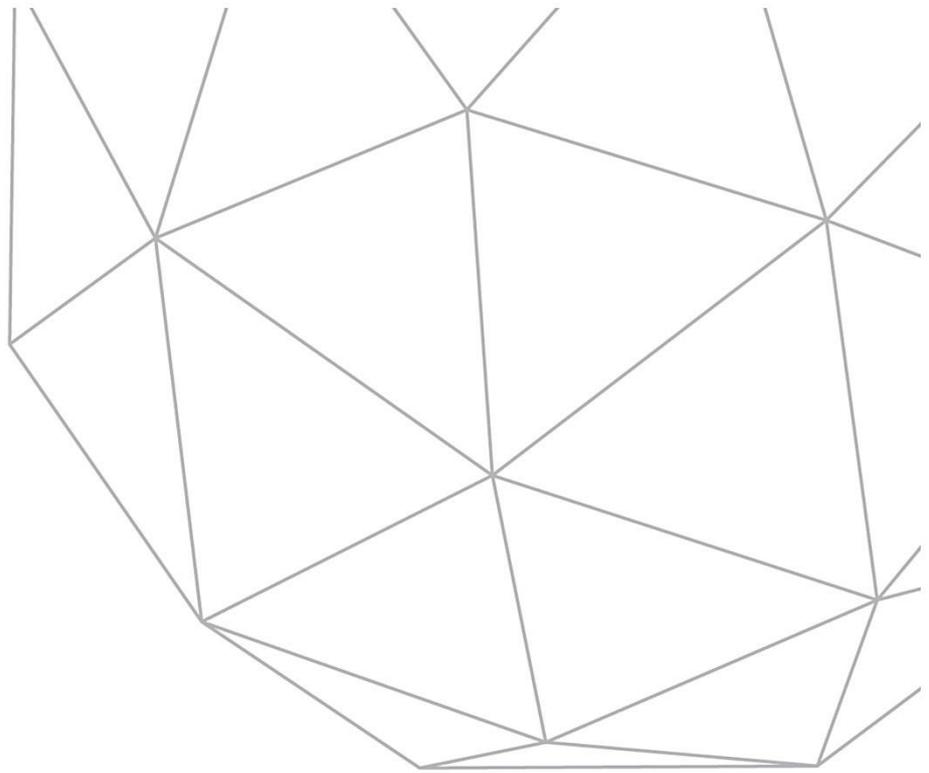


Approved Project Preparation Funding Application

Application Title	Enhancing resilience of communities, smallholders and ecosystems to climate change impacts through adapting and scaling up land/resources used systems in the Marajo archipelago in Brazil
Country/ Region	Brazil
Accredited Entity	Fundación Avina
Approval Date	03/11/2021



**GREEN
CLIMATE
FUND**



Request for Support from the Project Preparation Facility (PPF)

Application Title	Enhancing resilience of communities, smallholders and ecosystems to climate change impacts through adapting and scaling up land/resources used systems in the Marajo Archipelago in Brazil
Country(ies)	Brazil
Accredited Entity	Fundación Avina
Date of first submission/ Version number	<u>29 May 2020</u> <u>Version 2</u>
Date of current submission/ version number	<u>[2020-2-4] [V.4]</u>

Please submit the completed form to ppf@gcfund.org, using the following naming convention in the subject line and the file name:
“PPF-[Accredited Entity]- [Country]-yyyymmdd”



GREEN
CLIMATE
FUND

2017

Notes

- The PPF supports the development of projects and programmes and enhance their quality at entry into the Fund's pipeline. With a view to enhancing the balance and diversity of the project pipeline, the PPF is designed to especially support Direct Access Entities for projects in the micro-to-small size category. International Accredited Entities seeking project preparation support from the PPF are encouraged to do so especially for LDCs, SIDS and African countries where no Direct Access Entity is accredited. All Accredited Entities are encouraged to articulate counterpart support for project preparation within their requests for support from the PPF.
- A PPF submission should include below documents:
 1. PPF request (this form)
 2. [PPF No-Objection letter](#)¹
 3. [Concept Note](#)
- Please copy the National Designated Authority (ies) when submitting this PPF request.
- Requests for support from the PPF should be submitted at the same time or following submission of a GCF Concept Note for a project or programme.
- Further information on GCF PPF can be found on GCF website [Project Preparation Facility Guidelines](#).

¹ Please note that the PPF No-Objection Letter is different from the Funding Proposal No-Objection Letter. PPF No-Objection Letter template can be downloaded from [here](#).

