

**INTER-AMERICAN DEVELOPMENT BANK
TECHNICAL COOPERATION PROGRAM (TRUST FUND FINANCING)**

TC/FUNDS BRIEF

I. GENERAL INFORMATION

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| 1. Name of the T.C. Project | Strategic Mapping and Sociocultural Assessment to Evaluate the Impacts and Opportunities for Indigenous Peoples and the IIRSA Project Portfolio. RS-T1248 |
| 2. TC Number | |
| 3. Name of the Trust Fund | Markets and Governance for Poverty Reduction Trust Fund (KMG) |
| 4. Beneficiary Countries | Argentina, Brazil, Bolivia, Paraguay, Uruguay, Peru, Ecuador, Chile, Colombia, Suriname, Guyana, Venezuela. |
| 5. Estimated Total Amount to be financed | US\$147,550 |
| 6. Executing Agency | IDB through its Indigenous Peoples and Community Development Unit of SDS (SDS/IND) |
| 7. Execution and Disbursement Deadlines | 12 months execution, 16 months disbursement. |
| 8. Team Members | Anne Deruyttere (Team Leader), Mauro Marcondes-Rodrigues (VPO/IIRSA Coordinator), Carlos Tamayo (RE3/FI3); Hilda María Gómez Vélez (RE1/FI1), Dianna Moyer (SDS/IND), José María Díaz Batanero (RE1/FI1), Ricardo Quiroga (SDS/ENV), Cristian Franz (SDS/ENV), Diego Buchara (LEG/OPR). |

II. BACKGROUND AND JUSTIFICATION

- 2.1 The Initiative for Regional Infrastructure Integration in South America (IIRSA) was established during the Summit of South American Presidents in Brasilia, Brazil in 2000. The purpose of the initiative is to modernize and integrate regional infrastructure and contribute to the sustainable development of the region. The action plan for integrating the regional infrastructure includes the integration of 10 development hubs and sector integration processes in: information and communication technologies, air, multimodal and maritime transport, border crossing, regulatory frameworks for regional energy markets, and financing instruments. Within the IIRSA framework more than 330 projects have been identified and have been organized into 41 project groups.
- 2.2 At the VII Executive Director Committee meeting in December of 2005 (Paraguay), the 12 South American governments approved both the 2006-2010 IIRSA Strategic Objectives and the 2006 IIRSA Workplan. Within these documents, a second phase of planning was established that included priority areas to improve the quality of the IIRSA Project Portfolio and the Indicative Territorial Planning Process. One of the three priority areas included in this upgrade of the Territorial Planning is Strategic Environmental Assessment (SEA).

