

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

BRAZIL

**SUPPORT FOR ALTERNATIVE MARKET OPPORTUNITIES IN
RURAL AREAS IN TOCANTINS**

(BR-M1028)

DONORS MEMORANDUM

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ABBREVIATIONS

APA	Environmental Protection Areas
CESI	Committee on Environment and Social Impact
GDP	Gross Domestic Product
IBAMA	Brazilian Institute for Environment and Renewable Natural Resources
IDB	Inter-American Development Bank
IE	Ecologica Institute [<i>Instituto Ecologica</i>]
INCRA	National Colonization and Land Restructuring Institute
MIF	Multilateral Investment Fund
MDA	Ministry of Agrarian Development
NGO	Non-governmental organization
Naturatins	Tocantins State Environmental Agency
SEAGRO	Agricultural Secretary of Tocantins

**BRAZIL: SUPPORT FOR ALTERNATIVE MARKET OPPORTUNITIES IN
RURAL AREAS IN TOCANTINS**

(BR-M1028)

I. EXECUTIVE SUMMARY

Executing agency:	Ecologica Institute (IE)
Beneficiaries:	The direct beneficiaries of this project are: (i) 160 producer families in the two targeted settlements; (ii) producers in other neighboring settlements that benefit from the training and access to the mini-processing facilities; and (iii) other nearby producers that utilize the animal feed by-product from sweet potato production to increase cattle and dairy production. The indirect beneficiaries include: (i) workers in the urban areas with new job opportunities as a result of the mini-processing facilities; and (ii) technicians and consultants that have opportunities to develop new markets in the region.
Amount and Source:	Modality: Grant – Small Enterprise Development Facility (III-A) MIF: US\$ 600,000 Counterpart: <u>US\$ 782,500</u> Total: US\$ 1,382,500
Terms:	Execution Period: 36 months Disbursement Period: 42 months
Objectives and Description:	<p>The general objective of this project is to contribute to the socio-economic development of rural areas in the north of Brazil. The purpose is to implement an integrated production model for the production and marketing of an alternative biofuel and other by-products from rural areas of Tocantins.</p> <p>To achieve these objectives, the following three components are included: (i) Training and technical assistance for productive associations; (ii) Implementation of biofuel production facilities; and (iii) Dissemination of results and best practices.</p>
Environmental/ Social review:	The Committee on Environment and Social Impact (CESI) reviewed this project document in its meeting CESI 41-05, held on October 7, 2005. CESI recommended that the team ensure that the mini-processing facilities supported by the project be in compliance with local environmental regulations (see paragraph 3.8) and certain eligibility criteria be included to provide assurances regarding land titling and land use issues (see paragraph 3.9).

Special contractual conditions: Prior to the first disbursement the executing agency shall have selected the Project Coordinator.

Relevant initiatives of other international entities: None.

II. BACKGROUND

A. Biofuel production in Brazil

- 2.1 Biofuel is any fuel derived from biomass — recently living organisms or their metabolic by-products. Brazil has become a world leader in the production of biofuels, thanks to a program initiated by the Federal government in the 1970s called PROALCOOL (National Alcohol Program). The program suffered setbacks and difficulties, but was effective at demonstrating the important possibilities of using biomass to generate energy.
- 2.2 Today, about a third of Brazilians use biofuel (ethanol¹) in their vehicles, compared with just three percent in the United States. A new generation of alcohol-powered cars entered production in Brazil in 2003, after the government decided that cars capable of burning ethanol should be taxed at 14 percent compared to 16 percent for exclusively petrol-powered vehicles. Currently, all gasoline sold in Brazil contains at least 26 percent ethanol, but motorists driving flexible-fuel cars have the option of filling up with pure ethanol, or E100, which currently is selling for about half the price of the blend. Demand for ethanol is expected to increase from 11,500 billion liters today to some 18,000 billion liters by 2010. The majority of this production is expected to come from sugar cane. This increase is attributable to the continued hike in fossil fuel prices.
- 2.3 Biodiesel production represents a potential opportunity for small-scale farmers. Based on studies prepared by the Ministry of Agrarian Development (MDA), Ministry of Agricultural, Cattle and Supply, Ministry of National Integration and Ministry of Cities,² a 1% substitution of petroleum-based diesel for biodiesel produced by small-scale agriculturalists could generate 45,000 jobs, especially in rural areas, yielding approximately US\$2,000 per job.³ Recognizing that for each rural job created, three jobs could be created in urban areas, then some 180,000 jobs could be generated in total. Small-scale family agriculturalists (or *agricultura familiar*) employ one worker per ten hectares, whereas larger scale agriculture

¹ Definition: “ethanol can be produced chemically from ethylene or biologically from the fermentation of various sugars from carbohydrates found in agricultural crops and cellulose residues from crops or wood. Ethanol can be used in higher concentration in alternative-fuel vehicles optimized for its use” (source: Alternative Fuel Glossary – <http://www.ci.austin.tx.us/cleancities/afterterms.htm>)

² Holanda, A. 2004. *Biodiesel e Inclusão Social*. Cadernos de Altos Estudos. Câmara dos Deputados.

³ Number based on R\$4,900 with an exchange rate of R\$2.45/US\$1.

generates only one worker per 100 hectares. Thus small-scale family agriculture for producing biodiesel offers an important source of economic livelihood in the country, especially for the north and northeast of the country. This social inclusion aspect of biodiesel production, demonstrates the important potential that it represents for reducing poverty in different parts of the country.

- 2.4 In December 2004, the Ministry of Mines and Energy issued a decree to promote biodiesel production among small-scale family producers (Decree No. 5,297). The decree allows for “Social Fuels” (or “*Combustível Social*” in Portuguese), which is intended to promote social inclusion of family-based agriculture for renewable biofuel production. The decree provides for fiscal incentives and minimum pricing for the production and sourcing of biofuels from small-scale family producers. Producers that qualify are able to use the “Social Fuel” label and benefit from the fiscal incentives. In addition, a bill is currently being considered by Congress to require that at least 20% of biofuels for the nation be sourced from the north and northeast of the country.

