

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**BRAZIL**

**LOW CARBON AGRICULTURE FOR AVOIDED DEFORESTATION AND POVERTY  
REDUCTION IN BRAZIL. PHASE II - SUSTAINABLE RURAL DEVELOPMENT IN  
THE CERRADO**

**(BR-T1409)**

**TECHNICAL COOPERATION**

This document was prepared by the project team consisting of: Octavio Damiani (RND/CBR), Team Leader; Barbara Brakarz (CCS/CBR), Alternate Team Leader; Cristina Celeste Marzo (LEG/SGO); David Salazar and Carlos Carpizo (VPC/FMP); Adriana da Cruz, Yuka Maekawa, Lorayne de Oliveira Santos and Paula Valente Lins (CSC/CBR); and Yolanda Valle (CSD/RND).

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## Technical Cooperation Document

### I. Basic Information for TC

▪ Country/Region:	Brazil
▪ TC Name:	Low Carbon Agriculture for Avoided Deforestation and Poverty Reduction in Brazil. Phase II - Sustainable Rural Development in the Cerrado
▪ TC Number:	BR-T1409
▪ Team Leader/Members:	Octavio Damiani (RND/CBR), Team Leader; Barbara Brakarz (CCS/CBR), Alternate Team Leader; Cristina Celeste Marzo (LEG/SGO); David Salazar and Carlos Carpizo (VPC/FMP); Adriana da Cruz, Yuka Maekawa, Lorayne de Oliveira Santos and Paula Valente Lins (CSC/CBR); and Yolanda Valle (CSD/RND)
▪ Taxonomy:	Client Support
▪ Date of TC Abstract authorization:	30-Nov-2018
▪ Beneficiary:	Federative Republic of Brazil, through the Ministry of Agriculture, Livestock, and Food Supply of Brazil (MAPA)
▪ Executing Agency:	IABS – Brazilian Institute of Development and Sustainability
▪ Donors providing funding:	Phase II: Low-carbon Agriculture for Avoided Deforestation and Poverty Reduction Fund (LCA)
▪ IDB Funding Requested:	US\$15,000,000
▪ Local Counterpart:	None
▪ Disbursement period	54 months (48 months of execution)
▪ Required start date:	July 2019
▪ Types of consultants:	Firm and individual
▪ Prepared by Unit:	Environment, Rural Development and Disaster Risk Management Division (CSD/RND)
▪ Unit of Disbursement Responsibility:	Bank Office in Brasil (CSC/CBR)
▪ TC included in Country Strategy:	Yes
▪ TC included in CPD:	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and Innovation; Climate Change and Environmental Sustainability

### II. Objectives and Justification of the TC

- 2.1 The objective of this Technical Cooperation (TC) is to mitigate Greenhouse Gas (GHG) emissions and increase income of small and medium-size farmers in the *Cerrado*

(Brazil's Savanah) biome<sup>1</sup> by promoting the adoption of low carbon technologies.<sup>2</sup> It will implement activities that improve farmers' access to technical assistance and training, as well as financial support to farmers' organizations to strengthen the marketing of agricultural production. In addition, it will improve the capacities of local technical assistance providers (both institutions and individual professionals) to work with low-carbon technologies.

- 2.2 This project is one of three TCs that comprise the second phase of the Low-carbon Agriculture for Avoided Deforestation and Poverty Reduction Project (BR-X1028), financed by the International Climate Fund (ICF) through the Department of Environment, Food and Rural Affairs (DEFRA) of the United Kingdom of Great Britain and Northern Ireland. The IDB was responsible for the administration and financial management of the donor's funds, formulated the project and supervised its implementation. The project, with a total cost of US\$39.2 million, had the objective of recovering degraded pastures and forests and implementing low carbon agriculture among small and medium-size farmers in seven states in the Amazon and Atlantic Forest biomes. It was approved by the IDB Board of Executive Directors on April 3, 2013 and finalized its implementation on May 14, 2019. In 2016, the IDB and DEFRA agreed to carry out a second phase of the project, signing an Administrative Agreement on December 16 of that year, creating the "Phase II: Low-carbon Agriculture for Avoided Deforestation and Poverty Reduction Fund" (LCA), with a contribution by DEFRA of GBP 30 million (thirty million British pounds Sterling). The objective of the LCA fund is to finance operations that promote sustainable low-carbon land use and forest management in small and medium-scale farms by encouraging technological progress, ensuring that agriculture continue to develop while preserving natural resources, reducing deforestation, and reducing GHG emissions in the largest biomes in Brazil. While the BR-X1028 project focused on the Amazon and Atlantic Forest biomes, the second phase will focus on the *Cerrado* (through this TC) and on the *Caatinga* (through another TC) biomes.<sup>3</sup>
- 2.3 In fact, most efforts in Brazil have focused on reducing deforestation in the Amazon, while the *Cerrado* biome is being threatened by the expansion of livestock and agricultural activities. In 2015, deforestation rates in the *Cerrado* were four times greater than in the Amazon, and it has been estimated that 15 million hectares could be deforested in the next decade,<sup>4</sup> which would represent close to Brazil's target of

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<sup>1</sup> The *Cerrado* is a vast tropical biome composed of savannas and grasslands amid humid and tropical forests, located in the highlands of Central Brazil. It corresponds to 22% of Brazil's territory, covering more than 2 million km<sup>2</sup> in the Federal District (100% of its territory) and eleven states: Goiás (97%), Tocantins (91%), Maranhão (64%), Mato Grosso do Sul (61%), Minas Gerais (57%), Mato Grosso (40%), Piauí (37%), São Paulo (33%), Bahia (27%), Paraná (2%), and Rondônia (0.2%). Of its total area, 30% is occupied by pasture land and 12% by crops, mainly soybean. The *Cerrado* states are among Brazil's largest beef and grain producers and consequently have witnessed significant changes in land-use and land-cover. Since the mid-2000s, Bahia, Mato Grosso, Piauí, Maranhão and Tocantins were the five states with the largest area of cleared native vegetation and where most of the forthcoming agriculture expansion is projected to occur due to land availability, land costs and productivity potential. In 2015, the *Cerrado* was responsible for 21% of land-use change emissions, behind the Amazon, which was responsible for 52%.

<sup>2</sup> The term technology will be used to refer broadly to the practices and procedures promoted to foster crop-livestock-forest integration.

<sup>3</sup> A third TC that will be executed by the Bank will provide implementation support to the executing agencies of the other two TCs, it will implement their baseline and evaluation studies, and it will carry out knowledge management activities.

<sup>4</sup> WWF 2016. *Moratória na Amazônia: principal benchmark global de Desmatamento Zero* [Online]. See <https://www.wwf.org.br/?54562> [Access on 22 April 2019].

restauration and reforestation Nationally Determined Contributions (NDC) for 2030. From 2000 to 2016, land used for agriculture in the *Cerrado* biome nearly tripled, going from 7.4 million to 20.5 million hectares.<sup>5</sup> This transformation is attributed to the region's status as the country's last agriculture frontier.<sup>6</sup> In addition to climate implications, the *Cerrado* is a global biodiversity hotspot. It is home to three of South America's major river basins (the Amazon/Tocantins, São Francisco and Prata), to 11,627 catalogued native plant species, 199 mammal species, 837 rich avifauna, 1,200 fish species, and 150 amphibian species.<sup>7</sup> It also contains 13% of butterflies, 35% of bees and 23% of termites in the tropics.<sup>8</sup>

- 2.4 The preparation of the TC has taken into account the lessons learned from the experience of the BR-X1028 project, in particular that: (i) lack of access to appropriate technical assistance is a major barrier to the adoption of low carbon technologies by small and medium-size farmers; (ii) direct subsidies to farmers posed operational challenges and did not ensure the sustainability of technology adoption; and (iii) constraints faced by small farmers in the marketing of their production may compromise the adoption of new technologies and its sustainability. Considering these lessons, this TC focuses on facilitating the access of beneficiaries to technical assistance, on training local technical assistance providers on low-carbon technologies, on supporting farmers to access existing credit lines, and on supporting the development of value chains through the strengthening of farmer organizations.
- 2.5 The TC is consistent with the Update to the Institutional Strategy 2010-2020 (AB-3008), being aligned with the development challenge of productivity and innovation, as it promotes the adoption by small and medium-size farmers of new agricultural technologies and production systems. It is also aligned with the cross-cutting issue of addressing the economic and social impacts of climate change adaptation and mitigation, as it focuses on supporting the adoption of climate change and adaptation technologies, and it contributes to the IDBG Corporate Results Framework 2016-2019 (GN-2727-6), specifically the number of beneficiaries of improved management and sustainable use of natural capital. The TC is also aligned with the cross-cutting theme of climate change and environmental sustainability, as its objective and proposed activities focus entirely on climate change mitigation and adaptation. In addition, the TC is aligned with the Report on the Ninth General Increase in the Resources of the Inter-American Development Bank (AB-2764) objective to protect the environment, respond to climate change, and ensure food security, as it supports the adoption of technologies that both contribute to the sustainable use of natural resources and to the mitigation of climate change effects, at the same time that improve farmers' incomes. The TC is also consistent with the Integrated Strategy for Climate Change Adaptation and Mitigation, and Sustainable and Renewable Energy (GN-2609-1), the Climate Change Sector Framework Document (GN-2835-8), the Agriculture and Natural Resources Management Sector Framework Document (GN-2709-5) and the Food Security Sector Framework Document (GN-2825-8). Although it is not aligned with the objectives of the IDB Country Strategy with Brazil 2016-2018, it is aligned with its crosscutting issues, as it promotes strategies to expand

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<sup>5</sup> Mansur 2017. *A Área de Agricultura quase triplicou no Cerrado em 17 Anos* [Online]. See <https://epoca.globo.com/ciencia-e-meio-ambiente/blog-do-planeta/noticia/2017/05/area-de-agricultura-quase-triplicou-no-cerrado-em-17-anos.html>. [Accessed April 22, 2019].