- 2.3 In order to continue providing technical support for the Initiative, the institutions that constitute the Technical Coordination Committee (CCT) of IIRSA (the IDB, CAF and FONPLATA) have initiated the elaboration of a Methodology for strategic environmental and social planning of the IIRSA portfolio, in addition to providing technical assistance for SEA in specific IIRSA projects. The methodology will be applied with two groups of projects and the results will be presented at an IIRSA Technical Group¹ meeting in September 2006.
- 2.4 In line with the work coordinated by the CCT, in 2005 the IDB financed an Issues Paper (*Sustainability Assessment for IIRSA Initiative*, ATN/NP-8967-RS) that provided a quick and preliminary evaluation of the potential nature and magnitude of social and environmental risks related to the potential IIRSA portfolio. This TC also developed a geographical information system (GIS) to overlay existing and available environmental and social information in the project hub areas. Among the social information geo-referenced (when available) were: indigenous territories, areas considered sacred and of cultural importance, world heritage sites, non-contacted areas, archeological patrimony sites, and disputed areas. The results of the GIS work demonstrate a clear overlap of areas where indigenous people live and areas where IIRSA projects are being planned.
- 2.5 Beyond this general mapping of where sensitive social areas may exist, as of yet, no strategic sociocultural analysis of indigenous peoples for the IIRSA portfolio has been conducted. The sociocultural information included in the GIS developed has several information gaps and requires greater depth to understand the risks and opportunities that exist in the areas where proposed projects and indigenous areas overlap. Whereas the institutions of the CCT are developing the environmental and natural resource components of the SEA methodology and the GIS, this TC will provide the complimentary sociocultural tools for indigenous peoples, so that the SEA methodology once complete, can take into account both environmental and social issues for IIRSA projects.
- 2.6 This information is especially important for planning and decision making for trade and integration projects that are based on the development of infrastructure in areas where indigenous people live. These projects can present important challenges and opportunities for indigenous peoples and their basic rights to territory, land use, and self-determination, as often these people are among the most impoverished, excluded and vulnerable, and their rights and vision are often at the highest risk of being violated when they come into competition with other interests and priorities. Challenges exist especially for indigenous people living in rural or isolated areas where transportation and energy infrastructure projects often fail to consider their cultural specificities regarding natural resource use and management, their social and physical vulnerabilities to contact with new people, or their development priorities and necessities. The building of roads or natural resource extraction projects have often opened up isolated areas where indigenous people live to outsiders that have introduced new social and economic patterns and diseases that have permanently changed and/or deteriorated indigenous peoples traditional ways of life. In some cases, the new contact has lead to violence and/or death and disintegration of entire communities.
- 2.7 If indigenous people's concerns and vision for development are taken into account via consultation and good-faith negotiation processes during early stages of project design, as mandated in the new IDB Operational Policy on Indigenous Peoples, the increased access to

¹ Executive Technical Groups are made up of officials and experts appointed by the South American Governments from institutions that are deemed relevant by each government. These Groups are formed for each Integration and Development Hub and for each integration sectoral process approved by the CDE.

markets and services that integration and infrastructure can provide can create opportunities for indigenous communities to achieve greater levels of development with identity². With the proper designs and considerations, these integration and infrastructure projects hold the potential of supporting indigenous peoples' capacity to capitalize on their cultural identity and heritage and their knowledge and traditional practices for natural resource management. They can facilitate indigenous people's capacity to access basic services and goods that support their survival in more remote areas. And in the case of transborder indigenous peoples that live in territories straddling two or more countries, greater integration can facilitate free movement and trade, as well as health, economic, social, and cultural integration among peoples that have been separated by borders that do not reflect their historical or cultural realities.

- 2.8 In accordance with the goals of the Markets and Governance for Poverty Reduction Trust Fund, this TC is aimed to facilitate the inclusion of Indigenous People's priorities and vision of development with identity within the IIRSA project planning process. It will generate informational and methodological tools that will assist governments in carrying out participatory processes with indigenous peoples and make informed decisions in project design. Indigenous peoples are among the poorest and most marginalized populations in Latin America and are at risk of being the most negatively impacted by IIRSA projects if their vision is not integrated in early planning stages. The TC provides an opportunity to operationalize several of the mainstreaming and safeguarding directives and priority areas in the IDB's new Indigenous People Operational Policy and Strategy, paving the way for future IIRSA projects to proactively implement the Policy when they enter into the pipeline. The products produced by this TC will serve as important planning and decision-making tools for both Bank specialists and governments in designing IIRSA projects and carrying out the related environmental and social assessments.
- 2.9 In addition, this TC will serve as a valuable input for the Strategic Environmental Assessment work that is being developed for the governments, as it will provide the sociocultural assessment methodology that can be incorporated into the larger SEA methodology and tested in two project groups on a pilot basis³. It will also serve to enrich the GIS maps developed in order to give a more comprehensive and profound profile of indigenous peoples' territories, issues and opportunities related to IIRSA projects and will be produced in a format that will be integrated with the existing maps. This TC will be developed in close coordination with the Bank's operational staff from RE1 and RE3, with its IIRSA coordinator, Mauro Marcondes, with the representative offices in RE1 and RE3, and with the IIRSA coordinators in each country.
- 2.10 This TC will produce both direct social and environmental benefits as it will provide the necessary tools to initiate the strategic dialogue and participation of the most marginalized populations into the IIRSA planning processes so that these projects contribute to their social, cultural, and economic welfare and safeguard against negative impacts. Given the spiritual, cultural and economic value of the natural resource base for indigenous peoples and their capacity and interest in the sustainable management of these resources, safeguarding their interests should