B. Biofuel production with sweet potatoes

- 2.5 Apart from sugar cane, sweet potato is another agriculture product that can be used as a source for biofuel in Brazil and has several advantages compared with other crops. The lifecycle from germination to harvest is only four to five months; therefore about three cycles of sweet potatoes can be grown in the same year compared with the one cycle per year for most other crops. Sweet potato crops protect the ground better against erosion and can be grown in small plots, in most types of soil, and are tolerant of drought and nutrient-poor soils. Unlike ethanol production from sugar cane, sweet potatoes require little capital expenditures for the production facilities, making them better adapted to rural production.
- 2.6 The Federal University in Tocantins has identified a variety of sweet potatoes adapted for high levels of production in the climate found in the state of Tocantins. This research has included the cloning of these varieties in different locations in the State to identify the genetic characteristics best acclimated to each particular locale. This research will help generate higher productivity, while also minimizing the need for additional chemical inputs such as herbicides and fertilizers.
- 2.7 Sweet potatoes also offer the possibility of numerous by-products and uses. Due to the high nutrient content in the stalk (18 percent protein), sweet potatoes are an excellent animal feed, especially potent for increasing milk production among cattle and goats. Sweet potato also represents a nutritious source of food for people. These are all existing possibilities. Longer-term possibilities for sweet potato by-products include alternative food products, liquor, pharmaceuticals and medicines (see Annex VIII for more details).

C. Social aspects in the state of Tocantins

- 2.8 Due to the large-scale colonization movement experienced by the north region of Brazil organized by the National Colonization and Land Restructuring Institute

(INCRA), most settlements in Tocantins were established only in the past decade. The lack of official assistance and difficult work conditions have resulted in many of the settled families having given up living off the land. The family agriculture scheme (forest clearing and shifting cultivation), along with the lack of technical information and support has contributed to the low quality of living standards of these families. Population growth, illiteracy and uncontrolled exploitation of the natural resources often results in resource scarcity and violence, with children and women often being the victims.

- 2.9 In the state of Tocantins, the regions around Bananal Island and Lajeado Range located west of Palmas (the capital), are areas of particular ecological importance and form part of Environmental Protection Areas (APAs is the acronym in Portuguese). These areas are established as conservation areas and are characterized as ecotone – transitional areas between the two largest ecosystems in Brazil, the *cerrado* and the Amazon rainforest and are considered “hotspots” due to the high pressure on biodiversity resources.
- 2.10 These same areas suffer from several constraints to rural development such as lack of available financial resources, low levels of technical skills, absence of cooperation among the individual rural producers, and overuse of land, which leads to low productivity. As a result, the rural settlements themselves are characterized by instability, due to the natural capital decrease resulting from the reduction in forested areas, loss of wild animals, and the diminished soil fertility. This situation hinders the ability of the producers to increase financial and physical capital from the land in the short-term. In the medium and long-term it poses a threat to the rural communities themselves. While inhabitants have 20 years to pay the government for their plots of land, the intensive farming methods will make them unprofitable to farm in five years. Despite the increasing demand for a range of products, and an increased opportunity for diversification, local residents neither have access to the market nor the skills and scale needed in order to implement sustainable production techniques that would lead to long-term productivity and income generation.

D. Proposed project

- 2.11 As mentioned previously, biomass production for the generation of renewable energy sources like alcohol has emerged as an important option in the Brazilian context. Sweet potato production offers an important alternative source of livelihood for rural farmers and settlements in Tocantins due to its adaptability to the climate and the lower capital costs of the production facilities. The big challenge, however, is to integrate individual producers and establish production techniques that allow rural settlers and small size farmers to have both short- and long-term return on their investment.
- 2.12 This proposed project seeks to increase opportunities for the rural settlements and improve the skills of smaller producers in sustainable production techniques, such as agro-forestry and biofuel production, adding value to the forest resources while creating new market opportunities. This is expected to lead to increased household income and improved quality of life of the communities involved. Sweet potato has

the advantage of being a well-known crop and food product, minimizing the difficulties with production training and risk associated with the introduction of exotic crops. Moreover, the production cost per liter of biofuel from sweet potato is less than from corn and sugarcane.

- 2.13 The primary geographic focus of this project is on two rural settlements: Taquaraçu and Provi. These settlements were selected due to their history of operating cooperatively for mutual benefit of the respective community and for expressed interest in diversifying their crops. Producers of each of these settlements are already established members of community associations. These communities produce a variety of agricultural crops, some for basic subsistence and others, such as passion fruit, for sale in the local market. Similar to other settlements in the areas, the land was allocated by INCRA and the residents were recently resettled in these settlements. The Ecologica Institute (EI) has been working in these areas over the past several years to promote socially and environmentally responsible development in the region.
- 2.14 The project will also have an impact on the municipalities of Palmas and Pium in the central-west region of Tocantins. Although the majority of people live in urbanized areas, most continue to have direct links to the surrounding countryside, where farming is the main economic activity. Finding ways to reconcile environmental conservation with the agricultural needs of the communities in the region, in turn reducing poverty, is an important facet of the project. It is intended to be a model for development that could be replicated in other settings in northern Brazil.

III. PROJECT OBJECTIVES AND COMPONENTS

A. Objectives

- 3.1 The general objective of this project is to contribute to the socio-economic development of rural areas in the north of Brazil. The purpose is to implement an integrated model for the production and marketing of an alternative biofuel and other by-products from rural areas of Tocantins.
- 3.2 To achieve these objectives, the following three components are included: (i) Training and technical assistance for productive associations; (ii) Implementation of biofuel production facilities; and (iii) Dissemination of results and best practices.

B. Components

Component I: Training and technical assistance for productive associations (MIF US\$ 242,243; Local Counterpart US\$ 65,000)

- 3.3 The objective of this component is to strengthen cooperation among individual farmers and provide the necessary techniques and skills to rural producers for collective sustainable production. For this, several activities are expected: (i) formation and strengthening of cooperatives; (ii) training in natural resource

management; (iii) training in agroecological production techniques for sweet potatoes; and (iv) technical assistance for rural producers.

- 3.4 As a first step in the component, consultants will be contracted to impart a training course for producers in the two targeted settlements (Provi and Taquaraçu). This interactive and participatory course will cover various aspects of production and cooperatives: from business plan development, administration and management. This training will be followed up by targeted technical assistance to reinforce the teachings of the training course and ensure that the cooperatives are effectively structured and managed. As a result, two different cooperatives made up of producers in each settlement of Provi and Taquaraçu, are expected to be established.⁴
- 3.5 The project will also assist the producers in establishing the needed nursery production in their respective settlements. Due to the experience and knowledge of the Federal University of Tocantins, the project will first provide support to the University so that it can improve and expand production of sweet potato seedlings. This expertise would then be transferred to the two cooperatives, ensuring a better chance for success.
- 3.6 Additional training and technical assistance will be provided to the producers in each cooperative related to the utilization of the different by-products of sweet potatoes (see paragraph 2.7), natural resource and land management and agroecological best practices.

