, and clear criteria for recording and valuation of the same and ensure the technical assistance provided to producer organization includes support on administrative matters and reporting on use of funds.		
Project External Audit	Moderate	Moderate
Risk: Accounting standards used for preparation of audited financial statements not disclosed in audit opinion and/or notes	Moderate	Moderate
Mitigations: In coordination with BID ensure accounting standard to be used and disclosure of the same is included in TdR for external audits.		
Project Procurement	Moderate	Moderate
A.1 Legal, Regulatory and Policy Framework	Moderate	Moderate

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

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

<p>Risk:</p> <p>This is a type C project where IDB Procurement rules will be followed. The state of Paraíba's legislation allows for the use of IFIs procurement rules. Moreover, the State Comptroller's Office (CGE) has a system where all project procurements are entered, and this system includes all the procurement methods of these financing organizations, in accordance with the Loan Agreement. IICA - Inter-American Institute for Cooperation on Agriculture will also be an implementing partner and they already work on several projects using the rules of the World Bank and IFAD, which are similar to those of the IDB. IICA has also an online system storing all the procurement documents, which can be made available to lenders. This system has already been inspected by IFAD without any problems. Procurement that may be carried out directly by the Project will have all their documents registered in the CGE system. The procurement that will be carried out by the beneficiary farmers' associations will also be monitored by the Project's technicians and registered in the agreement control system, which reduces risk and promotes greater transparency.</p> <p>Another complexity of the Project is due to the fact that procurement will be done by both the PMU and the associations and farmers.</p> <p>The procurement done by farmers' associations will be of low complexity, but with a large number of acquisitions, as the project will cover the entire semi-arid region of the State, with 194 municipalities. This may require a great effort of coordination and monitoring.</p>	Substantial	Substantial
<p>Mitigations:</p> <ul style="list-style-type: none"> • Provide training on IDB procurement rules to the project teams: including teams of potential implementers, the Attorney General's Office, and the State Comptroller's Office, to strengthen the understanding of the agreed rules. • PMU's procurement activities do not present highly complex selections or acquisitions and the Project team already has experience with the methods of international financial organizations, having carried out IFAD and IBRD projects. They also intend to hire IICA to carry out the selection and hiring of individual consultants, as occurred in phase 1 of PROCASE. Consider the support of civil servants who have worked in the previous phase and inviting consultants who have worked in the previous phase or who have worked on projects with similar procurement rules to take part in the selection process. • Farmer associations will have bidding committees and they will execute the "Request for Quotation" method for planned purchases. These commissions will be trained by the PROJECT and will have the support of technical experts in purchasing. The complexity of the project is high, but with full conditions for risk mitigation and adequate management. 		
<p>B.2 Assessment of Implementing Agency Capacity</p>	Moderate	Moderate
<p>Risk:</p> <p>The State of Paraíba has the technical capacity in both national and international public procurement, and the Project will be executed in accordance with the IDB's procurement regulations but there is the risk that the capacity of the implementing agency is insufficient to adequately manage the Project, causing delays in execution.</p> <p>The public procurement processes used by the state of Paraíba are generally carried out using the Electronic Auction modality, which is also accepted by the IDB with the suppression of the negotiation clause after the award of the lowest price. This modality could also be used in the Project's procurements.</p>	Moderate	Moderate