<sup>6</sup> Particularly the states of Mato Grosso, Maranhão, Tocantins, Piauí and Bahia.

<sup>7</sup> MMA 2018. *Cerrado Biome* [Online]. Available: <http://www.mma.gov.br/biomas/cerrado>. [Accessed April 22, 2019].

<sup>8</sup> Ibid.

investments aimed at reducing greenhouse gas emissions. Finally, the TC is aligned with the objectives and eligibility criteria of the “Phase II: Low-carbon Agriculture for Avoided Deforestation and Poverty Reduction Fund”, according with the provisions set in the Administrative Agreement signed between IDB and the Government of the United Kingdom on December 16, 2016.<sup>9</sup>

- 2.6 According to the multilateral development banks’ joint [methodology](#) for tracking climate finance, 100% of the TC’s resources are invested in climate change mitigation and adaptation activities. These resources contribute to the IDB Group’s target of increasing the financing of climate change related projects to 30% of all operational approvals by the end of 2020.
- 2.7 This TC will also support the implementation of Brazil’s Government policies, especially the following: (i) Agriculture Climate Change Adaptation and Mitigation Plan (ABC Plan),<sup>10</sup> which sets sustainable agriculture production actions to reduce GHG emission in the agriculture sector; (ii) the Forest Code 2012,<sup>11</sup> which establishes norms for protected forest areas; (iii) the National Policy on Climate Change 2009;<sup>12</sup> (iv) the Action Plan for Prevention and Control of Deforestation and Fire in the *Cerrado*;<sup>13</sup> and (v) Brazil’s NDC, which sets out the country’s restoration and low carbon agriculture targets to reduce GHG emissions.

### III. Description of activities/components and budget

- 3.1 The project will focus on three major activities: (i) training to build capacities of local technical assistance providers (both institutions and individual professionals) about the application of low carbon technologies; (ii) technical assistance and training to farmers to promote their adoption of low carbon technologies and production systems; and (iii) technical assistance and targeted collective benefits to strengthen farmer organizations in low carbon agriculture value chains. Technical assistance will focus on the implementation of Integrated Crop-Livestock-Forestry (ICLF) systems<sup>14</sup> and the recovery of degraded pastures, aimed at increasing land-use efficiency, productivity per hectare and income generation among small and medium farmers, while mitigating GHG emissions and reducing the pressure to clear native forest for agricultural production. According to Brazil’s NDC, ICLF is the main technology to mitigate GHG in the agricultural sector by 2030.<sup>15</sup>

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<sup>9</sup> Eligible operations are defined as non-reimbursable technical cooperation operations of the IDB in Brazil that are aligned with the objective and areas of intervention of the Fund.

<sup>10</sup> The ABC Plan is one of the nine sectorial plans elaborated in accordance with the 3° Article of the Decree N° 7.390/2010.

<sup>11</sup> The New Forest Code Law N° 12.651, of May 25, 2012. (Originated by the Law Project N° 1.876/99).

<sup>12</sup> Law N° 12.187, December 29, 2009.

<sup>13</sup> Ministério de Meio Ambiente (2010). Plano de Ação para Prevenção e Controle do Desmatamento e das Queimadas: Cerrado. Brasília, MMA.

<sup>14</sup> ICLF is a strategy aimed at maximizing positive environmental effects, combining productivity growth with natural resources conservation in the process of intensifying the use of deforested areas in Brazil. It includes four different production systems: (i) integrated crop-livestock or agro-pasture system, which integrates crop and livestock components in rotation, combination or succession in the same area and in a same crop year or for multiple years; (ii) integrated livestock-forest, forest-pasture, or silvopasture system, which integrates livestock and forest components in combination; (iii) integrated crop-forest or agroforestry system, which integrates crop and forest components through the combination of tree species and agricultural (annual or perennial) crops; and (iv) integrated crop-livestock-forest system, which integrates crop, livestock and forest components in rotation, combination or succession in the same area.

<sup>15</sup> Brazil's NDC.

- 3.2 **Component I. Strengthening of local capacities in low carbon agriculture (US\$2,851,000).** This component will build local capacity in sustainable agricultural technologies by providing targeted training to farmers, technical assistance providers, and managers of local environmental agencies. It will be delivered through:
- a. **Training** on selected low carbon agricultural technologies and environmental management practices targeted to technical assistance providers and farmers. A variety of methods will be used, including field days, lectures, technical workshops, online courses, and use of a customized app to disseminate best practices.
  - b. **Social empowerment through rural associations.** Implementation of lectures, capacity building sessions, and awareness raising targeted to members and leaders of rural organizations aimed at increasing the participation of farmer organizations in low carbon agriculture, emphasizing the role of women and youth.
  - c. **Mainstreaming sustainable agriculture for youth.** Introducing sustainable agriculture concepts and practices into formal and informal education at the local level, thus encouraging behavioral change amongst the young rural population.
- 3.3 **Component II. Promotion of low carbon technologies and sustainable practices (US\$7,012,000).** This component will finance the provision of technical assistance to farmers and the development of a monitoring system of emissions mitigation. The main activities will include:
- a. **Implementation of Demonstration Units (DUs) and Multiplying Units (MUs).** DUs are specific areas within farms in which the project provides technical support and inputs to show the application of low carbon technologies. As an important component of technical assistance to rural producers, DUs are used in training sessions with project beneficiaries to show how the technologies are applied and their main results. MUs are the farms in the project area where beneficiaries adopt the low carbon technologies promoted by the project in an integral manner (rather than in limited areas). Although MUs can also serve as a model to other producers, their main objective is the dissemination of the technologies in the project area, rather than demonstration and training.
  - b. **Improving management of rural properties.** Technical assistance focused on rural property management, including energy efficiency, water management, improvement of productive processes and preservation and recovery of native vegetation. It will include the improvement of support tools, such as an existing [web platform](#) to provide support in the creation of tailored recommendations to preserve native vegetation.
  - c. **Research and Development (R&D).** Development of a monitoring system to measure emission mitigation, based on the application of Internet of Things (IoT)<sup>16</sup>

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<sup>16</sup> IoT-based smart farming is a system built for monitoring the crop field with the help of sensors (light, humidity, temperature, soil moisture, etc.) and automation of irrigation systems. Farmers can monitor field conditions from anywhere (E.g.: smartphones and laptops). The applications of IoT-based smart farming could also uplift other growing or common trends in agricultural like organic farming, family farming (complex or small spaces, particular cattle and/or cultures, preservation of particular or high-quality varieties etc.), and enhance highly transparent farming. In terms of environmental issues, IoT-based smart farming can provide great benefits including more efficient water usage, or optimization of inputs and treatments.

to integrated production systems, such as cotton production, precision agriculture and computerized milk production using ICLF.

- d. **Promoting access to financing.** The project will not provide subsidies to farmers to finance the adoption of low carbon technologies. Instead, technical assistance financed by the project will support farmers to access available credit from the Low Carbon Agriculture Program ("ABC Program"), a government rural credit program covering all Brazil that finances the implementation of low carbon agriculture through the recovery of degraded pastures, the establishment of agro-forestry systems, and the application of nitrogen-fixing technologies and systems in soil management, among others.<sup>17</sup> Although this credit is readily available, farmers need technical assistance to obtain complete information about the program, to prepare project proposals, and to implement them once credit is approved.
- e. **Good practices award.** Contests will be carried out periodically for farmers and technical assistance providers to present their experience in the application of low carbon technologies and other sustainable agricultural practices, and grant awards will be provided to the most innovative actors and experiences. Eligibility criteria and methods used for implementing the contests will be detailed in the TC's operating regulations (see paragraph 4.6).

3.4 **Component III. Development of value chains and access to markets (US\$3,456,000).** This component will provide economic incentives and non-financial support to farmers' organizations to strengthen the development of low carbon agriculture value chains and promote access to markets. It will include:

- a. **Collective benefits** consisting of non-reimbursable funds provided to local farmer organizations to make small investments that help strengthen low-carbon value chains and the role of the organizations in production and marketing. It would finance, for example, implementation of seed nurseries that supply locally low-cost seedlings to farmers, small-scale storage facilities necessary to avoid losses, local fairs to improve the access to local markets, and tools and small-scale agricultural equipment necessary to implement practices. The eligibility criteria to access these benefits and the eligible items that would be financed will be detailed in the TC's Operating Regulations (see paragraph 4.6). During implementation, the project will also explore the potential participation of BID Lab and BID Invest in financing farmer organizations.
- b. **Assessment and development of a certification and labelling program.** A study will be initially carried out to analyze the national and international experience with certification programs. Depending on its results, a certification and labelling methodology of low carbon products in the *Cerrado* will be developed, certifying the products' origin and the use of sustainable practices. This will be a pilot experience that could foster a generation of a market-based compensation for rural farmers.

3.5 **Project management (US\$935,000).** It includes contracting of consultants of the Project Management Unit (PMU).