Component II: Implementation of biofuel production facilities (MIF US\$ 67,288; Local Counterpart US\$ 597,000)

- 3.7 The objective of this component is to assist the two participating cooperatives with the establishment and functioning of mini-processing facilities for sweet potatoes. With counterpart resources, mini-processing facilities will be purchased and installed at each settlement.⁵ Corollary to the installation of the machinery is the necessary training and technical assistance in its operations and maintenance. Other activities are expected such as: (i) identification of market opportunities for different sweet potato by-products; (ii) training in marketing different by-products; and (iii) participation in trade fairs and marketing events.
- 3.8 In order to install the mini-processing facilities, the project will require their compliance with the necessary permits and that the necessary operating licenses are obtained. For this, a consultant will be contracted to assist with the environmental licensing process with Naturatins (Tocantins State Environmental Agency) and Brazilian Institute for Environment and Renewable Natural Resources (IBAMA).

⁴ As mentioned previously (see paragraph 2.13), each settlement has a producers association, but in order to differentiate the efforts of producers for this project, separate cooperatives will be established.

⁵ Ownership of the mini-processing facilities will be transferred to each respective cooperative by the end of the project.

- 3.9 Before the mini-processing facilities can begin operating, the following must be complied with: (i) official registration establishing land tenure and title for small producer participants, according to the appropriate authorities; (ii) commitment to produce sustainably in accordance to the soil management plan, elaborated by the project (and be subject to the use of sustainability indicators – see paragraph 3.14); and (iii) operating license for the mini-processing facility granted by Naturatins as well as land use authorization provided by the local authorities and Naturatins.
- 3.10 The two facilities will be located and installed in areas with easy access for the participating cooperatives. With counterpart resources, the necessary infrastructure will be built to house the facilities and provide ease of access, and adequate space for receiving and processing raw materials and for storing finished product.
- 3.11 Training in the use of the mini-processing facilities will be provided to both cooperatives and will include such elements as: (i) industrial processing; (ii) environmental legislation and regulations; (ii) workplace health and safety; (iii) best practices for processing to improve productivity; and (iv) logistics and management of facilities.
- 3.12 Training will also be provided regarding the use of the sweet potato by-products as animal feed. This training will extend beyond the producers in the targeted cooperatives and include other local residents interested in diversifying their income streams by using sweet potatoes. The training will include the following areas: (i) animal feed processing; (ii) logistics; and (iii) improved production techniques.

Component III: Dissemination of results and best practices (MIF US\$ 92,700; Local Counterpart US\$ 31,100)

- 3.13 The objective of this component is to utilize different communication mechanisms to disseminate the adopted integration model, and the results of the project and identified best practices, in other areas of the state and north region of the country. For this, the following activities are expected: (i) refine monitoring methodology based on that of the Ecologica Institute; (ii) develop a database for project indicators; (iii) develop manuals, case studies and other publications; (iv) conduct workshops and seminars to disseminate results; and (v) participate in events organized by other entities.
- 3.14 For the sustainability indicators, Ecologica Institute has developed a specific methodology that cuts across six different areas (human, natural, biodiversity, financial, social and carbon). This methodology would be adapted and utilized in this project, allowing for an up-to-date and available project tracking system.

IV. EXECUTING AGENCY AND EXECUTION MECHANISM

A. Executing Agency

- 4.1 Ecologica Institute (EI) will be the executing agency and responsible for counterpart resources. EI, created in March 2000 as a Brazilian NGO, has as its mission to improving the quality of life of local communities through conserving the natural

environment, rescuing local culture, and, through environmental education, based on sustainable development values. EI's annual budget of approximately US\$590,000 has traditionally been focused on socio-environmental and research projects in Tocantins and other parts of Brazil. EI has offices in Palmas, Tocantins, and in Brasília, as well as training centers located in the municipalities of Pium and Taquaruçu, and tree nurseries located in the municipalities of Pium, Cristalândia, Taquaruçu, and at the União II settlement.

- 4.2 To date, EI has implemented more than a dozen projects. Among its most important projects is the Carbon Sequestration Project on Bananal Island, which aims to preserve the ecosystem, reducing the incidence of deforestation and reforesting degraded areas. In association with The Carbon Sequestration Project, EI developed the concept of Social Carbon that guarantees social benefits to those living in the areas where carbon sequestration projects are being carried out.

B. Execution mechanism

- 4.3 For the administration of activities, the executing agency will hire a Project Coordinator and an administrative assistant. The Project Coordinator will be responsible for: (i) managing project activities in accordance with the annual operational plans; (ii) following Bank processes and policies for contracting consultants and procuring goods; (iii) supervising the consultants contracted in the project; (iv) managing the project, including the budget and the Bank's contribution; (v) submitting administrative and technical reports to the Bank; and (vi) coordinating necessary actions with institutional partners and other participating entities. The Project Coordinator will report to the Executive Director of EI.
- 4.4 This project is expected to have a Consultative Council made up of various local partner organizations including: Conservation International, the Federal University of Tocantins, SEBRAE-Tocantins and the Agricultural Secretary of Tocantins (SEAGRO). The Council is to provide assistance in ensuring coordination with other efforts in the region, seeking synergies where possible. In addition, the Council is expected to have an important role in disseminating the results of the project and assisting in its replication in other parts of the state.
- 4.5 **Execution and disbursement periods.** Execution and disbursement periods of 36 and 42 months, respectively, are anticipated. A revolving fund for up to 10% of the MIF contribution, will be disbursed into and managed in a separate account. The executing agency will submit semi-annual financial reports on the status of the revolving fund to the Bank. Disbursements of grant funds and the purchase of goods and the contracting of services will be done in accordance with Bank and MIF procedures.
- 4.6 **Procurement of goods and services.** In order to engage the services of consultants, and to procure goods and services with MIF funds, the executing agency must comply with all Bank policies for the procurement of goods and services for the selection and hiring of consultants, as set forth in documents GN-2349-6 and GN-2350-6, respectively. A draft procurement plan for the first 18 months of project execution has been prepared (see Annex XII in the technical files), and this plan will be updated annually as specified in the Bank's procurement policies.

- 4.7 **Status of project preparation.** The design and budget planned in the project have been prepared and agreed to with the executing agency. The draft operational manual has been prepared and is available in the technical files (Annex V) as well as the terms of reference for the Project Coordinator (see Annex IX). Letters of interest for counterpart resources have been received (see Annex X) as well as the letter of intent to purchase the biofuel (see Annex XI).

V. COST AND FINANCING

- 5.1 **Cost and financing.** The cost of the project is estimated at US\$ 1,382,500. The MIF would contribute US\$ 600,000 on a non-reimbursable basis and the executing agency would be responsible for providing US\$ 782,500 as counterpart resources.