<p>Mitigations:</p> <p>The implementation of the project will be centralized in the Secretariat of Family Agriculture, with the partnership of EMPAER as technical sub-executor. Due to the good execution of phase 1 of PROCASE, the PMU acquired successful experience with this type of arrangement. Control and monitoring of the execution of the Investment Plans of producer organizations will be carried out through an agreement (convênio) system. The technical assistance teams will monitor the bid process, the receipt of goods and services and the rendering of accounts. The implementing agency will have the support of IICA for the selection and hiring of consultants, which is an institution experienced in implementing rural projects and applying the financing partners procurement rule and operates with an adequate and transparent system. The implementing Agency has good execution capacity but will need to maintain good coordination of the actors involved to avoid delays in implementation.</p> <ul style="list-style-type: none"> • Involve procurement staff with experience in public procurement of IFIs that have rules similar to those of the IDB and provide training to project staff involved in procurement on the rules established in the Loan Agreement. • Train the auctioneer on the Electronic Auction method adapted to IDB's procurement policy as agreed in the Loan Agreement. 		
<p>Project Procurement Overall</p>	Moderate	Moderate
<p>Risk:</p> <p>With a moderate risk at both the country and projects levels, it can be mitigated by implementing the actions defined during design. Mainly, the use of IDB rules as the implementing partner and adjusting any gap determined in the gap analysis.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>Provide training on IDB procurement rules to the project teams: including teams of potential implementers, the Attorney General's Office, and the State Comptroller's Office, to strengthen the understanding of the agreed rules.</p>		
<p>Environment, Social and Climate Impact</p>	Substantial	Moderate
<p>Biodiversity Conservation</p>	Moderate	Moderate
<p>Risk:</p> <p>The agricultural components of the Project will be developed in an already altered landscape on landholdings with an average area of 10 hectares. The risk of conversion or degradation of biodiversity, habitats, ecosystems, and ecosystem services resulting from Project activities is thus limited. Furthermore, the Project will invest in the environmental restoration of critical habitats, such as riparian forests, and promote agroforestry systems, thus increasing biodiversity in the beneficiary's farms.</p> <p>Animal farming systems, which are historically linked to deforestation and desertification trends, will be strengthened by PROCASE II with agroecological productive systems, environmental monitoring, and land restoration activities, among others, limiting their potential negative impact and increasing the region's vegetation cover.</p> <p>The Project will not promote the planting of invasive species, but independent introduction by farmers may occur.</p>	Moderate	Moderate

<p>Mitigations:</p> <p>Investment plans at plot or farmers' association levels will be required to observe Brazilian Law guidelines regarding the conservation of biodiversity and native vegetation. Those will be reflected in the Project's ESMF and ESMP.</p> <p>Moreover, the Project will implement a variety of measures that will limit the impact of animal husbandry activities, including agroforestry, diversification of fodder trees including native forage trees, optimal rotation, agroecological Technical Assistance, genetic improvement of animal breeds, participatory management of natural habitats, sustainable use of protected areas, project-level monitoring of deforestation, construction of nurseries and expansion of processing and marketing capacities, increasing the profitability of production systems. The gain in productivity brought by agroforestry systems will also serve as a deterrent to deforestation since degraded pasture lands have much lower yields.</p> <p>Regarding invasive species, the Project will only promote productive systems that use native species and non-invasive exotic species, avoiding species with invasive potential, such as Neem, Algaroba, and Leucaena.</p>		
<p>Resource Efficiency and Pollution Prevention</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Risk:</p> <p>The Project will not seek or support the use of hazardous substances nor the significant extraction of natural resources. Nonetheless, pesticides may be needed in the case of pest outbreaks.</p> <p>Extraction of water resources for human use and irrigation will observe best practices and national regulations and will not jeopardize the sustainability or quality of water stocks. Most water infrastructures will be rainfed cisterns and dams, with limited impact on groundwater and surface water resources.</p> <p>The Project will also promote the installation of efficient stoves that will reduce the need for firewood in the region, reducing deforestation trends.</p> <p>The Project will focus on green fertilizers and will not encourage the purchase of chemical fertilizers. It will also support small livestock production, so there may be an increase in herd size.</p>	<p>Moderate</p>	<p>Moderate</p>
<p>Mitigations:</p> <p>The risk associated with the eventual use of pesticides will be mitigated through the judicious assessment of the need for their use, and the WHO guidelines will be followed regarding handling, application, disposal, and risk class. No WHO Ia and Ib class toxicity hazard substances will be allowed to be used.</p> <p>The Project will support environmentally sustainable practices and help farmers modify their production systems if they have unsustainable practices (for example, overgrazing or cutting and burning native vegetation). It will also contribute to increasing forest coverage through reforestation practices and the restoration of degraded areas, especially near animal husbandry activities.</p>		
<p>Cultural Heritage</p>	<p>Low</p>	<p>Low</p>
<p>Risk:</p> <p>The Project will not cause significant degradation of cultural or physical resources, including threats to or loss of resources of historical, religious, or cultural importance. The Project will only work on land already being used for agriculture and will not implement activities in recognized cultural heritage sites.</p>	<p>Low</p>	<p>Low</p>
<p>Mitigations:</p> <p>The Project will ensure that cultural considerations are made during the implementation of the proposed activities. Project activities will foster the respect and preservation of traditional culture, knowledge, and practices of Indigenous Peoples and Traditional Communities.</p>		
<p>Indigenous People</p>	<p>Low</p>	<p>Low</p>