3.6 **Auditing (US\$150,000).** It includes costs of auditing.

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<sup>17</sup> According to the Ministry of Agriculture, the ABC Credit Program will finance low carbon agriculture with an estimated amount of BRL197 billion (approximately US\$49 billion) during the period 2011-2020. (<http://www.agricultura.gov.br/assuntos/sustentabilidade/plano-abc/plano-abc-agricultura-de-baixa-emissao-de-carbono>, accessed on June 5, 2019).



- 3.7 **Other administration costs (US\$596,000).** It includes other administration costs (utilities, equipment, etc.).

Indicative Budget (US\$)

Activity/Component	IDB / LCA Fund	Counterpart Funding	Total Funding
Component I. Strengthening of local capacities in low carbon agriculture.	2,851,000	0	2,851,000
Component II. Promotion of low carbon technologies and sustainable practices.	7,012,000	0	7,012,000
Component III. Development of value chains and access to markets.	3,456,000	0	3,456,000
Project management	935,000	0	935,000
Auditing	150,000	0	150,000
Other administration costs	596,000	0	596,000
<b>Total</b>	<b>15,000,000</b>	<b>0</b>	<b>15,000,000</b>

- 3.8 [The project area includes 73 municipalities in four states:](#) Goias, Mato Grosso, Mato Grosso do Sul, and Minas Gerais. These states and municipalities have a significant percentage of degraded pastures and high deforestation rates and were chosen based on a methodology developed by the Brazilian Agricultural Research Corporation (EMBRAPA) and ESALQ (University of Sao Paulo) to increase the GHG mitigation impact of the project. Project beneficiaries will include at least 3,000 small and medium-scale farmers who will participate of training and/or technical assistance activities and 850 professionals providing technical assistance who will strengthen their capacities on low carbon technologies. The project will neither affect nor have indigenous communities among its beneficiaries.
- 3.9 The main expected results are: (i) 4 million tons of CO<sub>2</sub> emissions avoided until the end of the project, and 20 million tons over a 20 year-period (1 million tons/per year);<sup>18</sup> (ii) 2,000 farmers adopting low carbon technologies; (iii) 200,000 hectares where low carbon technologies are implemented; (iv) 2,000 sustainably managed farms; (v) 3,000 farmers with strengthened capacities and awareness about low carbon and sustainable agriculture; (vi) 1,000 farmers with better access to credit; (vii) 10 farmer organizations strengthened in their marketing of low carbon products; and (viii) average increase of 15% in beneficiaries' farm income. The executing agency will submit the following evaluations to the Bank, in accordance with the scope agreed with the Bank: (a) a mid-term review, once 50% of the TC funds have been disbursed and justified or after 24 months of execution, whichever occurs first; and (b) a final report, no later than 90 days after the date of the last disbursement. The bank-executed TC will finance a baseline study and an impact evaluation to measure project results and identify lessons learned.

<sup>18</sup> ABC Plan reference values were used to calculate the 20 million tons in CO<sub>2</sub> emissions avoided over 20 years target. Four million hectares of integrated crop-livestock-forest systems have the potential to reduce emissions by about 18 to 22 million MgCO<sub>2</sub>eq in long term. According to da Conceição *et al.* (2017), within three years, integrated crop-livestock-forest systems contribute to increase total carbon stock by 5.5 Mg ha<sup>-1</sup>, which is equivalent to 20,16 tCO<sub>2</sub>e/ha. Multiplying this number by the total area of the project (200 thousand hectares), in four years (project lifespan) 4 million tons in CO<sub>2</sub>e emissions will be avoided.



#### IV. Executing agency and execution structure

- 4.1 The Executing Agency (EA) will be the Brazilian Institute of Development and Sustainability (IABS), a non-governmental and non-profit organization (NGO) based in Brasilia, with teams and offices in other states of Brazil, specialized in the fiduciary and operational management of environmental projects.
- 4.2 Since its creation in 2003, IABS has implemented over 265 projects, having as main partners bilateral and multilateral organizations such as the Inter-American Institute for Cooperation on Agriculture (IICA), the Spanish Cooperation Agency (AECID), the United States Agency for International Development (USAID), the United Nations Development Program (UNDP), the IDB, universities (e.g. Technical University of Madrid and the National University of Brasilia - UNB), as well as private sector organizations. It has substantial know-how on rural development and social technologies, having built over 15,000 rainwater catchment cisterns and promoted low carbon agriculture and social technologies in rural properties. IABS has a track record in designing, implementing, delivering and monitoring low carbon and sustainable agricultural practices in different Brazilian biomes, and it has participated in the execution of the first phase of the Low Carbon Agriculture Project (BR-X1028; ATN/DE-15770-BR), having played a key role in the acceleration of its implementation. A recent audit of operations in Brazil conducted by the IDB to check operations' impact and procedures concluded that IABS has effectively implemented field activities, demonstrating value for money and compliance with financial procedures. Furthermore, IDB carried out in 2018 an evaluation of IABS's institutional capacity using the Platform for Analyzing Institutional Capacity (PACI), which concluded that IABS has a satisfactory experience in project management and established procurement rules acceptable to the Bank, at the same time that needs to strengthen its financial systems and its technical team to execute this TC. IABS is also a member of the IDB Civil Society Consultation Group (ConSoC) in Brazil, and has executed the project Dynamic and Sustainable Tourism in the Lower São Francisco and the project Maceió More Inclusive with Circular Economy Models, both financed by IDB Lab.
- 4.3 IABS will be responsible for the technical, financial and fiduciary execution and administration of the TC. A steering committee will be created including representatives of DEFRA, IDB, MAPA, EMBRAPA and IABS. The steering committee will have a consultative role, serving to discuss progress of implementation, review annual workplans, and provide strategic guidance. IABS will coordinate the participation of the beneficiary (Ministry of Agriculture, Livestock and Supply, MAPA) in the supervision of field activities and the review of the quality of the goods and services provided by contractors and vendors, in addition to its participation in the Steering Committee. The TC will make an effort to use the existing ABC Plan Management Groups structure,<sup>19</sup> whenever possible. Finally, technical committees will be created at the level of each state of the project area, including relevant local rural development institutions (government and non-government), such as NGOs, government agencies providing technical assistance to farmers, and municipalities. These committees will contribute to the disseminate information about the project, to mobilize farmers and other actors, and to discuss problems and initiatives at the local

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<sup>19</sup> The ABC Plan Management structure comprises three spheres: (i) National Strategy to evaluate implementation and propose changes to mitigate emissions; (ii) National Tactic to monitor the execution of activities; and (iii) State Level Execution to promote and coordinate actions in the States.

level. The details regarding project committees will be included in the TC's Operating Regulations (see paragraph 4.6).

- 4.4 **Execution Mechanism.** Consistent with the results of the institutional capacity assessment of IABS carried out by the IDB, IABS will execute the project using its internal administrative, technical and overall organizational and internal control capabilities. To strengthen its technical execution function, IABS will create a Project Management Unit (PMU) within its organizational structure and will allocate the necessary human and technical resources needed for project implementation. The TC will use IABS's existing systems for integrated project planning, procurement, financial administration, internal controls, reporting, and monitoring, while ensuring compatibility with Bank norms, procedures and control systems. The PMU will include five full-time technical staff fully dedicated to the TC: (i) one general coordinator of project activities; (ii) one technical analyst to support project management; (iii) one project financial manager; (iv) one administrative assistant; and (v) one planning and management assistant.
- 4.5 **Special contractual conditions prior to the first disbursement:** (i) evidence of the establishment of the PMU within the IABS' organizational structure; (ii) hiring of the PMU technical staff; and (iii) preparation and non-objection of the Bank of a TC's Operating Regulations (see paragraph 4.6). In addition, IABS will work in partnership with the ILPF Network<sup>20</sup> (that will be in charge of M&E as well as of reporting on Key Performance Indicators –KPIs agreed with the donor)<sup>21</sup> to ensure accurate data about the sustainable and low carbon practices. Progress reports will be submitted to the steering committee every six months, including KPIs.
- 4.6 **Operating Regulations.** The TC's Operating Regulations will describe the execution arrangements for the operation, including: (i) organizational structure; (ii) technical and operational arrangements for program execution; (iii) operating procedures; and (iv) detailed description of the expected results.
- 4.7 The implementation of the TC will include research activities carried out by EMBRAPA, and field activities that will be implemented in partnership with local Technical Assistance Institutions (ATERs) and their Technical Assistance Agents (ATECs). EMBRAPA is a federal government agricultural research agency created in 1973, under the Brazilian Ministry of Agriculture, Livestock, and Food Supply, well-known in Brazil for its excellence in agriculture research.<sup>22</sup> Most of the technologies and knowledge necessary to implement the CLF systems proposed by the TC have been

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<sup>20</sup> The ILPF Network Association is a public-private partnership formed by Bradesco, Cocamar, John Deere, Soesp, Syngenta and EMBRAPA.

<sup>21</sup> KPI indicators have been included in the Indicative Results Framework of the Administrative Agreement. Administrative Agreement signed between IDB and the Government of the United Kingdom: **KPI 3:** number of forest dependent people with livelihoods benefits protected or improved as a result of ICF support; **KPI 6:** net change in Greenhouse Gas Emissions (tCO<sub>2</sub>e) – tonnes of GHG emissions reduced or avoided; **KPI 8:** number of hectares where deforestation and degradation have been avoided through ICF support; **KPI 10:** value of ecosystem services generated or protected as a result of ICF support.; **KPI 15:** extent to which ICF intervention is likely to have a transformational impact.