² The majority of indigenous communities in Latin America are calling for *development with identity*, a process that includes strengthening of indigenous peoples, harmony and sustained interaction with their environment, sound management of natural resources and territories, the creation and exercise of authority, and respect for the rights and values of indigenous peoples, including cultural, economic, social and institutional rights, in accordance with their own worldview and governance.

³ The initial SEA methodology and results of its application in two project groups on a pilot basis will be presented to the CCT at the IIRSA meeting in September 2006 by CAF. The initial work plan and any preliminary results from this TC will also be presented to the governments at that meeting. Throughout 2006 and 2007, the consulting firm for this TC will work closely with the CAF team developing the SEA methodology to integrate the socio-cultural assessment methodology into the SEA methodology and apply the methodology in two project groups on a pilot basis.

directly benefit the natural resource base and biodiversity in the areas they inhabit. In addition, one of the strategic areas where indigenous people could participate in benefiting economically from these projects is through the provision of environmental goods and services, an area that will be explored within the TC. It will also provide indirect benefits for the environment by complementing the Strategic Environmental Assessment methodology currently being developed, so that this assessment process comprehensively takes into account environmental and social issues.

- 2.11 The Bank's Board of Executive Directors approved an Operational Policy (OP-765) and Strategy on Indigenous Peoples on February 22, 2006 which have as their objective: "to enhance the Bank's contribution to the development with identity of indigenous peoples." The Strategy identifies three priority areas for Bank action, including: "enabling the comparative advantages of indigenous peoples based on their natural, cultural, and social capital to capitalize on an intercultural space to improve the quality of life of their communities, taking into account those national and global market niches where there is an increased demand for indigenous goods and services."⁴ This TC will finance the initial steps that are necessary in order to achieve this goal within the IIRSA initiative as well as provide the basic technical information necessary to support compliance with several of the new Policy mandates in specific project design and implementation (especially in regards to indigenous rights, transborder and uncontacted indigenous people, territory, land and natural resources).

III. OBJECTIVES

- 3.1 The general objective of this technical cooperation is to support the socioculturally appropriate design of IIRSA infrastructure projects that overlap areas inhabited by indigenous peoples in order to ensure that: (i) indigenous peoples rights and well-being is safeguarded, and (ii) when possible, promote indigenous peoples' development with identity by facilitating greater access to services and markets as well as the free movement and integration of transborder indigenous peoples.
- 3.2 Specifically, the technical cooperation aims to develop:
- (i) A mapping of indigenous peoples areas (communities and territories) that are potentially affected by IIRSA projects and their basic physical, social, cultural, and economic characteristics; the relevant legal and institutional frameworks that protect these groups' rights; and any historical or ongoing conflicts with other indigenous and non-indigenous groups or in the context of the internal and international violent conflicts. The digital mapping will enrich the basic GIS mapping developed under the TC *Sustainability Assessment for IIRSA Initiative*, ATN/NP-8967-RS and will be integrated into this GIS database as a final product. It will also serve as an initial tool for risk analysis and the drafting of TORs for future sociocultural assessment within the IIRSA Strategic Environmental Assessment (SEA) processes.
 - (ii) A methodology for sociocultural assessment and impact mitigation for indigenous peoples with specific IIRSA projects that will be integrated into the SEA methodology currently being developed by CAF.

⁴ Strategy for the Development of Indigenous Peoples, par. 5.2(c).