<p>Risk:</p> <p>Indigenous peoples will not be adversely impacted by Project activities, but there is a risk that there will be no effective participation of Indigenous peoples in Project decisions that affect them.</p>	Low	Low
<p>Mitigations:</p> <p>i) The Project strengthens the protection of indigenous people's cultural and physical resources, promotes economic development through productive investments, values traditional agricultural systems, and recognizes and rescues indigenous food culture. Thus, Project interventions are expected to increase incomes, food security, and improved nutrition for IPs. ii) Project eligibility/exclusion criteria prohibit the acquisition or restriction of land use in areas of indigenous and traditional communities. iii) The Environmental, Social, and Climate Management Plan (ESCMP) will include a Plan for Disclosure and Public Consultations, contemplating the participation of quilombola, Indigenous, and other traditional communities, informing about the Project and location of proposed interventions in the communities, reporting on the activities and location of any intervention in the area bordering the demarcated Territory. iv) The ESCMP will also include a Social Communication and Community Participation program that respects and includes forms of documentation and means of communication that are accessible and adequate to the cultural specificities of Indigenous peoples and traditional communities of the Project area. v) The Project's methodology is participatory and demand-driven, with indigenous and traditional communities presenting their development plans and co-creating the Project's activities in a process of self-determined development. vi) The Project will ensure the Free, Prior, and Informed Consent (FPIC) of the Project-affected Communities of Indigenous Peoples. vii) The Project will elaborate a socio-cultural analysis of indigenous populations and traditional communities living in the project area.</p>		
<p>Labour and Working Conditions</p>	Moderate	Moderate
<p>Risk:</p> <p>Employment conditions in impoverished rural areas of Brazil, as is the case in the Project's intervention area, may not be fully compliant with national and international labor and working regulations. This can lead to risks of payment below the minimum wage, child labor, unsafe conditions, or excessive hours, among others.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>i) All contracts with contractors, suppliers, and third parties to be financed with IFAD resources will include provisions that prohibit child labor and promote decent working conditions. ii) The PMU (Project Management Unit) will establish a mechanism to supervise and monitor the Project's activities, considering working condition issues. iii) Through the Project's complaints and grievances mechanism (GRM), stakeholders or society, in general, will be able to submit anonymous complaints regarding abusive labor practices (e.g., forced or child labor), cases of gender-based violence, discriminatory working conditions, and unsafe/unsanitary working conditions, which will be addressed and resolved as indicated in the mechanism. iv) The Executing Agency will prepare and maintain an Environmental and Social Management System (ESMS) for the operation with specific elements related to Labor and Working Conditions under ESPS 2 of IDB. Therefore, the Project will lead to an improvement in labor and working conditions.</p>		
<p>Community health, safety and security</p>	Moderate	Moderate

<p>Risk:</p> <p>There is no risk that the Project activities will have adverse effects on the physical, mental, nutritional, or social health and safety of an individual, group, or population. However, recurrent gender-based violence in the Project area may have potential adverse effects on the physical, mental, or social well-being of individuals or groups. Works to be carried out under the Project may entail a limited influx of project workers from outside the beneficiary's communities. As proposed works, such as building cisterns, are small, the duration of such an influx and the quantities of works are expected to be small with no adverse impacts. Another potential risk relates to the piloting project approach to new target groups (e.g. LGBTQIAPN+ and persons with disabilities), which may involve some complexities.</p>	Moderate	Moderate
<p>Mitigations:</p> <p>The Project will contribute to improving the health and nutrition of rural populations, promoting agroecological practices, supporting access to water and sanitation, and improving food and nutrition security.</p> <p>In accordance with IFAD's Policy on Preventing and Responding to Sexual Harassment, Sexual Exploitation, and Abuse (2020), the Project will ensure that adequate safeguard measures are in place for a safe and harassment-free working environment, including sexual harassment and free from sexual exploitation and abuse in its activities and operations. All Project implementation teams, partners, and Project participants will receive training on preventing and responding to sexual harassment and SEA. Any complaint of sexual harassment, exploitation, or abuse received through the Project's complaint procedure will be referred immediately to the IFAD Ethics Office for further action. Project interventions focusing on gender will include orientations to beneficiaries on the different forms of violence against women, available protective measures safeguarded by the Maria da Penha Law, and how to report it.</p> <p>The Project works involve the implementation of social technologies (ST) with the active mobilization and participation of communities, whose members will receive capacity-building on how to implement and maintain STs with the support of a few outside trainers.</p> <p>The Project will partner with civil society organizations and movements representative of the LGBTQIAPN+ community and with experience working with this target group to ensure transformational approaches are implemented and that the LGBTQIAPN+ are effectively included in project activities.</p>		
<p>Physical and Economic Resettlement</p>	Low	Low
<p>Risk:</p> <p>The Project's intervention should not cause the physical resettlement of families or significant adverse economic effects, especially to marginalized groups.</p>	Low	Low
<p>Mitigations:</p> <p>The Project will have a solid targeting strategy and will promote positive social, physical, cultural, and economic impacts, especially for marginalized groups.</p>		
<p>Greenhouse Gas Emissions</p>	Moderate	Moderate
<p>Risk:</p> <p>Emissions from Project activities are likely to be negligible as the Project will focus on activities that should increase biomass on farms through the promotion of agroforestry systems, reduction in the use of fire as an agricultural management tool, improved pasture management and better soil conservation practices. Such an increase in biomass and adoption of agricultural practices may offset eventual emissions of other project activities, such as support to small agro-industries (that consume energy in processing, packaging, and transport). A detailed EX-ACT assessment prepared confirms the above.</p>	Moderate	Moderate