<sup>22</sup> It has 2,444 researchers, 84% of whom have PhD or post-doctoral degrees from universities in Brazil and abroad. EMBRAPA operates as a network with institutions from the National Agricultural Research System (SNPA in Portuguese), with researchers from around of the world. Since its foundation, and in partnership with the National Agricultural Research System, EMBRAPA has played a key role in developing a genuine Brazilian model to foster tropical agriculture and livestock to overcome the barriers that limited the production of food, fiber, and fuel. This effort has turned Brazil into one of the main world exporters of agricultural products. However, much is needed to ensure low carbon and sustained production methods are used to counter deforestation, while increasing production.

developed by EMBRAPA and agencies, universities and state research institutions belonging to the National Agricultural Research System (SNPA). Through its participation in project activities and in the Project Steering Committee, EMBRAPA will provide key technical and scientific knowledge. EMBRAPA's participation will take place through the ILPF Network Association, a public-private partnership created by EMBRAPA to promote the wide adoption of integrated crop-livestock-forest systems by rural producers as part of an effort aimed at the sustainable intensification of Brazilian agriculture. Initiated in 2012, the ILPF Network Association is co-financed by private companies and EMBRAPA, supporting a network of 107 Technological Reference Units distributed in all Brazilian biomes and involving the participation of 20 EMBRAPA Research Centers. The Cooperation Agreement that will be signed between IABS and the ILPF Network Association will be reviewed for non-objection by the Bank. A minute of such agreement will be included in the project Operation Regulations.

- 4.8 To implement technical assistance activities included in Components II and III, IABS will make a call for proposals to select local institutions that will carry out mobilization and awareness raising activities, select project beneficiaries, implement DUs and MUs, organize training and technical assistance activities, and assist farmer organizations in preparing and implementing proposals for investments focused on strengthening value chains. IABS, with the technical support of EMBRAPA, will be responsible for supervising and ensuring quality of the technical assistance services. Calls for proposals' terms of reference will be reviewed by the IDB for non-objection. The details of the calls for proposals and their procedures will be included in the project Operating Regulations (see paragraph 4.6).
- 4.9 **Procurement and financial management.** Procurement administration of the project will take place in accordance with established private sector and commercial practices acceptable to the IDB, as per the terms of the Policies for the Procurement of Goods and works financed by the IDB (GN-2349-9) and Policies for the Selection and Contracting of Consultants Financed by the IDB (GN-2350-9). Use of private sector procurement regulations is warranted due to IABS' private sector nature. The procurement of goods and services, including the selection and contracting of consultants with resources from the IDB, will follow the norms and procedures of IABS, as contained in the IABS procurement manual. IABS and the Bank have agreed on a procurement plan for the duration of the TC. Any change or revision of the procurement plan by IABS will be submitted for the Bank's non-objection. With the exception of auditing, the supervision of the procurement function by the IDB will be based on the ex post modality. The Bank will advance funds to IABS based on the TC's real cashflow needs, as established in the TC's financial plan. All advances, except the first one, will be subject to a minimum 80% justification of all accumulated unjustified balances from previous advances. The Bank will initially advance resources to cover 120 days of TC expenditures; throughout project execution though, the Bank could increase this funding-period up to a level of 180 days if deemed adequate. The disbursements of the project will be subject to ex post supervision by the Bank and by the external auditors. At the end of each fiscal year, IABS will submit the project's financial statements audited by an eligible audit firm and in accordance with IDB terms of reference and regulations.

## **V. Major Issues**

- 5.1 The risks of the TC are considered low. The main risks relate with issues identified by the evaluation of institutional capacity (PACI), namely constraints of IABS's financial management system and the need for reinforcing the management team for the implementation of this TC. In addition, state elections that will take place in 2022, i.e. during the last year of the implementation period, may affect the participation of some states in the state committees and their interest in the technologies promoted by the TC.
- 5.2 In order to reduce these risks, a detailed project Operating Regulations will be prepared before the start of implementation, detailing the TC governance structure and the operational procedures for contracting and financial management. In addition, IABS will hire a full-time project financial manager, or assign a full-time IABS employee, to perform: (i) project accounting, (ii) transaction recording and book-keeping; (iii) preparation of disbursement requests and justification of expenses to IDB; (iv) bank account management and reconciliation; (v) monitoring of the schedule of payments in line with project's financial planning and in accordance with IABS policies and levels of authorization; (vi) ensure compliance with IABS internal controls; and (vii) coordinate all activities related to the selection and work of the external audit firm. Given the scope of the TC and the volume of transactions expected, the Bank recommends IABS to strengthen its financial records systems and data protection policy in order to minimize risks in relation to data damage/loss. Risks related with the potential influence of state elections will be mitigated by strong efforts on dialogue activities, with which IABS has wide experience.

## **VI. Environmental and Social Classification**

- 6.1 According to IDB's Environment and Safeguards Compliance Policy (OP-703), the TC is classified as Category is "[C](#)".

## **VII. Exceptions to Bank policy**

- 7.1 No exceptions to Bank policy are expected.

### **Required Annexes:**



- Annex I: [Results Matrix](#)
- Annex II: [Procurement Plan](#)

### **Required Electronic Links:**

- [Request from the Client](#)
- [Terms of Reference](#)

## Results Matrix

### Outcomes

Outcome 1 Strengthening of Local Capacities in Low Carbon Agriculture											
Indicators	Flags	Unit of Measure	Baseline	Baseline Year	Means of verification	2019	2020	2021	2022	2023	EOP
1.1 Capacities and awareness about low carbon and sustainable agriculture increased		Farmers	0.00	2018	Survey to farmers evaluating changes in awareness and knowledge about low carbon and sustainable agriculture	P 0.00	1,000.00	1,000.00	1,000.00	0.00	3,000.00
					P(a) 0.00	1,000.00	1,000.00	1,000.00	1,000.00	0.00	3,000.00
					A						
1.2 Capacities and awareness about low carbon and sustainable agriculture increased among professional extensionists		Professional extensionists	0.00	2018	Survey to extensionists evaluating changes in awareness and knowledge about low carbon and sustainable agriculture	P 0.00	200.00	200.00	100.00	0.00	500.00
					P(a) 0.00	200.00	200.00	100.00	100.00	0.00	500.00
					A						
1.3 Capacities and awareness about low carbon and sustainable agriculture increased among students		Students	0.00	2018	Survey to students to evaluate changes in their awareness and knowledge about low carbon and sustainable agriculture	P 100.00	900.00	1,000.00	500.00	100.00	2,600.00
					P(a) 100.00	900.00	1,000.00	500.00	500.00	100.00	2,600.00
					A						
Outcome 2 Promotion of Low Carbon Technologies and Sustainable Practices											
Indicators	Flags	Unit of Measure	Baseline	Baseline Year	Means of verification	2019	2020	2021	2022	2023	EOP
2.1 Sustainability managed farms		Beneficiaries (#)	0.00	2018	Progress reports and impact evaluation	P 0.00	1,000.00	2,000.00	2,000.00	2,000.00	2,000.00
					P(a) 0.00	1,000.00	2,000.00	2,000.00	2,000.00	2,000.00	
					A						
2.2 Low carbon technologies (Integrated Crop-Livestock-Forestry Systems) implemented		Hectares	0.00	2018	Progress reports	P 0.00	0.00	100,000.00	200,000.00	200,000.00	200,000.00
					P(a) 0.00	0.00	100,000.00	200,000.00	200,000.00	200,000.00	
					A						
2.3 Farmers with improved access to credit		Beneficiaries (#)	0.00	2018	Progress reports	P 0.00	250.00	500.00	1,000.00	1,000.00	1,000.00
					P(a) 0.00	250.00	500.00	1,000.00	1,000.00	1,000.00	
					A						
Outcome 3 Development of value chains and access to markets											
Indicators	Flags	Unit of Measure	Baseline	Baseline Year	Means of verification	2019	2020	2021	2022	2023	EOP
3.1 Organizations strengthened		Farmers organizations	0.00	2018	Progress reports	P 0.00	0.00	0.00	10.00	10.00	10.00
					P(a) 0.00	0.00	0.00	0.00	10.00	10.00	10.00
					A						
Outcome 4 Increase of small and medium-sized farmers increased											
Indicators	Flags	Unit of Measure	Baseline	Baseline Year	Means of verification	2019	2020	2021	2022	2023	EOP
4.1 Annual farm income increased		Percentage	0.00	2019	Baseline and impact evaluation	P 0.00	0.00	5.00	10.00	15.00	15.00
					P(a) 0.00	0.00	0.00	5.00	10.00	15.00	15.00
					A						
Outcome 5 Greenhouse Gas emissions mitigated											
Indicators	Flags	Unit of Measure	Baseline	Baseline Year	Means of verification	2019	2020	2021	2022	2023	EOP
5.1 Emissions of Carbon Dioxide equivalent avoided		Tons	0.00	2019	Field monitoring system	P 0.00	#####	#####	3,500,000.00	4,000,000.00	4,000,000.00
					P(a) 0.00	#####	#####	3,500,000.00	4,000,000.00	4,000,000.00	
					A						