IV. DESCRIPTION

- 4.1 This TC will finance one International Consultant Firm to carry out a desk review of secondary information and country visits to consult local actors from government agencies, indigenous organizations, and non-governmental organizations to collect existing digital and non-digital mapping and resources regarding indigenous peoples, territories, issues, risks and opportunities in the area of influence of IIRSA projects. This information will be utilized to produce both a GIS mapping of indigenous peoples, territories, issues, and opportunities, as well as a report that presents a proposed methodology for sociocultural assessment, impact mitigation and development opportunities for indigenous peoples potentially impacted by IIRSA projects. It will also finance three trips to present the mapping and methodology: one to the IIRSA GTE meeting on SEA methodology, to be held in September 2006 (to present the workplan and preliminary results), one to present the final results of the mapping and methodology to the IIRSA government coordinators in 2007, and another to present the final results of the mapping and methodology in Washington, D.C. to the relevant IDB operational specialists from RE1 and RE3.

Mapping of Indigenous Territories, Sociocultural Characteristics, Issues and Opportunities

- 4.2 Based on the geographical areas identified by the IDB Issues Paper, the International Consulting Firm should, via a desk study of secondary information and in-country consultations: (i) identify information gaps regarding indigenous territories in the current GIS map developed under the TC *Sustainability Assessment for IIRSA Initiative*, ATN/NP-8967-RS; and (ii) collect information to fill those gaps and enrich the information provided on the indigenous areas potentially affected by the 10 project hubs. Once the consultant is in the process of preliminary data collection, the list of information on characteristics and opportunities to be collected will be refined based on the availability and quality of data. The consultant will need to develop initial indicators to determine some of the factors such as mode of production or degree of isolation. To the extent possible, information should be collected that covers the following areas:
- (i) Greater specificity on indigenous areas in the direct and indirect influence of IIRSA project areas, including level of legal and practical recognition of these territories, mechanisms in place to enforce the recognition for the boundaries of these territories, land titling and regularization issues, identification of buffer zones to protect indigenous peoples living in voluntary isolation, etc.
 - (ii) Names of indigenous groups/peoples/tribes and ethno-linguistic family including the identification of transboundary communities
 - (iii) Approximate population and demographic tendencies
 - (iv) Degree of isolation (no contact, limited contact, frequent contact, fully integrated with outside populations)
 - (v) Availability and access to social and public services (health clinics, schools, etc.)
 - (vi) Levels of formal education and literacy rates
 - (vii) Mode of production and survival (level of subsistence, hunting and gathering, slash and burn, sedentary agriculture, trade vs. self-sufficient production, participation in market economy)
 - (viii) Cultural specificities and cosmovision related to relationship with the earth and natural resources, gender roles, kinship, internal organizational structures, etc.
 - (ix) Legal and institutional frameworks for specific groups regarding rights in the areas such as: territory, natural resource management and use, consultation requirements, and other relevant legal provisions for potential integration projects and the levels of enforcement (if possible) of these frameworks.

- (x) Historical and ongoing conflicts of indigenous groups with other indigenous and non-indigenous communities or with the government.
 - (xi) Opportunities for integration projects specifically to benefit indigenous communities through stimulating local economies, opening up trade and greater integration with other indigenous communities or for transboundary populations, or provide greater access to markets and services that are desired among certain groups.
- 4.3 The information collected (both electronic and non-electronic) for indigenous peoples in IIRSA project areas, will be converted into an electronic map shape file format and compliant with ISO 19115 metadata standard. This will allow for the information collected to be overlaid with the GIS maps produced under the TC *Sustainability Assessment for IIRSA Initiative*, ATN/NP-8967-RS as well as with any existing mapped information for proposed infrastructure planning, vulnerable areas, etc., thus providing governments, the IDB, other project financiers and planners and project financiers the necessary tools to take into account the basic profile of these populations in decision making processes. The IDB's SDS/ENV will integrate the map produced by this TC with those previously generated.