Table 1. BUDGET BY ACTIVITIES (IN US\$)				
ACTIVITIES	MIF	COUNTERPART	TOTAL	%
I. Training and technical assistance for productive associations	242,243	65,000	307,243	22.2%
II. Implementation of biofuel production facilities	67,288	597,000	664,288	48.0%
III. Dissemination of results and best practices	92,700	31,100	123,800	9.0%
Administration	105,000	89,400	194,400	14.1%
Evaluations	9,000	0	9,000	0.7%
Financial Audits	30,000	0	30,000	2.2%
Contingencies	53,769	0	53,769	3.9%
TOTAL	600,000	782,500	1,382,500	100.0%
Percentage	43%	57%		

- 5.2 **Sustainability.** There are two expected levels of sustainability. First, by creating an alternate source of income for the members of the cooperatives, this project is expected to assist the local settlements with increasing their incomes and expanding their access to better services for improved quality of life. These cooperatives are expected to continue to function far past the life of the project. On another level, the project is expected to serve as an important demonstration for other settlements in the region as well as throughout the north. Thus if successful, the project will be able to be replicated in multiple settlements throughout different parts of the country.

VI. BENEFITS AND RISKS

A. Benefits

- 6.1 By utilizing sweet potatoes, the project is expected to improve soil conservation measures, thus assisting in replenishing the depleted nutrient content in the soils themselves, allowing for inter-mixing with other crops. The project is expected to assist rural producers with diversifying production, thus providing new income streams and means to mitigate risks. The overall benefits of this project go beyond the actual direct beneficiaries, as this project intends to employ an income-generating model that has the potential for replication in hundreds of settlements across the north and northwest of the country.

F. Beneficiaries

- 6.2 The direct beneficiaries of this project are: (i) 160 producer families in the two targeted settlements; (ii) producers in other neighboring settlements that benefit from the training and access to the mini-processing facilities; and (iii) other nearby producers that utilize the animal feed by-product from sweet potato production to increase cattle and dairy production. The indirect beneficiaries include: (i) workers in the urban areas with new job opportunities as a result of the mini-processing facilities; and (ii) technicians and consultants that have opportunities to develop new markets in the region.

G. Risks

- 6.3 The following risks have been identified: (i) market demand for the products from the cooperatives is less than expected. *Mitigant*: The executing agency has already established a letter of agreement for the purchase of the biofuel produced by the two settlements; (ii) producers in the cooperatives may be reluctant to switch crops to focus on sweet potatoes. *Mitigant*: Due to its inherent characteristics, the sweet potato can be mixed in between other crops if needed and helps improve the soil fertility, benefiting other crops. In addition, because sweet potatoes are a recognized crop in the area, local producers are more willing to incorporate it as part of their production.

VII. MONITORING AND EVALUATION

- 7.1 **Monitoring.** The executing agency will prepare and submit to the Country Office in Brazil project progress reports within thirty (30) days after the completion of each semester and a final report within 30 days from the final disbursement. These reports will follow a format previously agreed with the Bank and will address project activities and finances, as well as results measured in terms of the indicators and benchmarks identified in the project's logical framework. The Bank will utilize these reports to monitor project implementation progress and to prepare a Project Completion Report within three months of the last disbursement.
- 7.2 **Evaluations.** An intermediate and a final evaluation of the project will be undertaken by external consultants contracted directly by the Bank with project funds. The mid-term evaluation will be prepared on the first to occur of 18 months after the commencement of the project or when half of the MIF contribution has been disbursed. A final evaluation will be conducted the earlier of: three months after the end of project execution or when 95% of the Bank's contribution has been disbursed. For the mid-term evaluation, the consultant will consider, among other items: (i) the productivity of the mini-processing facilities and their impact in terms of providing additional income for producers; (ii) identification of viable by-products of sweet potatoes; and (iii) operational efficiency and commercialization performance of the two cooperatives created. For the final evaluation, the consultant will take into account: (i) number of producers that provide raw materials to each mini-processing facility; (ii) number of indirect jobs created through the project; (iii) level of satisfaction among the different beneficiaries of the project; (iv) financial

sustainability of the cooperatives; and (v) number of other areas identified to replicate the project.

- 7.3 During the project's execution, the executing agency will compile supervision and project evaluation indicators. These indicators are set forth in the Logical Framework (see Annex I) and will be used by the Bank and the executing agency to gauge the overall impact and to assess the results. The executing agency will provide access to all the information and documentation needed to conduct these evaluations.

VIII. ENVIRONMENTAL AND SOCIAL IMPACTS

- 8.1 The project is expected to have positive social and environmental impacts by assisting rural producers in the region with implementing environmentally sound production techniques. This project is expected to contribute to wider environmental benefits such as improved soil conservation and even global climate change benefits through reforestation with agroforestry systems. Based on the experience of the executing agency in the region, gender is a key factor for success, so the project will promote the incorporation of women.
- 8.2 The Committee on Environment and Social Impact (CESI) reviewed this project document in its meeting CESI 41-05, held on October 7, 2005. CESI recommended that the team ensure that the mini-processing facilities supported by the project be in compliance with local environmental regulations (see paragraph 3.8) and certain eligibility criteria be included to provide assurances regarding land titling and land use issues (see paragraph 3.9).

IX. SPECIAL CONTRACTUAL CONDITIONS

- 9.1 Prior to the first disbursement the executing agency shall have selected the Project Coordinator.

BRAZIL: SUPPORT FOR ALTERNATIVE MARKET OPPORTUNITIES IN RURAL AREAS IN TOCANTINS (BR-M1028)
LOGICAL FRAMEWORK

Narrative summary	Indicators	Means of verification	Assumptions
Goal			
Contribute to the socioeconomic development of rural areas in the north of Brazil	<p>One year after project completion:</p> <ul style="list-style-type: none"> • Both cooperatives formed continue to operate on a self-sustaining basis. • Number of members of the cooperatives will have increased by 50%. • At least one new cooperative operating in the north of Brazil is producing and selling biofuel. 	<ul style="list-style-type: none"> • Statement of account from the cooperative, including a financial and economic analysis • Members' names are recorded in the cooperative's articles of association • Final evaluation report by the independent consultant • PCR 	Market remains favorable for sale of biofuel.
Purpose			
Implement an integrated production model for the production and marketing of biofuel and other by-products from the cultivation of sweet potato, involving rural communities in the state of Tocantins	<p>At the end of the project:</p> <ul style="list-style-type: none"> • Two cooperatives formed, with 40 members (20 per cooperative), consolidated and self-sustainable from the production and sale of biofuel and animal feed • The two cooperatives record annual revenue of at least R\$720,000 derived from the sale of 840,000 liters of alcohol produced from sweet potatoes. • The 40 participating families report a monthly income equivalent to at least two monthly minimum wages and a better quality of life as a result of the project. 	<ul style="list-style-type: none"> • Records kept to follow the progress of the families involved in the program • Report on distribution of the cooperative's income • Semiannual and final reports submitted by the Ecological Institute on project progress • Midterm and final evaluation reports by the independent consultant • Baseline reference data for the cooperative and the group of beneficiary families 	<ul style="list-style-type: none"> • Network of institutions coordinating and promoting activities that support the creation of renewable sources of energy and biofuels • Small rural producers continue to be interested in the business.