A. Executive Summary		
Accredited Entity (AE)	<p>Name: Andrea Rodriguez Osuna Position: Manager, Climate Action Program, Fundación Avina Email: andrea.rodriguez@avina.net Tel: +52 5555019972 Full Office address: Calle Evelio Lara, Casa N°131-B, Ciudad del Saber, Clayton. Panama. Phone: + [507] 317 1121. Fax: (507) 317-0239</p>	
Has a Concept Note² been submitted in association with this request for support from the PPF?	<p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If yes, please indicate Project/Programme title: Enhancing resilience of communities, smallholders and ecosystems to climate change impacts through adapting and scaling up land/resources used systems in the Marajo Archipelago in Brazil</p>	<p>Has a No-Objection Letter³ been submitted for this request for support from the PPF?</p> <p>Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> <i>(Please note that a PPF No-Objection Letter is a requirement for the submission of this request)</i></p>
Total Cost	<p>Total cost of Project Preparation activities: US\$ 515,493 Amount requested from the PPF: US\$ 492,733 Co-financing from the AE: US\$ 22,760</p>	
Anticipated Duration	<p>Number of months to implement the Project Preparation activities: 12</p>	
Summary of the request for Project Preparation support	<p>The project entitled, “Enhancing resilience of smallholders and ecosystems to climate change impacts through adapting and scaling up land/resources used systems in the Marajo Archipelago in Brazil” seeks to increase adaptive capacities of smallholders to make the current food production system more resilient to climate change impacts. Through the implementation and upscale of diversified agroforestry systems⁴, the project will result in smallholders’ livelihoods becoming more resilient to climate shocks and stresses triggered by climate change.</p> <p>The area of focus for this PPF is the Marajo Island, in de Amazon river delta in Brazil, with a special attention to smallholders from Salvaterra, Cachoeira do Arari and Soure.</p> <p>PPF support from GCF is needed to conduct studies to strengthen the overall strategic direction of this funding proposal and identify the most climate-resilient, cost-effective and long-term agroforestry based solutions for the climate change problems faced by smallholders living in the target area. In addition, models for scaling up the solutions proposed in other regions will be identified. The following studies will help identify and update relevant information and fill information gaps to develop a full funding proposal. The results will be included in the final proposal, and later submitted to the GCF for funding consideration. Furthermore, the PPF will be an opportunity to produce a model approach that can be later on replicable in other countries and other areas within the Amazon Region.</p> <ul style="list-style-type: none"> • Climate Feasibility study: A thorough and comprehensive climate feasibility assessment must be undertaken to better understand the climate vulnerability of smallholders and coastal ecosystems in the three Municipalities of Marajo in which the project seeks to intervene, in light of sea level rise and other climate relevant impacts. Besides, the study will assess the vulnerability of current farming practices, such as smallholder farming systems that may not be adequate to cope with climate impacts. Thus, new climate resilient practices, in particular through diversified agroforestry systems and species need to be adopted to ensure a successful implementation of solutions. The main proposed activities include collection of baseline data to determine existing climate change impacts, 	

² See [here](#) to download the Concept Note template.

³ Template for PPF No-Objection Letter can be downloaded [here](#).

⁴ In addition, agroforestry systems will contribute to GHG mitigation effects, as it increases biomass and plays a role in carbon sequestration.

identification of specific target areas within the chosen municipalities, context specific climate risk indicators and studying the proposed project outcomes and outputs to provide accurate baseline information. The assessment will also include a detailed vulnerability assessment of communities and coastal ecosystems to climate change hazards, including projected future exposure to climate risks, and other associated risks related to the implementation of climate resilient agroforestry based solutions, ensuring that those new practices and species introduced will cope with the projected climate change impacts. Finally, the report will also include update and elaboration of climate change models to determine best locations for the implementation of climate resilient agroforestry systems.

- **Socio-economic study** will be elaborated in order to evaluate the proposed climate resilient agroforestry based solutions and its associated risks, including business plans, cost-benefit analysis, and estimates of economic balance of current food systems implemented in Marajo. It also includes a market research with the identification of potential buyers, review market values, market access requirements, product transformation needs and analysis of available markets within and outside Brazil to make agroforestry products more competitive. In addition, the study will look at behavioural aspects of smallholders with the view to identify potential barriers in the implementation of climate resilient agroforestry based solutions including EBA.
- Updated **Environmental, Social and Gender studies**: A gender assessment and plan will need to be elaborated, taking into account information from a previous assessment as well as new findings. In addition, the Free Prior and Informed Consent process with Quilombolas will also be updated during project design.
- Updated **Stakeholder engagement plan**: engagement, negotiation and technical meetings need to be conducted with a number of stakeholders in the three target municipalities in Marajo, as well as Belem and other Brazilian cities as São Paulo and Brasilia. These include: a) authorities at the Municipal, State, National and relevant sectorial level to seek their active participation and engagement in the design of the project; b) local and national financial institutions for their participation and engagement in the adoption of financial instruments that support adaptation solutions in Marajo; c) private and public sector potential market buyers; d) local and national research institutions and other non-state actors that are relevant for the project's implementation and e) smallholders in the three municipalities.
- **Financial Study** that provides information to determine the best and most appropriate business model for the financial instruments to be deployed by local financial institutions for adaptation solutions, while ensuring long-term prospects and possibilities of scaling it up to other Brazilian regions. The study should focus on the role local financial institutions, their current barriers, challenges to engage with the communities.
- Elaboration of the **full project proposal**, including other internal activities such as **Risk Assessments**, Revision of **tender documents**, Revision of the **monitoring and evaluation framework** (including project-level indicators and the development of a project monitoring protocol), and **translation** of key documents.