### Outputs: Annual Physical and Financial Progress

Strengthening of Local Capacities in Low Carbon Agriculture						Physical Progress						Financial Progress						Theme	Fund	Flags		
Outputs	Output Description	Unit of Measure	Baseline	Baseline Year	Means of verification	2019	2020	2021	2022	2023	EOP	2019	2020	2021	2022	2023	EOP					
1.1 Individuals Trained	Farmers trained on low carbon technologies	Individuals (#)	0	2018	Training agenda and list of participants	P	0	2000	2000	2000	0	6000	P	12000	230000	230000	230000	12000	714000	Sustainable Energy and Climate Change	LCA	+
						P(a)	0	2000	2000	2000	0	6000	P(a)	12000	230000	230000	230000	12000	702000			
						A						A										
1.2 Individuals Trained	Extensionists trained on low carbon technologies	Individuals (#)	0	2018	Agenda and list of participants	P	0	350	350	150	0	850	P	8000	120000	90000	83000	12000	313000	Sustainable Energy and Climate Change	LCA	+
						P(a)	0	350	350	150	0	850	P(a)	8000	120000	90000	83000	12000	305000			
						A						A										
1.3 Individuals Trained	Students trained on low carbon technologies	Individuals (#)	0	2018	Agenda and list of participants	P	200	1800	2000	1000	200	5200	P	19500	86500	86500	78000	19500	260000	Sustainable Energy and Climate Change	LCA	+
						P(a)	200	1800	2000	1000	200	5000	P(a)	19500	86500	86500	78000	19500	270500			
						A						A										
1.4 Training workshops delivered	Capacity building sessions on low carbon and sustainable agriculture practices delivered	Workshops (#)	0	2018	Agenda and list of participants	P	0	50	30	20	0	100	P	12000	175000	175000	123000	18000	503000	Agricultural Productivity and Food Security	LCA	+
						P(a)	0	50	30	20	0	100	P(a)	12000	175000	175000	123000	18000	491000			
						A						A										
1.5 Training workshops delivered	Events for mainstreaming sustainable agriculture among students	Workshops (#)	0	2018	Agenda and list of participants	P	4	36	40	20	4	104	P	19750	78500	78500	78500	19750	273000	Agricultural Productivity and Food Security	LCA	+
						P(a)	4	36	40	20	4	100	P(a)	19750	78500	78500	78500	19750	252500			
						A						A										
1.6 Training workshops delivered	Field days carried out with rural families	Workshops (#)	0	2018	Reports from technical assistance providers	P	0	100	100	60	0	260	P	8300	145250	145250	103750	12450	415000	Sustainable Energy and Climate Change	LCA	+
						P(a)	0	100	100	60	0	260	P(a)	8300	145250	145250	103750	12450	406700			
						A						A										
1.7 Training products developed	Technical support material produced	Products (#)	0	2018	Review of the training materials produced	P	0	10	10	5	0	25	P	5000	153000	123000	60000	0	341000	Agricultural Productivity and Food Security	LCA	+
						P(a)	0	10	10	5	0	25	P(a)	5000	153000	123000	60000	0	336000			
						A						A										
2 Promotion of Low Carbon Technologies and Sustainable Practices						Physical Progress						Financial Progress						Theme	Fund	Flags		
Outputs	Output Description	Unit of Measure	Baseline	Baseline Year	Means of verification	2019	2020	2021	2022	2023	EOP	2019	2020	2021	2022	2023	EOP					
2.1 Pilot interventions implemented	Demonstration Units supported with technical assistance	Pilots (#)	0	2018	Progress reports	P	0	65	65	0	0	130	P	31000	260000	260000	125000	0	678000	Agricultural Productivity and Food Security	LCA	+
						P(a)	0	65	65	0	0	130	P(a)	31000	260000	260000	125000	0	645000			
						A						A										
2.2 Pilot interventions implemented	Demonstration units implemented	Pilots (#)	0	2018	Progress report from technical assistance providers	P	0	65	65	0	0	130	P	0	320000	320000	128000	25000	793000	Agricultural Productivity and Food Security	LCA	+
						P(a)	0	65	65	0	0	130	P(a)	0	320000	320000	128000	25000	793000			
						A						A										
2.3 Pilot interventions implemented	Multiplying Units supported	Pilots (#)	0	2018	Progress reports	P	0	1000	1000	0	0	2000	P	150000	950000	950000	400000	150000	2600000	Agricultural Productivity and Food Security	LCA	+
						P(a)	0	1000	1000	0	0	2000	P(a)	150000	950000	950000	400000	150000	2450000			
						A						A										
2.4 Monitoring and evaluation systems designed	Monitoring system to measure emission mitigation in the Cerrado developed	M&E systems (#)	0	2018	Report detailing the system's features	P	1	0	0	0	0	1	P	170000	245000	245000	196000	49000	905000	Agricultural Productivity and Food Security	LCA	+
						P(a)	1	0	0	0	0	0	P(a)	170000	245000	245000	196000	49000	735000			
						A						A										
2.5 Environmental impact assessment completed	Assessment of the mitigation potential of low carbon agriculture technologies and their positive	Assessments (#)	0	2018	Report	P	338	676	676	676	338	2704	P	200000	385000	385000	385000	222000	1577000	Agricultural Productivity and Food Security	LCA	+
						P(a)	338	676	676	676	338	2386	P(a)	200000	385000	385000	385000	222000	1377000			
						A						A										
2.6 Seminars organized	Good Practices Awarded to beneficiaries	Seminars (#)	0	2018	List of awardees and beneficiaries receiving them	P	0	0	0	0	12	12	P	0	0	10000	50000	140000	200000	Agricultural Productivity and Food Security	LCA	+
						P(a)	0	0	0	0	12	12	P(a)	0	0	10000	50000	140000	200000			
						A						A										
2.7 New financial instruments developed	Farmers with improved access to credit	Instruments (#)	0	2018	Progress report detailing farmers who access credit as a result of proposals prepared by technical assistance	P	0	250	250	500	0	1000	P	0	78300	78300	78300	26100	261000	Agricultural Productivity and Food Security	LCA	+
						P(a)	0	250	250	500	0	1000	P(a)	0	78300	78300	78300	26100	261000			
						A						A										
3 Development of value chains and access to markets						Physical Progress						Financial Progress						Theme	Fund	Flags		
Outputs	Output Description	Unit of Measure	Baseline	Baseline Year	Means of verification	2019	2020	2021	2022	2023	EOP	2019	2020	2021	2022	2023	EOP					
3.1 Pilot interventions implemented	Farmers organizations supported with collective benefits	Pilots (#)	0	2018	Agreement with farmer organization and progress report prepared by the organization	P	0	13	13	13	13	52	P	0	383000	383000	383000	190000	1339000	Agricultural Productivity and Food Security	LCA	+
						P(a)	0	13	13	13	13	52	P(a)	0	383000	383000	383000	190000	1339000			
						A						A										
3.2 Diagnostics and assessments completed	Studies to (i) identify and evaluate models, norms and use of certifications for low carbon	Diagnostic (#)	0	2018	Diagnostic and assessment report	P	0	1	1	1	0	3	P	190000	465000	465000	420000	0	1540000	Sustainable Energy and Climate Change	LCA	+
						P(a)	0	1	1	1	0	3	P(a)	190000	465000	465000	420000	0	1350000			
						A						A										
3.3 Pilot interventions implemented	Low carbon based value chains supported	Pilots (#)	0	2018	Progress reports	P	0	0	3	3	3	9	P	0	150000	167000	160000	100000	577000	Agricultural Productivity and Food Security	LCA	+
						P(a)	0	0	3	3	3	9	P(a)	0	150000	167000	160000	100000	577000			
						A						A										

### Other Cost

Auditing	P	\$0.00	\$37,500.00	\$37,500.00	\$37,500.00	\$37,500.00	#####
	P/A	\$0.00	\$37,500.00	\$37,500.00	\$37,500.00	\$37,500.00	#####
	A						
Other administration costs	P	\$70,000.00	\$148,000.00	\$148,000.00	\$148,000.00	\$82,000.00	#####
	P/A	\$70,000.00	\$148,000.00	\$148,000.00	\$148,000.00	\$82,000.00	#####
	A						
Project management	P	\$100,000.00	\$234,000.00	\$234,000.00	\$234,000.00	\$133,000.00	#####
	P/A	\$100,000.00	\$234,000.00	\$234,000.00	\$234,000.00	\$133,000.00	#####
	A						
</							