Narrative summary	Indicators	Means of verification	Assumptions
	<ul style="list-style-type: none"> • At least 100 jobs created from the sweet potato production project • Improvement observed in the six indicators of sustainability of the rural communities benefited by the program (human, social, biodiversity, financial, carbon and natural) 	<ul style="list-style-type: none"> • Reports by the project control and management system • PCR • Monitoring assessments using the social carbon methodology “hexagon of indicators” 	
Components			
1. Training and technical assistance for productive associations	<p>At the end of the first 12 months:</p> <ul style="list-style-type: none"> • 40 rural producer families trained for associative work with sustainable agroecological methods <p>At the end of 24 months:</p> <ul style="list-style-type: none"> • Two rural producer cooperatives are operating efficiently both associatively and participatorily. <p>At the end of 36 months:</p> <ul style="list-style-type: none"> • Two rural producer cooperatives are a regional benchmark for associative work. • At least 80 rural producers (half of whom are women) are efficiently applying techniques to ecological processes and environmental conservation area management. 	<ul style="list-style-type: none"> • Midterm and final evaluation reports by the independent consultant • Project control and management system reports • Semiannual and final reports submitted by the Ecological Institute on project progress • Affidavits of interest signed by the selected producers • Action plans and manuals to regulate the associative functioning of each group • PCR 	Consultants are available on the various technical topics specified.

Narrative summary	Indicators	Means of verification	Assumptions
<p>2. Implementation of biofuel production facilities</p>	<p>At the end of the first 12 months:</p> <ul style="list-style-type: none"> • 40 rural producer families are trained in all the procedures for growing sweet potato (production of vine cuttings, planting, harvesting, and marketing) • Biofuel from sweet potato has been approved by the ANP (National Petroleum Agency) and is of a quality suited to the biodiesel industry. • Environmental licenses for production of biofuel have been obtained for the two mini-processing facilities from the appropriate agencies. <p>At the end of 24 months:</p> <ul style="list-style-type: none"> • 40 rural producer families are producing, sustainably, 466 tons/month of sweet potato. • Two mini-processing facilities are producing a total of 840,000 liters/year of alcohol. • Rural producers are using 70% of the waste for balanced feeding of animals (animal feed). <p>At the end of 36 months:</p> <ul style="list-style-type: none"> • Sale of 90% of the alcohol produced during the period • 100% of the animal feed is being used by the rural producers. • Product has been social-seal certified by the Ministry of Agrarian Development (MDA). 	<ul style="list-style-type: none"> • Midterm and final evaluation reports by the independent consultant • Project control and management system reports • Registration approved by the ANP (National Petroleum Agency) for sale of alcohol as a fuel • Environmental authorization issued by the appropriate agencies • Regulations on exemption to favor the municipal and state production project • Semiannual and final reports submitted by the Ecological Institute on project progress • Baseline reference data for the cooperative and the group of beneficiary families • PCR • Tracking of sales and use of animal feed made by the cooperatives 	<p>IBAMA, Naturantins and other regulatory bodies respond to the applications for operating licenses within a reasonable time frame.</p>

Narrative summary	Indicators	Means of verification	Assumptions
<p>3. Dissemination of results and best practices</p>	<p>At the end of 12 months:</p> <ul style="list-style-type: none"> • Project portal is functioning • Information system has been centralized in a database <p>At the end of 24 months:</p> <ul style="list-style-type: none"> • At least five consultations have been received from other parts of Brazil's <i>cerrado</i> region regarding implementation of similar projects. <p>At the end of 36 months:</p> <ul style="list-style-type: none"> • Three case studies have been developed and published in specialized journals. 	<ul style="list-style-type: none"> • Internet website address • Report containing information on the project • Semiannual and final reports submitted by the Ecological Institute on project progress • Midterm and final reports by the independent consultant • Publication in specialized journals • Project control and management system reports • PCR 	<p>Producers are interested in learning about and adopting new renewable energy and biofuel techniques.</p> <p>Legislators (local, state, and federal) are interested in submitting legislation favorable to the sweet potato production project.</p>
<p>Activities</p> <p>1.1 Meetings to introduce the program to rural producers, and establishment of the interested group</p> <p>1.2 Workshop on the cooperative system</p> <p>1.3 Training and a continuous process of cooperative learning</p> <p>1.4 Training in the adoption of agroecological production techniques</p>	<ul style="list-style-type: none"> • Two meetings have been held in each of two settlements, each with 20 participants. • A workshop on the cooperative movement has been held in each of two settlements, each with 40 participants, half of whom are women. • A workshop on adoption of agroecological processes has been held in each of the two settlements, each attended by 40 participants, half of whom are women. 	<ul style="list-style-type: none"> • Minutes of the meetings, including the list of those attending • Legal documents establishing the cooperatives • Reports of the training events (workshops and training courses) that include the list of participants and an evaluation of the instructor • Quarterly report containing information about the cooperatives 	

Narrative summary	Indicators	Means of verification	Assumptions
1.5 Training in management of conservations areas and reserves	<ul style="list-style-type: none"> • One training course in management of conservation areas and reserves has been held in each of the two settlements, each with 40 participants, half of whom are women. 	<ul style="list-style-type: none"> • Reports of the training events (workshops and training courses) that include the list of participants and an evaluation of the instructor 	
1.6 Technical assistance for rural producers	<ul style="list-style-type: none"> • A training course on production of sweet potato vine cuttings has been held in each of the settlements for a total of two courses, each with 20 participants, for a total of 40. 		
1.7 Training in production of sweet potato vine cuttings	<ul style="list-style-type: none"> • Two technical experts providing technical assistance to 40 rural producers, specifically in the planting of sweet potato, i.e., 20 producers per settlement 		
1.8 Training in the production of woody plant seedlings	<ul style="list-style-type: none"> • One training course in the production of slips or seedlings of native species in each of the settlements, for a total of two courses, each with 20 participants, for a total of 40 		
1.9 Expansion of nurseries for sweet potato vine cuttings	<ul style="list-style-type: none"> • An expanded nursery able to supply 2,000,000 stem cuttings for the first crop of sweet potatoes 		
1.10 Construction of vine cutting nurseries in the communities	<ul style="list-style-type: none"> • Two nurseries, one in each community, able to supply 2,000,000 vine cuttings per crop year for the planting of sweet potato 		
1.11 Planting of sweet potatoes and fruit-bearing woody species	<ul style="list-style-type: none"> • 80 hectares of sweet potato have been planted in association with 16,000 native seedlings, i.e., 40 hectares and 8,000 native seedlings in each settlement. 		