Sociocultural Assessment Methodology for IIRSA Projects

- 4.4 A methodology for sociocultural assessment for projects within the IIRSA portfolio that overlap indigenous areas will be developed and integrated into the SEA methodology being developed by CAF. This methodology will propose mechanisms to: (a) establish baseline data and monitoring and evaluation mechanisms; (b) identify potential negative and positive impacts on the impacted groups; (c) evaluate risks for the project associated with potentially negative sociocultural impacts; (d) design methodologies for consultation, participation and good-faith negotiations with indigenous groups living in different levels of isolation and with varying cultural and historical backgrounds; and (e) establish appropriate mechanisms that allow for impact mitigation, compensation and benefit sharing. This methodology should also provide operational guidance on how to conduct these assessments and mitigation plans in accordance with the new IDB Policy and Strategy framework as well as within the pertinent national and international legal frameworks. It should identify the specific actions required to comply with these instruments within the project cycle and should also address mechanisms for consultation and identify areas where institutional and legal frameworks may need strengthening to both safeguard indigenous peoples and ensure that they serve as benefactors and partners in the development of IIRSA projects. The methodology should take into account other IDB sociocultural assessments previously carried out and their relevance for future IIRSA projects and be designed in conjunction with the other methodology being prepared for SEA's by CAF.
- 4.5 A report that presents a proposed methodology for sociocultural assessment, impact mitigation and development opportunities for indigenous peoples potentially impacted by IIRSA projects will be submitted to SDS/IND.

Dissemination of Map and Methodology

- 4.6 The work plan for the methodology and mapping and any initial results from this TC will be presented at the IIRSA Technical Group about SEA methodology in September 2006. The final methodology and mapping will be presented to the IIRSA National Coordinators⁵ and the IIRSA

⁵ The IIRSA National Coordinators are designated by each country to coordinate the IIRSA initiative for their respective countries.

Technical Coordination Committee (IDB, CAF, FONPLATA) in 2007. The methodology for sociocultural assessment will be presented as part of the larger SEA methodology. The presentations will highlight potential issues, risks and opportunities for integrating indigenous peoples priorities and vision for development into the early planning stages of the IIRSA project portfolio. The purpose of the September 2006 meeting is to introduce the tools that will be developed and the purpose of the 2007 presentation will be to present the final version of the mapping and methodology to the IIRSA National Coordinators⁶ and the IIRSA Technical Coordination Committee and engage a discussion regarding potential impacts and opportunities for safeguarding and mainstreaming the priorities and vision of indigenous peoples within the IIRSA portfolio.

- 4.7 The final methodology and mapping will also be presented at a dissemination seminar in Washington, D.C. to IDB infrastructure, finance, environmental, and social specialists that will be involved in future IIRSA projects in 2007. The purpose of this seminar is to introduce these specialists to the tools that have been developed and engage a discussion regarding potential impacts and opportunities for safeguarding and mainstreaming the priorities and vision of indigenous peoples within the IIRSA portfolio.

V. ORGANIZATION

Timeframe

- 5.1 Eight months of full-time consulting time will be required from an anthropologist or indigenous expert to carry out the secondary research, country visits, and produce the methodology for sociocultural assessment as well as the indigenous profile information to be included in the digital map. In addition, four months of consulting time will be necessary for an IT specialist to work with the anthropologist in identifying additional map resources to compliment the GIS maps already developed, georeferencing the information provided, and in creating the electronic map in shape file format. An international research assistant will also be budgeted for the eight-month period to support the anthropologist or indigenous expert in data collection, meeting arrangements, review of IDB sociocultural assessments, and the new Indigenous Peoples Policy requirements. Twelve months will be allocated for the total execution time and 16 months for the total disbursement time.

⁶ The IIRSA National Coordinators and the Technical Coordination Committee meet approximately four times per year.