<p>Mitigations:</p> <p>The Project will most likely have negative emissions (carbon sequestration). It will contribute to increasing forest coverage with reforestation practices, sustainable use of riparian areas, recovery of degraded areas, and introduction of energy-efficient stoves.</p>		
<p>Vulnerability of target populations and ecosystems to climate variability and hazards</p>	Substantial	Substantial
<p>Risk:</p> <p>The target population and ecosystems are vulnerable to climate variability and extreme events, notably droughts and hot spells, especially in the Caatinga biome. In the Zona da Mata region (Atlantic Forest), the risks are more related to extreme rainfall events, such as floods and landslides. These problems are compounded by poverty and limited access of the targeted population to public policies geared towards reducing their vulnerability to climate change.</p>	Substantial	Substantial
<p>Mitigations:</p> <p>A Targeted Adaptation Assessment was prepared to provide guidance on adaptation measures that farmers and rural extension agents can implement. Since climate resilience is a focus of PROCASE II, many project activities will have adaptive potential, such as social technologies that increase access to water (cisterns, subterranean dams) and climate-resilient agriculture (agroecological TA, agroforestry based on native species, etc.).</p>		
<p>Stakeholders</p>	Moderate	Moderate
<p>Stakeholder Engagement/Coordination</p>	Low	Low
<p>Risk:</p> <p>There is a risk that the relevant stakeholders are not identified, that there is inadequate/insufficient disclosure of information, and that the key stakeholders invited to be part of the Project show little interest in or commitment to the Project's objectives and activities.</p>	Low	Low
<p>Mitigations:</p> <p>At the community and family level, the Project will implement a participatory and demand-driven process in defining activities that meet the needs and aspirations of the beneficiaries. The Project will also establish continuous communication, awareness-raising, and coordination with the various partners at different levels (local, regional, and state), starting at the Project preparation stage. It will foster visibility activities to publicize and clarify doubts about the Project activities' results, both for the target groups and the partners involved in implementation. Promoting awareness and participation among local communities, farmers, and other key players is essential to ensure adherence and commitment to the proposed activities. A stakeholder engagement plan for the lifetime of the Project (including equal participation of women and men and considering Indigenous Peoples and vulnerable groups) will be prepared. The Project will also conduct a public consultation process, considering culturally appropriate mechanisms and the progress of studies and management plans.</p>		
<p>Stakeholder Grievances</p>	Moderate	Moderate
<p>Risk:</p> <p>The implementation of the Project may lead to the submission of complaints by various stakeholders involved in or impacted by the Project's activities, thus affecting the continuity of activities and the established schedule. There is a risk that the Project will have ineffective grievance redress processes, leading to unaddressed grievances that jeopardize the achievement of the Project's development objectives.</p>	Moderate	Moderate

<p>Mitigations:</p> <p>The Project will incorporate a clear and effective Grievance Redress Mechanism (GRM) in accordance with IDB's Safeguard Policy and IFAD's guidance documents - Framework for Operational Feedback from Stakeholders and IFAD Guidelines 2021 on Engagement, Feedback and Redress of Project Target Group Grievances. The procedure includes mechanisms for expressing the complaint or grievance, the response time, and the resolution spheres. This mechanism should be easily accessible to the population and have a rapid resolution, ensuring that the submitted complaints are quickly analyzed and that the situations are mutually agreed upon to satisfy the parties involved. The Project will also raise awareness among stakeholders about the available GRM. It will also include this information as part of IFAD/IDB missions and part of the training of the technical assistance teams that will work with the beneficiaries.</p>		
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