Narrative summary	Indicators	Means of verification	Assumptions
2.1 Business plan for marketing by-products such as alcohol, animal feed, and fruit-bearing woody species as a group	<ul style="list-style-type: none"> • A business plan has been prepared for marketing alcohol, by-products, (animal feed) and fruit-bearing woody species, including both settlements. 	<ul style="list-style-type: none"> • A market research report on the sale of alcohol and the by-products (animal feed) done for the sweet potato production project 	
2.2 Environmental licensing for two mini-processing facilities	<ul style="list-style-type: none"> • Two environmental authorizations for installation of the mini-processing facilities 	<ul style="list-style-type: none"> • Reports of the training events, including an attendance list and evaluation of the instructor 	
2.3 Training in the processing of alcohol	<ul style="list-style-type: none"> • One training course in alcohol processing for each mini-processing facility, for a total of two, each with 10 participants, for a total of 20 	<ul style="list-style-type: none"> • Monthly report of activities for the vine cutting and seedling nurseries 	
2.4 Training in the processing and use of animal feed	<ul style="list-style-type: none"> • Two training courses in the processing and use of animal feed for each city (Pium and Palmas), for a total of four, each course having 40 participants, for a total 160 	<ul style="list-style-type: none"> • Report on the planting by the project technical team 	
2.5 Construction of infrastructure and equipment	<ul style="list-style-type: none"> • Two training courses in the processing and use of animal feed for each city (Pium and Palmas), for a total of four, each course having 40 participants, for a total 160 	<ul style="list-style-type: none"> • Authorization for environmental license has been printed by the environmental agency 	
2.6 Training in marketing	<ul style="list-style-type: none"> • Two mini-processing facilities and infrastructure suitable for their operation have been installed. 	<ul style="list-style-type: none"> • Memoranda of visits to future buyers 	
2.7 Marketing of alcohol and animal feed	<ul style="list-style-type: none"> • Two mini-processing facilities and infrastructure suitable for their operation have been installed. 	<ul style="list-style-type: none"> • Memoranda on attendance at events, written by the project coordinator 	
	<ul style="list-style-type: none"> • Twelve visits to buyers, i.e., four each year, for advance sale of products 	<ul style="list-style-type: none"> • Report on presentations made to the state and federal governments in order to facilitate the sweet potato production project 	
	<ul style="list-style-type: none"> • Six project demonstrations at regional and national events, i.e., two each year, including an exhibition of the project using publicity materials 		

Narrative summary	Indicators	Means of verification	Assumptions
<p>3.1 Introduction of participatory methodologies for monitoring</p> <p>3.2 Development of a database for use in monitoring project progress</p> <p>3.3 Dissemination of information about innovations in the sustainable use of natural resource products</p> <p>3.4 Manuals and publications for use in disseminating results</p> <p>3.5 Preparation of case studies</p> <p>3.6 Workshop for dissemination of results</p>	<ul style="list-style-type: none"> • The two cooperatives are being monitored quarterly by an outside consultant. • Two rural participatory diagnosis workshops held in each settlement, one at the beginning and the other at the end of the project, for a total of four workshops • A workshop on sustainable development is held in each of the settlements, for a total of two workshops, each attended by 40 participants, of whom half are women. • A database with important information on the project • Preparation of a manual and a kit of publicity material about the project (brochures, panels, banners) • Six lectures are given to introduce the project. • Three case studies published about the project • One workshop held in Palmas and attended by 200 participants 	<ul style="list-style-type: none"> • Semiannual and final reports submitted by the Ecological Institute on project progress • Report on the workshops held, including an attendance list and presentations by the lecturers • Report on the workshop held, including an attendance list and presentations by the lecturers • Reports generated by the database • Participatory diagnostic report prepared, containing information on each settlement • Report containing project information • Case studies available on the project website • Report on the workshop held, including an attendance list and presentations by the lecturers 	

Narrative summary	Indicators	Means of verification	Assumptions
3.7 Attendance at biofuel and renewable energy events	<ul style="list-style-type: none"> Three project demonstrations at events on biofuel and renewable energy 	<ul style="list-style-type: none"> Reports on the events on biofuel and renewable energy 	
3.8 Coordination with state and local governments to facilitate the sweet potato production project	<ul style="list-style-type: none"> One study submitted to the state and federal governments, aimed at favoring the sweet potato production project 	<ul style="list-style-type: none"> Study available on the project website 	