5.2 Preliminary timeline for submission of each product from date of contract signature (estimated to be August 1st, 2006)

Product	Month											
	1 Aug	2 Sept	3 Oct	4 Nov	5 Dec	6 Jan	7 Feb	8 Mar	9 Apr	10 May	11 June	12 July
Initial Workplan for review by IDB project team	→											
Present Final Workplan		X										
Organize Country Visits	→											
Carry out country visits to collect information for mapping		→		→								
Report on information collected during country visits (information gaps, outstanding issues) and propose any revisions to workplan				X								
Develop preliminary Sociocultural Assessment Methodology		→		→								
Present preliminary methodology to project team for review and comment				X								
Test methodology in 2 project groups on pilot basis						→	→	→	→			
Revise methodology and map with feedback from pilot cases									→	→		
Send final methodology, pilot results and map to IDB Project Team for review and comment											X	
Incorporate IDB Project Team's comments											→	→
Present final map and methodology to IIRSA National Coordinators and IIRSA Technical Coordination Committee												X

Supervision and Support

- 5.3 The project team will supervise the work of the international consulting firm, review drafts of the products and provide feedback for the development of the final products. The project team will also serve as the interlocutor with the CAF consultant in development of the SEA methodology. Support in identifying actors and stakeholders, information sources, and establishing in-country meetings will be provided by the IDB IIRSA coordinator, SDS/IND, and from RE1, RE3 and the relevant country offices.

Consulting Services Required

- 5.4 An international consulting firm with experience working with indigenous peoples and development issues, especially in the areas of sociocultural assessment, land, infrastructure, integration, and economic and social development projects. The firm should be able to provide the services of an anthropological or indigenous peoples specialist as well as an IT specialist with expertise in designing and working with shape file software that is compliant with the ISO 19115 metadata standard and producing the necessary information in Spanish, English and Portuguese. In order to undertake the activities described above, the Socio-Environmental Institute (ISA) in Brazil has been identified as the consulting firm to deliver the products required under this contract. The Socio-Environmental Institute (ISA) was selected to undertake the project following the single source selection (SSS) procedure as permitted by Bank policies and procedures. The

project team believes this is justified based on ISA's unique experience in developing GIS maps of Indigenous Territories in Brazil, its experience and credentials working with indigenous peoples, its in-house GIS capacity, and the network of organizations of which it is part that work on socio-environmental mapping in South America. The Research Assistant may be hired from Washington, D.C. by SDS/IND in agreement with ISA, in order to access information and contacts that are available at IDB headquarters and assist in integrating the TC products into CAF's SEA methodology and the IDB's IIRSA GIS system.

VI. OUTPUTS

6.1 This TC should produce the following outputs:

- (i) A Work plan that includes a timeframe for project activities, a preliminary analysis of the gaps in basic indigenous territory data that has not yet been included in the GIS maps developed under the TC *Sustainability Assessment for IIRSA Initiative*, ATN/NP-8967-RS, and a list of initial sources to be consulted. This Work plan will be presented to the South American governments at the CCT meeting in September 2006.
- (ii) A GIS map that allows for users to view specific information regarding indigenous groups, issues, and opportunities related to the development of IIRSA projects in the 10 project hubs.
- (iii) A preliminary methodology for sociocultural assessment of potential impacts and opportunities of different types of IIRSA projects on indigenous communities, proposed within the Bank's new policy framework and within the relevant national and international legal frameworks. This methodology will be tested in two project groups on a pilot basis.
- (iv) A final version of the methodology for sociocultural assessment of potential impacts and opportunities of different types of IIRSA projects on indigenous communities that incorporates the feedback and results from the pilot application on two project groups..
- (v) Two presentations of the map and methodology and results from the two project groups tested on a pilot basis: one for the IIRSA National Coordinators and the IIRSA Technical Coordination Committee in 2007 and one for IDB infrastructure, finance, environmental, and social specialists that will be involved in future IIRSA projects.
- (vi) A two-page executive summary of the purpose and contents of the electronic map and methodology for sociocultural assessment to be distributed to the IIRSA government representatives and the TC donor.