PROCUREMENT PLAN FOR NON-REIMBURSABLE TECHNICAL COOPERATIONS											
Country: Brazil						Executing agency: IABS – Brazilian Institute of Development and Sustainability				Public or private sector: private sector - NGO	
Project number: BR-T1409						Title of Project: Low Carbon Agriculture for Avoided Deforestation and Poverty Reduction in Brazil. Phase II - Sustainable Rural Development in the Cerrado					
Period covered by the plan: 54 months (48 months of execution)											
Threshold for ex-post review of procurements:				Goods and services (in US\$): 6,740,348.73		Consulting services(in US\$): 8,259,651.28					
Item Nº	Ref. AWP	Description (1)	Procurement	Estimated contract cost (US\$)	Procurement Method (2)	Review of procurement (3)	Source of financing and percentage		Estimated date of the procurement notice or start of the contract (month)	Technical review by the PTL (4)	Comments
							IDB/MIF %	Local/other %			
1		Component 1		2,851,000.00							
1-G		Goods									
1-G-1	1.1.11; 1.2.6; 1.3.7	Equipments aquisition - to run the server, field visits and support.	Purchase of equipment (server, printers, ipads, plotters, GPS, and others).	44,092.43	IABS’s methods		100	--	2	No	
1-G-2	1.3.5.E	Delivery of awards	GM	83,039.80	IABS’s methods		100	--	16	No	
1-NCS		Non consulting services									
1-NCS-1	1.1.4.A; 1.3.3.A; 1.3.4.D; 1.1.6.E; 1.1.7.D; 1.2.3.A; 1.2.4.C	Design, layout, publishing and registration of the various publications / project materials related to the capacity building activities.	Contracting of specialized services of design, layout, publishing, printing and video production of the material related to the capacity building activities of the project, including registration in the National Library.	219,355.58	IABS’s methods		100	--	10	No	
1-NCS-2	1.1.4.B; 1.2.3.B; 1.3.3.B	Graphic printing of various project materials - capacity building activities.	Contracting of graphic printing services of FSC certified paper material - capacity building activities.	190,408.22	IABS’s methods		100	--	12	No	
1-NCS-3	1.1.4.C; 1.2.3.C; 1.3.3.C	Production of videos for the various actions of the project for capacity building activities.	Contracting specialized services for recording, editing and production of video-documentaries and video-lessons for the capacity building activities.	95,145.06	IABS’s methods		100	--	8	No	
1-NCS-4	1.1.7.C; 1.1.9.B; 1.3.5.D	Organization and execution of the logistics of training actions and events for the master's degree, national and international missions and the schools prize.	Logistics and execution services contracting (including training room, equipment, transportation, lodging and food) for the master's degree, national and international missions and the schools prize.	217,343.24	IABS’s methods		100	--	8	No	
1-NCS-5	1.1.10.C; 1.3.6.B	Execution of communication campaigns - capacity building activities and mainstreaming sustainable agriculture among young people.	Contracting of media services to publicize project actions - radio, print newspapers, social media and local television, for capacity building activities and mainstreaming sustainable agriculture among young people.	146,197.69	IABS’s methods		100	--	14	No	
1-NCS-6	1.3.5.C	Evaluation of proposals received and selection of winners for the school prizes.	Contracting of services for screening, selection and evaluation committee of proposals received and selection of winners for the school prizes. Includes transportation costs, lodging and jury food.	14,092.43	IABS’s methods		100	--	22	No	
1-CS		Consulting services									
1-CS-1	1.1.1.A; 1.1.5.A	Portal Development, e-learning tool and application (s). The Portal includes sections of ATERs, ATECs and agenda.	Contracting of specialized technical programming services for the development of the web portal, registration section of ATERs and ATECs, e-learning sections, agenda, application.	58,829.27	IABS’s methods		100	--	3	No	
1-CS-2	1.1.1.B; 1.1.5.B	Management and monitoring of the Portal and e-learning. The Portal includes sections of ATERs, ATECs.	Contracting technical services specialized in programming for monitoring and management of the portal, registration section of ATERs and ATECs, and of systems for e-learning courses (24 months).	100,934.53	IABS’s methods		100	--	8	No	

1-CS-3	1.1.6.A; 1.1.10.A; 1.1.10.B; 1.2.5; 1.3.5.B; 1.3.6.A	Communication, dissemination and awareness raising of several project activities for ATERs and ATECs, trainings and prize for schools.	Contracting specialized technical communication services to deliver communication, dissemination and project mobilization actions for trainings and school awards.	98,566.11	IABS's methods		100	--	4	No	
1-CS-4	1.1.6.B; 1.1.6.C; 1.1.6.D; 1.2.4.B; 1.3.4.B; 1.3.4.C	Technical and academic execution of several training activities, empowerment, technical assistance and project exchange. This includes Atecs training; lectures and seminars for public managers; training sessions with farmers in the form of Field Days and Interchange; empowerment actions; teacher trainings and school principals and school education actions (events and lectures with students and the school community) (including training room, equipment, transportation, lodging and food).	Contracting of facilitation services, instructors and logistics and execution (including training room, equipment, transportation, lodging and food) for the various training, empowerment and project exchange actions.	836,092.43	IABS's methods		100	--	14	No	
1-CS-5	1.1.3; 1.2.2; 1.3.2	Elaboration of content of the training material and support for the diverse actions of the project. Included here are the contents for training materials, empowerment actions and mainstreaming of low carbon agriculture.	Consultancy to elaborate the content of the technical and teaching contents of books, handbooks, booklets, infographics, thematic videos / classes for the training actions; the content of the didactic material and support for the empowerment actions, including booklets, infographics, video (s), app (s); and content of didactic material and support for mainstreaming actions, including booklets, posters, videos and educational games (trays, others).	73,039.80	IABS's methods		100	--	12	No	
1-CS-6	1.3.5.A	Elaboration and launch of the regulation for school prize.	Contracting of specialized technical services for the elaboration and validation of regulations for the school award.	10,408.22	IABS's methods		100	--	8	No	
1-CS-7	1.1.2; 1.2.1; 1.3.1	Technical-methodological design of the technical training program and other training actions. It includes a program of courses and training activities (training of the ATECs - themes); training of producers; training public managers; online courses (micromaster); events (lectures, field days, seminars); national and international missions (exchanges of technicians, managers and organized producers); empowerment actions aimed at organizations (leaderships) and families (youth and gender); and mainstreaming actions of sustainable agriculture for primary and secondary education institutions	Contracting of specialized technical services for the technical-methodological design of the course program, training activities (training of the ATECs - themes), training of producers, training of public managers, on-line (micromaster), events (lectures, seminars), national and international missions (exchanges of technicians, managers and organized producers), empowerment actions aimed at organizations (leaderships) and families (youth and gender) and of mainstreaming actions of sustainable agriculture for primary and secondary education institutions.	67,776.64	IABS's methods		100	--	8	No	
1-CS-8	1.1.5.C	Academic management and technical monitoring of online courses	Contracting of specialized technical services of academic management and technical monitoring for execution and orientation of online courses (24 months).	84,429.27	IABS's methods		100	--	8	No	
1-CS-9	1.1.7.A	Design and formalization of a professional master's degree linked to an institution of higher education.	Contracting specialized technical services for professional master's degree design, formalization and selective process and dissemination.	20,934.53	IABS's methods		100	--	6	No	
1-CS-10	1.1.7.B	Monitoring implementation of two editions of professional master's program, including selection process	Contracting specialized technical services for professional master's management, registration and instruction (4 face-to-face modules - 16 subjects).	111,460.85	IABS's methods		100	--	10	No	
1-CS-11	1.1.9.A	Technical and institutional organization of missions for technical training actions (2 national and 2 international).	Contracting of specialized technical services for the identification, articulation and executive organization of technical training activities	12,513.48	IABS's methods		100	--	8	No	
1-CS-12	1.2.4.A	Creation of online forms and the realization and registration of selection processes and participants for the empowerment activities.	Contracting technical and administrative services in a format of consultancies for carrying out participant selection actions for the empowerment activities.	37,945.06	IABS's methods		100	--	8	No	
1-CS-13	1.3.4.A	Institutional articulation for mainstreaming sustainable agriculture among youth.	Contracting of specialized technical services to carry out activities for mainstreaming sustainable agriculture among youth.	276,934.53	IABS's methods		100	--	1	No	
1-OS		Others: Agreement									
1-OS-1	1.1.8	Support for training events.	Transfer of resource, in sponsorship format, to other events of third parties of interest to the project.	51,460.85	IABS's methods		100	--	14	No	
2		Component 2		7,012,000.00							
2-G		Goods									
2-G-1	2.1.6; 2.2.7; 2.3.7; 2.4.9	Equipments aquisition - to run the server, field visits and support.	Purchase of equipment (server, printers, ipads, plotters, GPS, and others).	68,355.08	IABS's methods		100	--	2	No	
2-G-2	2.6.6	Delivery of the prize (s) - resources for best practices award	Acquisition of inputs to support winners of the best practices award.	75,723.50	IABS's methods		100	--	30	No	
2-G-3	2.1.3	Support to Demonstration Units	Acquisition of inputs to support and adapt the selected DUs (to be used as research base, Field Days and project events) - average of 4 UD's per microregion.	202,039.29	IABS's methods		100	--	16	No	