**BRAZIL: SUPPORT FOR ALTERNATIVE MARKET OPPORTUNITIES
IN RURAL AREAS IN TOCANTINS (BR-M1028)**

SUMMARIZED DETAILED BUDGET

Categories and Activities	MIF	Ecological Institute		Total
		Cash	In-kind	
Component 1. Training and technical assistance for productive associations	242,243	65,000	0	307,243
1.1 Meetings to introduce the program to rural producers, and establishment of the interested group	5,143	0	0	5,143
1.2 Workshop on the cooperative system	8,100	0	0	8,100
1.3 Training and a continuous process of cooperative learning	43,000	0	0	43,000
1.4 Training in the adoption of agroecological production techniques	5,380	0	0	5,380
1.5 Training in management of conservation areas and reserves	25,380	0	0	25,380
1.6 Technical assistance for rural producers	148,000	5,000	0	153,000
1.7 Training in production of sweet potato vine cuttings	3,620	0	0	3,620
1.8 Training in production of woody plant seedlings	3,620	0	0	3,620
1.9 Expansion of nurseries for sweet potato vine cuttings	0	15,000	0	15,000
1.10 Construction of vine cutting nurseries in the communities	0	25,000	0	25,000
1.11 Planting of sweet potatoes and fruit-bearing woody species	0	20,000	0	20,000
Component 2. Implementation of biofuel production facilities	67,288	497,000	100,000	664,288
2.1 Business plan for marketing of by-products	20,000	0	0	20,000
2.2 Environmental licensing	10,000	0	0	10,000
2.3 Training in the processing of alcohol	5,400	0	0	500
2.4 Training in the processing and use of animal feed	8,740	0	0	8,740
2.5 Construction of the infrastructure and equipment of the mini-processing facilities	0	497,000	100,000	597,000
2.6 Training in marketing techniques	4,100	0	0	4,100
2.7 Marketing of the alcohol and animal feed	19,048	0	0	19,048
Component 3. Dissemination of results and best practices	92,700	17,000	14,100	123,800
3.1 Introduction of participatory methodologies for monitoring	12,700	0	14,100	26,800
3.2 Development of a database for use in monitoring project progress	12,000	0	0	12,000
3.3 Dissemination of information about innovations in the sustainable use of natural resource products	3,000	0	0	3,000
3.4 Manuals and publications for use in disseminating results	20,000	0	0	20,000
3.5 Reporting on case studies	8,000	17,000	0	25,000
3.6 Workshop to disseminate the results	16,000	0	0	16,000
3.7 Attendance at biofuel and renewable energy events	6,000	0	0	6,000
3.8 Coordination with state and local governments	15,000	0	0	15,000
Administration	105,000	6,000	83,400	194,400
Personnel	102,000	0	0	102,000
Operating expenses	3,000	6,000	83,400	92,400
Auditing	9,000	0	0	9,000
Evaluation	30,000	0	0	30,000
Contingencies	53,769	0	0	53,769
GRAND TOTAL	600,000	585,000	197,500	1,382,500

RELATED PROJECTS AND MIF PORTFOLIO IN BRAZIL
BRAZIL: SUPPORT FOR ALTERNATIVE MARKET OPPORTUNITIES IN RURAL AREAS IN TOCANTINS
(BR-M1028)

A. Similar or related MIF projects

Project number and approval date	Project title, executing agency and amount	Signature date, original disbursement period and extensions (in months)	Amount disbursed	Comments
<u>ATN/MT-6697-BR</u> 13-Oct-99	Renewable Energy Service Delivery Ministry of Mines and Energy US\$2,250,000	23-Nov-01 42 24	16%	The project is classified as S/P. At present, 10 pilot projects have been selected and are being implemented. Prospects are good that the project will exceed the established targets.
<u>ATN/ME-8031-BR</u> 25-Sep-02	Promotion of Socially Responsible Market Opportunities World Vision Brazil US\$975,000	27-Dec-02 54 0	47%	The project has been classified as HS/HP since June 2004. The project is being carried out in accordance with the initial timetable and prospects are excellent that it will achieve and exceed the established targets within the current period.
<u>ATN/ME-8512-BR</u> 19-Nov-03	Program to Promote Commercial Opportunities among Rural Small Producers Lyndolpho Silva Foundation US\$1,125,000	15-Mar-04 42 0	10%	The project has been classified as U/P (Yellow Flag) since the December 2004 evaluation. Problems in both fulfillment of conditions precedent and project startup stem primarily from the difficulties in coordination among the six partners. Nevertheless, prospects for the project are favorable and it has started to make progress in executing its components following the contracting of a new coordinator.

B. Similar or related Bank projects

None.

C. MIF Portfolio in Brazil

No.	Fac.	Project number	Approval number	Project name	MIF amount (US\$)	Disb. %	Approval date
1	IIIa	BR-M1019	ATN/ME-8835-BR	Tourism Microenterprises Integration into the Formal Economy	46,870	60	08/13/2004
2	IIIa	BR-M1018	ATN/ME-8836-BR	Strengthening Management in Microcredit Institutions	45,000	97	08/16/2004
3	IIIa	BR-M1016	ATN/ME-8745-BR	Support for the Cooperative Credit System in Tocantins	95,000	30	06/01/2004
4	IIIa	BR-M1012	ATN/ME-8595-BR	Support to Community-based Microenterprises in Alagoas	88,130	71	12/04/2003
5	IIIa	BR-M1011	ATN/ME-8677-BR	Support for the Productive Chain of the Honey Industry in Piaui	65,000	30	04/13/2004
6	IIIa	BR-M1010	ATN/ME-8648-BR	Strengthening the Cleaner Production Center in Bahia	68,000	34	01/05/2004
7	IIIa	BR-M1009	ATN/ME-8699-BR	Competitiveness of the Productive Chain of the Rattan Sector	89,500	41	04/12/2004
8	IIIa	BR-M1008	ATN/ME-8645-BR	Implementation of Quality System in the Civil Construction Sector	60,150	30	01/05/2004
9	IIIa	BR-M1007	ATN/ME-8646-BR	Worker-Managed Microenterprise Network	89,850	72	01/05/2004
10	IIIa	BR-M1006	ATN/ME-8644-BR	Development of a Distribution System for Auto Replacement Parts	77,050	100	01/05/2004
11	IIIa	BR-M1005	ATN/ME-8698-BR	Microenterprise Development in the Agricultural Sector	92,750	30	04/12/2004
12	IIIa	BR-M1004	ATN/ME-8643-BR	Quality Enhancement through Human Resource Development	95,000	59	01/05/2004
13	IIIa	BR-M1003	ATN/ME-8647-BR	Virtual Incubator for Fruit-Processing Microenterprises	27,700	30	01/05/2004
14	IIIa	BR-M1002	ATN/ME-8631-BR	Basic Skills for the Entertainment Industry	60,000	98	02/19/2004
15	I	TC9607071	ATN/MT-5531-BR	Concessions Program Transport Sector	1,140,000	100	04/23/1997
16	II	TC9607097	ATN/MH-5738-BR	Basic Skills Certifications	850,000	100	10/29/1997
17	I	TC9608037	ATN/MT-5949-BR	Supervision Closed Private Pension Funds	1,200,000	100	05/06/1998