VII. BUDGET

Type of expense	TRUST FUND (KMG)
Honorarium	
Anthropologist 8 months x \$6,000	\$48,000
IT Specialist 4 months x \$4,000	\$16,000
Research Assistant (Washington, D.C.) 4 months x \$4,000	\$16,000
Total Honorarium	\$80,000
Administrative Costs	
Communications	\$2,000
Printing, publishing, translation and dissemination (reports and cd roms)	\$9,000
Purchase of maps and property rights to utilize maps already developed	\$20,000
Total Administrative Costs	\$31,000
Travel and Per Diem	
Travel to 12 countries for in-country data collection and interviews 1 ISA Consultant x \$1,000 x 12 countries	\$12,000
Per Diem for in-country data collection and interviews 1 ISA Consultant x \$200 average per diem x 5 days per country x 12 countries	\$12,000
Travel to present work plan and final results to IIRSA Coordinators and Technical Coordination Committee in 2006 and 2007 1 ISA Consultant x \$1,000 x 2 trips	\$2,000
Travel to Washington, D.C. 1 ISA Consultant x \$1,000	\$1,000
Per Diem IIRSA meetings 2006 and 2007 (South American city) \$200 x 2 days x 2 trips x 1 ISA Consultant	\$800
Per Diem Washington, D.C. \$250 x 3 days x 1 ISA Consultant	\$750
Total Travel and Per Diem	\$28,550
Subtotal	\$139,550
Overhead (10%)	\$8,000
GRAND TOTAL	\$147,550

VIII. RESPONSIBILITY IN THE BANK

Technical Responsibility

- 8.1 Anne Deruyttere, from the Indigenous Peoples and Community Development Unit (SDS/IND), [Tel: (202) 623-1254, fax: (202) 623-1463, email: anned@iadb.org] will have the technical responsibility of the project.

Responsibility for Disbursements

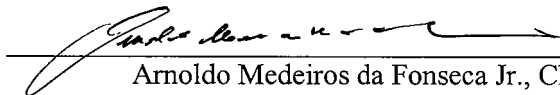
- 8.2 The Contract & Budget Officer of the Sustainable Development Department will be responsible for processing the disbursements.

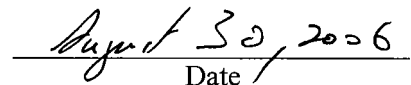
IX. RECOMMENDATION

- 9.1 Anne Deruyttere, designated team leader for the project of the reference, recommends the approval of this operation and the use of resources from the Markets and Governance for Poverty Reduction Trust Fund (KMG) totaling up to US\$147,550 in order to finance the corresponding project.

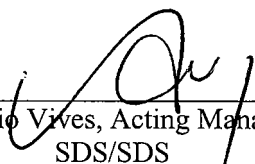
X. CERTIFICATION

- 10.1 I certify that the Technical Review Committee of the Markets and Governance for Poverty Reduction Trust Fund (KMG) allocated resources from the trust fund on 22 June 2006, after reviewing the merits of the proposal and eligibility criteria as provided by the Fund Operational Guidelines. In addition, I certify that resources from the Markets and Governance for Poverty Reduction Trust Fund (KMG) are available for up to US\$147,550 in order to finance the activities described and budgeted in this TC Brief. The commitment and disbursement of these resources shall be made only by the Bank in US dollars. The same currency shall be used to stipulate the remuneration and payments to consultants, except that local consultants working in their own borrowing member country shall have their remuneration defined and paid in the currency of that country. No resources of the Fund shall be made available to cover amounts greater than the amount certified herein above for the implementation of this technical cooperation. Amounts greater than the certified amount may arise from commitments on contracts denominated in a currency other than the Fund currency, resulting in currency exchange rate differences, for which the Fund is not at risk.


Arnaldo Medeiros da Fonseca Jr., Chief
RE2/TEC


Date Sept 30, 2006

XI. APPROVAL


Antonio Vives, Acting Manager
SDS/SDS


Date Sept 8, '06