<b>2-NCS</b>		<b>Non consulting services</b>									
2-NCS-1	2.3.3.B; 2.5.4.C	Graphic printing of the various project materials - assistance on management of rural properties, credit lines and tax incentives.	Contracting of graphic printing services of FSC certified paper material - assistance on management of the rural properties, credit lines and tax incentives.	79,934.03	IABS's methods		100	--	12	No	
2-NCS-2	2.1.4.A; 2.3.3.A; 2.5.4.B; 2.6.7; 2.1.4.D; 2.4.6.B	Design, layout, publishing and registration for the various publications / project materials - Demonstration Units presentation material, results and registration of events and training actions, assistance on management of the rural properties, R & D actions, lines of credit, financing and tax and tax incentives, and good practices prize.	Contracting of specialized services for design, layout, publishing, printing and video production of materials, including registration in the National Library - Demonstrative Units presentation material, results and registration of events and training actions, assistance of the management of the rural properties, R & D actions, lines of credit, financing and tax and tax incentives, and good practices prize.	110,197.19	IABS's methods		100	--	10	No	
2-NCS-3	2.3.3.C	Production of videos for the various project activities related with technical assistance on farm management	Contracting specialized services for recording, editing and production of video-documentaries and video-lessons for assistance on farm management	11,512.98	IABS's methods		100	--	8	No	
2-NCS-4	2.1.2.E; 2.1.7.B; 2.2.8.B; 2.4.1; 2.4.4.E; 2.4.5.B; 2.4.7.B; 2.5.3; 2.6.5	Organization and execution of the logistics of training and events related with monitoring of field activities, on site evaluation of Demonstration Units, Multiplication Units, research and development activities, institutional articulation activities for lines of credit and other possibilities for financial support, and good practices prize awards event.	Logistics and execution services contracting (including training room, equipment, transportation, lodging and food) for monitoring of field activities, on-site evaluation of Uds, Ums, research and development activities, institutional articulation activities for lines of credit and other possibilities for financial support, and good practices prize awards event.	853,129.19	IABS's methods		100	--	12	No	
2-NCS-5	2.1.5.B; 2.2.6.B	Execution of communication campaigns for DUs and MUs	Contracting of media services to publicize project actions - radio, print newspapers, social media and local television, for DUs and MUs	91,512.98	IABS's methods		100	--	14	No	
2-NCS-6	2.6.4	Evaluation of proposals received and selection of winners for the good practices prize.	Contracting of services for screening, selection and evaluation committee of proposals for evaluation of proposals received and selection of winners for the school prizes. Includes transportation costs, lodging and jury feeding (s)	3,091.92	IABS's methods		100	--	20	No	
2-NCS-7	2.4.6.A; 2.5.2	Holding events and workshops on project actions for research and development and for lines of credit and other possibilities for financial support.	Contracting of facilitation services, instructors, registration and logistics and executiofor events and workshops on project actions for research and development and for lines of credit and other possibilities for financial support (including room for the event, equipment, transport, lodging and food).	65,723.50	IABS's methods		100	--	20	No	
<b>2-CS</b>		<b>Consulting services</b>									
2-CS-1	2.1.2.A; 2.2.2.A; 2.2.3.B; 2.2.3.C; 2.6.2	Portal Development - sections of UDs, UMs, training actions, technical assistance and good practices award.	Contracting technical services specialized in programming for portal development - registration section and selection of UDs and UMs, rural Technical assistance Management section, an individualized technical assistance management application and good practices award.	107,302.45	IABS's methods		100	--	3	No	
2-CS-2	2.1.2.B; 2.2.2.B; 2.2.3.D	Management and monitoring of the Portal - sections UDs and UMs and rural Technical assistance Management section.	Contracting technical services specialized in programming for monitoring and management of the portal - sections UDs and UMs and rural Technical assistance Management section.	72,565.61	IABS's methods		100	--	8	No	
2-CS-3	2.1.5.A; 2.2.6.A; 2.3.6; 2.4.4.B; 2.6.3	Communication, dissemination and awareness rasing of several project activities, including that related to the mobilization for actions directed to the UDs and UMs, research and good practices prize.	Contracting specialized technical services in communication to deliver communication, dissemination and project mobilization actions related to the mobilization for actions directed to the UDs and UMs, research and good practices prize.	93,881.40	IABS's methods		100	--	4	No	
2-CS-4	2.2.3.A; 2.3.1	Technical-methodological design of the technical training program and other training actions. It includes methodology of individualized technical assistance and for the group of UM producers of the project; and actions of management of the rural properties (integrated to the technical assistance).	Contracting of specialized technical services in a format of consultancies for the technical-methodological design of mainstreaming actions of sustainable agriculture for primary and secondary education institutions.	25,197.19	IABS's methods		100	--	8	No	
2-CS-5	2.1.4.B; 2.3.4; 2.5.5; 2.5.6	Technical and academic execution of several training actions, empowerment, technical assistance and project interchange. This includes state / microregional events of UDs presentation; project Atecs (multipliers) training on property management; and project Atecs trainings on financing lines and tax and tax incentives.	Contracting of facilitation services, instructors and logistics and execution (including training room, equipment, transportation, lodging and food) for state / microregional events of UDs presentation; project Atecs (multipliers) training on property management; and project Atecs trainings on financing lines and tax and tax incentives.	68,618.24	IABS's methods		100	--	14	No	
2-CS-6	2.3.2	Elaboration of content of the training material and support for the diverse actions of the project. Included here are the contents for technical assistance in property management.	Contracting specialist to elaborate the content of the didactic material and support for the actions of the actions of assistance of management of the rural properties.	8,881.40	IABS's methods		100	--	12	No	
2-CS-7	2.4.7.A	Technical and institutional organization of missions for research and development (2 national and 2 international).	Contracting of specialized technical services for the identification, articulation and executive organization of technical missions for research and development.	5,197.19	IABS's methods		100	--	8	No	

2-CS-8	2.1.7.A; 2.2.1.A; 2.3.8; 2.4.10; 2.5.7	Monitoring of field activities.	Contracting specialized technical services for the management and monitoring of field activities.	1,075,070.87	IABS's methods		100	--	4	Yes	
2-CS-9	2.1.2.C; 2.2.2.C; 2.4.4.A; 2.4.5.A; 2.6.1	Elaboration and launching of regulations for best practices award, announcements of Demonstration Units, Multiplying Units, and terms of reference and plans of work of R & D	Contracting of specialized technical services for the elaboration and validation of regulations, edicts and terms of reference for various project activities - best practices award, announcements of DUs and MUs, and terms of reference and plans of work of R & D.	44,144.56	IABS's methods		100	--	8	No	
2-CS-10	2.2.3.F	Activities of inspection of rural technical assistance	Activities of inspection of rural technical assistance (including logistics and administrative expenses).	62,207.71	IABS's methods		100	--	18	No	
2-CS-11	2.1.2.D; 2.1.8; 2.2.2.D; 2.4.4.C; 2.4.4.F	Conducting selective processes, screening and documentation verification of proposals of Dus, Mus, and research and development projects, and supporting and monitoring of selected R&D projects.	Conducting selective processes, screening and documentation verification of proposals of Dus, Mus, and research and development projects, and supporting and monitoring of selected R&D projects.	166,039.29	IABS's methods		100	--	6	No	
2-CS-12	2.2.2.E; 2.2.9; 2.4.4.D	Specialized technical evaluation of the Mus proposals and results of the Mus implemented and the proposed R & D projects.	Contracting services for evaluations of proposals of MUs and evaluation of technical assistance reports focused on ILPF technology (form); supervision of the technical assistance process (on-site samples and evaluation with the producer, and evaluation of the reports).	126,249.82	IABS's methods		100	--	10	No	
2-CS-13	2.2.3.E; 2.3.5	Execution of rural technical assistance in groups of 20 to 30 producers (UMs), including technical assistance actions on property management, productive chains and nexus in the selected units.	Contracting of rural technical and logistic assistance services (including travel, food, technical visits, equipment) to producer groups registered as Project MUs (about 100 groups of 20 producers x 4 visits per year x 2 years).	1,259,934.03	IABS's methods		100	--	14	Yes	
2-CS-14	2.4.2; 2.4.3	Mapping and analysis of structure and personnel of R & D institutions by theme and state / microregions, and survey and analysis of R & D demands and priorities by theme and state / microregions.	Contracting of specialized technical services to conduct secondary data collection, application of questionnaires and analysis with local and local institutions and actors.	52,039.29	IABS's methods		100	--	12	No	
2-CS-15	2.4.5.C; 2.4.5.D; 2.5.1; 2.5.4.A	Elaboration of studies on different areas related to the project: analysis of results of project processes and geospatial information management; impact assessment; lines of credit and other possibilities for financial support.	Contracting specialized technical services to carry out studies on different areas related to the project - impact assessment; lines of credit and other possibilities for financial support.	318,881.40	IABS's methods		100	--	10	No	
2-CS-16	2.4.5.E; 2.4.5.F; 2.4.5.G	Conduct of research: parameters of emission by technology / region in units of research of Embrapa; emission parameters by technology / region in UD's of the project; and technological models of ILPF, property management and nexus.	Contracting specialized technical services to carry out research on different areas related to the project.	838,881.40	IABS's methods		100	--	12	Yes	
2-OA		Others: Agreement									
2-OA-1	2.4.4.G	Economic support for selected R & D projects (2 editions).	Agreement or contract with institutions to support R&D projects.	1,049,407.71	IABS's methods		100	--	12	Yes	
2-OS		Others: Agreement									
2-OS-1	2.4.8	Support for technical / academic events	Contracting logistics services to support technical / academic events, including transportation, food and accommodation.	76,280.79	IABS's methods		100	--	14	No	
3		Component 3		3,456,000.00							
3-NCS		Non consulting services									
3-NCS-1	3.1.1.C; 3.1.4; 3.2.12; 3.2.6.B	Design, layout, publishing and registration for various publications / project materials - diagnoses and prognoses by micro-regions of the project, results of collective action support, orientations and models about the certification and results and registration of the certification.	Contracting of specialized services for design, layout, publishing, printing and video production of materials for various project activities, including registration in the National Library - diagnoses and prognoses by micro-regions of the project, results of collective action support, orientations and models about the certification and results and registration of the certification.	138,518.82	IABS's methods		100	--	12	No	
3-NCS-2	3.2.6.C	Graphic printing of the various project materials - orientations and models about the certification and results and registration of the certification.	Contracting of graphic printing services of FSC certified paper material - orientations and models about the certification and results and registration of the certification.	22,631.58	IABS's methods		100	--	15	No	
3-NCS-3	3.1.2; 3.1.3.H; 3.2.2.B; 3.2.5; 3.2.11.C	Organization and execution of logistics for events related with collective demands and certification.	Logistics and execution services contracting (including training room, equipment, transportation, lodging and food) for events related with collective demands and certification.	215,418.03	IABS's methods		100	--	8	No	
3-NCS-4	3.2.11.B	Execution of communication campaigns for certification.	Contracting of media services to publicize project actions - radio, print newspapers, social media and local television, for certification.	35,526.32	IABS's methods		100	--	14	No	