No.	Fac.	Project number	Approval number	Project name	MIF amount (US\$)	Disb. %	Approval date
18	I	TC9709083	ATN/MT-5975-BR	Regulatory framework private investment Irrigation	1,400,000	86	05/27/1998
19	IIIa	TC9703499	ATN/ME-6001-BR	Technological Incubators St. Catarina	3,500,000	100	06/10/1998
20	I	TC9607295	ATN/MT-6003-BR	Sanitation Concession Brazil-Goiás	700,000	100	06/10/1998
21	II	TC9801459	ATN/MH-6050-BR	Credentialing System Tourism Industry	2,500,000	100	07/15/1998
22	IIIb, IIIa	TC9803116 TC9803108	EQU/MS-6099-BR, ATN/ME-6100-BR	Development of Technological Bases for Small Enterprise	8,250,000		08/12/1998
23	II	TC9807156	ATN/MH-6211-BR	Job Skills Training of Urban Youth	5,150,000	100	10/30/1998
24	II	TC9802035	ATN/MH-6375-BR	Support Consumer Protection: Public Sector	834,000	100	02/03/1999
25	I	TC9802358	ATN/MT-6378-BR	Mediation and Arbitration Center	1,599,400	98	02/03/1999
26	IIIa, IIIb	TC9904030 TC9810476	ATN/ME-6536-BR EQU/MS-6535-BR	Technological Base Small Enterprises	3,015,000		06/02/1999
27	I	TC9607089	ATN/MT-6603-BR	Negotiation Strengthening & Mediation Labor Disputes	841,000		08/04/1999
28	I	TC9901028	ATN/MT-6697-BR	Renewable Energy Service Delivery	2,250,000	16	10/13/1999
29	I	TC9702334	ATN/MT-6880-BR	Institutional Support for Competition Regulation	500,000		01/26/2000
30	I	TC9808182	ATN/MT-6982-BR	Private Health Plans Reglamentation	1,550,000	100	05/31/2000
31	II	TC9904027	ATN/MH-6951-BR	Trade Unions Leadership Training	1,534,000	100	04/26/2000
32	II	TC0006012	ATN/MH-7045-BR	Energy Sector Regulatory Training	720,000		07/12/2000
33	IIIb	TC0005044	EQU/MS-7065-BR	Technology Base Enterprises	3,300,000		07/26/2000
34	IIIb	TC0008018	EQU/MS-7137-BR	MVP Technology Fund for Software Emerging Companies	4,500,000		09/20/2000
35	IIIa	TC0011041	ATN/ME-7332-BR	Technology Supporting Inovar Initiative	1,122,000	59	02/14/2001
36	IIIb	TC0004002	EQU/MS-7425-BR	Remittance Fund for Entrepreneurs (Dekassegui Fund)	5,000,000		05/16/2001
37	IIIb, IIIa	TC0009014 TC0009012	EQU/MS-7427-BR ATN/ME-7426-BR	Northeast Brazil Small Business Fund	6,750,000		05/16/2001
38	IIIa	TC0101064	ATN/ME-7466-BR	Program Rio Informático	860,000	92	06/27/2001

No.	Fac.	Project number	Approval number	Project name	MIF amount (US\$)	Disb. %	Approval date
39	IIIb, IIIa	TC0109008 TC0103043	EQU/MS-7620-BR ATN/ME-7619-BR	Investment Fund Emerging Technology Co.	3,060,000		10/10/2001
40	IIIa	TC0007028	ATN/ME-7626-BR	Develop New Agricultural Technology	1,600,000	14	10/10/2001
41	I	TC0106034	ATN/MT-7887-BR	Modernization and Institutional Strengthening of Securities Exchange Commission	2,000,000	10	05/29/2002
42	IIIa	TC0109005	ATN/ME-7927-BR	Program for the Development of Industrial Districts	2,075,000	40	06/26/2002
43	IIIa, IIIb	TC0205011 TC0205010	ATN/ME-7958-BR EQU/MS-7959-BR	Investment Fund for Emerging Technology-based Companies LatinTech Ventures	4,060,000		07/24/2002
44	IIIa, IIIb	TC0205013 TC0205012	ATN/ME-7977-BR EQU/MS-7976-BR	Investment Fund for Emerging Technology-based Companies Rio Bravo Investech II	3,060,000		08/07/2002
45	IIIa	TC0111042	ATN/ME-8031-BR	Promotion of Socially Responsible Market Opportunities	975,000	47	09/25/2002
46	II	TC0203001	ATN/MH-8032-BR	Sustainable Tourism Certification System	1,675,000	41	09/25/2002
47	II	TC0206018	ATN/MH-8134-BR	Sustainable Microfinance Development	925,000		12/11/2002
48	IIIa	TC0201026	ATN/ME-8512-BR	Program to Promote Commercial Opportunities among Rural Small Producers	1,125,000	10	11/19/2003
49	IIIa, IIIb	TC0207027	ATN/ME-8548-BR EQU/MS-8549-BR	Investment and Technical Cooperation for the Serra Gaucha Guarantee Corporation	2,400,000		12/10/2003
50	I	BR-M1001	ATN/MT-8724-BR	Public-Private-Association (PPA) Minas Gerais	675,000	16	05/19/2004
51	IIIb, IIIa	BR-M1013	EQU/MS-8865-BR ATN/ME-8866-BR	Investment Fund for Competitive Technology-Based Companies CRP Venture	3,775,000		09/22/2004
52	IIIa, IIIb	BR-M1014	ATN/ME-8948-BR EQU/MS-8947-BR	Investment Fund for Brazilian Companies DVC II	4,075,000		11/17/2004
53	IIIb, IIIa	BR-M1022	0085/MS-BR ATN/ME-9001-BR	Expansion Financial Services Coverage to SMEs through Microfinance Ins. WWB	690,000		12/08/2004
54	IIIa	BR-M1021	ATN/ME-9119-BR	Dekassegui Entrepreneurs	1,550,000	10	03/09/2005
55	IIIa	BR-M1015	ATN/ME-9183-BR	Competitiveness Support program for Software SMESs	1,300,000	10	04/27/2005
56	IIIa	BR-M1024	ATN/ME-9211-BR	Estrada Real - Network of Tourism SMEs Mina Gerais State	1,701,740		05/25/2005

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DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK
MULTILATERAL INVESTMENT FUND

PROPOSED RESOLUTION

Brazil. Nonreimbursable Technical Cooperation ATN/-----BR Support for Alternative Market Opportunities in Rural Areas in Tocantins

The Donors Committee of the Multilateral Investment Fund

RESOLVES:

1. That the President of the Inter-American Development Bank or such representative as he shall designate is authorized, in the name and on behalf of the Bank, as Administrator of the Multilateral Investment Fund, to enter into such agreements as may be necessary with the Ecológica Institute, and to take such additional measures as may be pertinent for the execution of the project proposal contained in document MIF/AT- with respect to a technical cooperation to support alternative market opportunities in rural areas in Tocantins.

2. That up to the amount of US\$600,000, or its equivalent in other convertible currencies, shall be authorized for the purpose of this resolution, chargeable to the technical cooperation resources of the Small Enterprise Development Facility of the Multilateral Investment Fund.

3. That the above-mentioned sum is to be provided on a nonreimbursable basis.