3-NCS-5	3.1.1.D; 3.2.3	Holding events and workshops related with collective benefits diagnosis, presentation and certification options.	Contracting of facilitation services, instructors, registration and logistics, and execution of events and workshops for collective benefits diagnosis, presentation and certification options (including rooms for the event, equipment, transport, accommodation and food).	68,421.05	IABS's methods		100	--	12	No	
3-CS		<b>Consulting services</b>									
3-CS-1	3.1.3.B; 3.2.10.A	Development of app and functionalities in the Portal for collective demands / connection of supply and demand of products and services, and development of app in the certification dissemination Portal.	Contracting technical services specialized in programming for app and Portal development, sections for collective demands / connection of supply and demand of products and services, and development of app in the certification dissemination Portal.	81,578.95	IABS's methods		100	--	3	No	
3-CS-2	3.1.3.C; 3.2.10.B	Management and monitoring of the Portal and app-section collective demands / connection of supply and demand of products and services.	Contracting technical services specialized in programming for monitoring and management of the portal - section collective demands / connection of supply and demand of products and services.	105,263.16	IABS's methods		100	--	8	No	
3-CS-3	3.1.3.D; 3.1.3.F; 3.1.3.I	Public launch of notice for collective demands. Conducting selective processes, screening and documentation verification of proposals of collective demands.	Contracting technical and administrative services in a format of consultancies for public launch of notice for collective demands, conducting selective processes, screening and documentation verification of proposals of collective demands.	101,557.89	IABS's methods		100	--	18	Yes	
3-CS-4	3.1.3.E; 3.2.11.A	Communication, dissemination and awareness raising of project activities related to collective benefits and certification.	Contracting specialized technical services in communication to deliver communication, dissemination and project mobilization related with collective benefits and certification.	52,452.63	IABS's methods		100	--	12	No	
3-CS-5	3.2.7; 3.2.8	Technical and academic execution of courses on certification methodology and lectures and seminars for public managers.	Contracting of facilitation services, instructors and logistics and execution (including training room, equipment, transportation, lodging and food) for courses on certification methodology, and lectures and seminars for public managers.	79,368.42	IABS's methods		100	--	24	No	
3-CS-6	3.2.6.A	Elaboration of contents of training material and support for training on certification methodology.	Contracting of specialized technical services for the preparation of the technical-didactic content on the certification methodology built.	14,210.53	IABS's methods		100	--	12	No	
3-CS-7	3.2.2.A	Technical and institutional organization of missions for certification development (2 national and 2 international).	Contracting of specialized technical services for the identification, articulation and executive organization of technical missions for certification development.	8,421.05	IABS's methods		100	--	10	No	
3-CS-8	3.1.3.G; 3.1.3.K	Specialized technical evaluation of the proposals for collective demands received and the selection of award recipients, and supervision of the application of the resources invested in collective demands	Contracting services for evaluations and supervision of the collective investments supported.	101,052.63	IABS's methods		100	--	12	No	
3-CS-9	3.1.1.B; 3.2.1	Elaboration of studies on different areas related to the project: diagnosis - prognosis by microregion; and models, norms and use of certifications, denominations of origin and others.	Contracting specialized technical services to carry out studies on different areas related to the project - diagnosis - prognosis by microregion; and models, norms and use of certifications, denominations of origin and others.	427,368.42	IABS's methods		100	--	10	Yes	
3-CS-10	3.1.1.A; 3.1.3.A; 3.2.4	Technical-methodological design of diagnoses and prognoses of local demands; of the process of attendance of collective demands and edict of selective process; and new proposals (or adequacy) and models of certification proposal.	Contracting of specialized technical services to carry out the technical-methodological design of activities focused on local demands, and for the certification proposal.	41,052.63	IABS's methods		100	--	12	No	
3-CS-11	3.2.9	Pilot certification implementation in UD's, UM's and producer groups.	Contracting of specialized technical services for the implementation, registration and pilot evaluation of certification in DUS, MUs and producer groups	47,368.42	IABS's methods		100	--	26	No	
3-OA		<b>Others: Agreement</b>									
3-OA-1	3.1.3.J	Economic support for selected collective support actions and investments.	Agreement or contract with institutions to support selected collective actions and investments.	1,915,789.47	IABS's methods		100	--	12	Yes	
4		<b>Project Execution Unit</b>		<b>1,681,000.00</b>							
4-NCS		<b>Non consulting services</b>									
4-NCS-1	4.2	Physical and support structure (includes headquarters, states and microregions).	Physical and support structure (includes headquarters, states and microregions).	596,000.00	IABS's methods		100	--	1	No	
4-CS		<b>Consulting services</b>									
4-CS-1	4.1	Project management team (gross values with corporate tax).	---	935,000.00	IABS's methods		100	--	1	No	
4-CS-2	4.3	Auditing		150,000.00	SBC						
Total				15,000,000.00	Prepared by: Octavio Damiani	Date: 8 May 2019					
(1) Grouping together of similar procurement is recommended, such as computer hardware, publications, travel, etc. If there are a number of similar individual contracts to be executed at different times, they can be grouped together under a single heading, with an explanation in the comments column indicating the average individual amount and the period during which the contract would be executed. For example: an export promotion project that includes travel to participate in fairs would have an item called "airfare for fairs", an estimated total value od US\$5,000, and an explanation in the Comments column: "This is for approximately four different airfares to participate in fairs in the region in years X and X1".											
(2) <b>Goods and works:</b> CB: Competitive bidding; PC: Price comparison; DC: Direct contracting.											
(2) <b>Consulting firms:</b> CQS: Selection Based on the Consultants' Qualifications; QCBS: Quality and cost-based selection; LCS: Least Cost Selection; FBS: Selection nder a Fixed Budget; SSS: Single Source Selection; QBS: Quality Based selection.											
(2) <b>Individual consultants:</b> IICQ: International Individual Consultant Selection Based on Qualifications; SSS: Single Source Selection.											

(2) <b>Country system:</b> include selection Method
(3) <b>Ex-ante/ex-post review:</b> In general, depending on the institutional capacity and level of risk associated with the procurement, ex-post review is the standard modality. Ex-ante review can be specified for critical or complex process.
(4) <b>Technical review:</b> The PTL will use this column to define those procurement he/she considers "critical"or "complex"that require ex ante review of the terms of reference, technical specifications, reports, outputs, or other items.

**LOW CARBON AGRICULTURE FOR AVOIDED DEFORESTATION AND POVERTY REDUCTION IN BRAZIL.  
PHASE II - SUSTAINABLE RURAL DEVELOPMENT IN THE CERRADO**

**BR-T1409**

**CERTIFICATION**

I hereby certify that this operation was approved for financing under the **Phase II: Low Carbon Agriculture for Avoided Deforestation and Poverty Reduction Fund (LCA)** through a communication dated May 17, 2019 and signed by Felipe Caicedo (ORP/GCM). Also, I certify that resources from said fund are available for up to **US\$15,000,000** in order to finance the activities described and budgeted in this document. This certification reserves resource for the referenced project for a period of four (4) calendar months counted from the date of eligibility from the funding source. If the project is not approved by the IDB within that period, the reserve of resources will be cancelled, except in the case a new certification is granted. 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 in the case of local consultants working in their own borrowing member country who shall have their remuneration defined and paid in the currency of such 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 operation. 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, representing a risk that will not be absorbed by the Fund.

Certified by:

\* Original signed \*

May 17, 2019

\_\_\_\_\_  
Sonia M. Rivera

\_\_\_\_\_  
Date

Chief

Grants and Co-Financing Management Unit

ORP/GCM

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

PROPOSED RESOLUTION DE-\_\_\_/19

Brazil. ATN/ \_\_\_-\_\_\_\_\_-BR. Nonreimbursable Technical Cooperation. Low Carbon Agriculture for Avoided Deforestation and Poverty Reduction in Brazil.  
Phase II – Sustainable Rural Development in the *Cerrado*

The Board of Executive Directors

RESOLVES:

1. That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such contract or contracts as may be necessary with the Federative Republic of Brazil, through its Ministry of Agriculture, Livestock, and Food Supply (MAPA), as beneficiary, and with the Brazilian Institute of Development and Sustainability (IABS) as the executing agency, and to take such additional measures as may be pertinent for the execution of the project proposal contained in document AT-\_\_\_ with respect to the technical cooperation “Low Carbon Agriculture for Avoided Deforestation and Poverty Reduction in Brazil. Phase II – Sustainable Rural Development in the *Cerrado*”.

2. Such nonreimbursable technical cooperation will be for an amount of up to US\$15,000,000, chargeable to the resources of the Phase II: Low-carbon Agriculture for Avoided Deforestation and Poverty Reduction Fund, as per the terms of the Administrative Agreement signed between the Bank and the Government of the United Kingdom on December 16<sup>th</sup>, 2016.

(Adopted on \_\_\_ \_\_\_\_\_ 2019)