The activities above will help collect key information and data for the improvement of project elaboration. The above-mentioned studies and verification of information with key stakeholders are essential for the successful implementation of proposed project.

B. Description of Project Preparation Activities

Outputs and Activities

Month

(Please shade the implementation period from the starting month of the Output and Activity in the schedule. Please also indicate the month of completion of each deliverable with "X" in the corresponding cell)

(Please select Activity Areas ⁵ , activities, and deliverables as needed)	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
<p>Activity and deliverable 1:</p> <p>1. PPF activity area: Pre-feasibility, feasibility studies and project design</p> <p>1.1. Climate Feasibility Study that provides detailed understanding of the climate vulnerability of smallholders and coastal ecosystems to climate impacts, including sea level rise and associated risks in the three municipalities of Marajo in which the project will intervene. The study will help estimate projected climate impacts to smallholders and coastal ecosystems through up to date data collection to determine baseline scenario, research, site specific technical appraisals, climate risk assessments. In addition, modelling of climate scenarios will be included to determine concrete areas of intervention based on science in private and communal areas with the view to demonstrate the feasibility of climate resilient agroforestry based solutions long term. Such solutions include EBA solutions in order to counteract sea level rise and other foreseen climate change impacts in the three municipalities of Marajo region, ensuring that those new species and practices introduced will cope with the projected climate change. The study also includes an analysis of possible conservation/restoration activities and GHG reduction calculations during project implementation and the project's lifespan.</p> <p>Deliverables:</p> <p>1.1.1. Detailed climate feasibility study report in English</p> <p>1.1.2. Annex summary page with suggested climate indicators to measure the effectiveness of solutions proposed</p> <p>1.1.3. 5-pages summary report (One in English and One in Portuguese)</p> <p>1.1.4. PowerPoint presentation with up to 10 slides with study results</p> <p>1.1.5. Mapped models of climate scenarios, including its SW archives</p> <p>1.2. Socio-economic analysis, provide detailed analysis of the socio-economic factors of the target beneficiaries living in Soure, Salvaterra and Cachoeira do Arari in Marajo that may hinder or facilitate the effective implementation of the climate/EBA solutions under this project. In addition, the study will evaluate the proposed climate resilient agroforestry based solutions and its associated risks, including business plans, cost-benefit analysis of the solutions proposed, and estimates of economic balance of current food systems implemented in Marajo. It also</p>																									

⁵ The PPF can provide support within the following project preparation activity areas:

- i. Pre-feasibility and feasibility studies
- ii. Environmental, social and gender studies
- iii. Risk Assessments
- iv. Identification of programme and project level indicators

Other activities of direct relevance for Direct Access Entities that the PPF can support are as follows:

- v. Pre-contract services, including the revision of tender documents
- vi. Advisory services and/or other services to financially structure a proposed activity
- vii. Other project preparation activities, where necessary, and with sufficient justification

includes a market research with the identification of potential buyers, review market values, role of intermediaries, access requirements, product transformation needs and analysis of available markets within and outside Brazil to make agroforestry products more competitive. In addition, the study will look at behavioural aspects of smallholders to identify potential behavioral and cultural barriers for the effective implementation of climate resilient/EBA -based solutions. Finally, the study will also develop **Business Plans**, once the Socio-economic study is finalized, of the climate resilient agroforestry based solutions proposed by the climate feasibility study. The business plans will carefully assess local conditions and characteristics embedded in the Marajo region, to secure sustainability long-term, considering both the full-project implementation period (5 years) and through the total project lifespan (20 years).

Deliverables:

- 1.2.1. Detailed socio-economic study report in English, including business plans and the cost-benefit analysis for the climate resilient solutions
- 1.2.2. Annex summary page with suggested climate indicators related to socio-economic aspects to measure the effectiveness of solutions proposed
- 1.2.3. 5-pages summary report (One in English and One in Portuguese)
- 1.2.4. PowerPoint presentation with up to 10 slides with study results.

- 1.3. **Local policy study:** Map all relevant climate relevant policy instruments applicable to the three municipalities of Marajo in which the project seeks to intervene used for regulate coastal ecosystem management and planning as well as local agricultural practices. The study will help identify policy needs to increase opportunities for the effective regulation and implementation of adaptation solutions in the region. Avina' staff will implement this activity.

Deliverables:

- 1.3.1: A brief assessment containing all relevant public policy instruments mapped in the three municipalities of Marajo, including recommendations of policy instruments that could benefit from climate mainstreaming.

- 1.4. **Project proposal design:** Elaboration of final project proposal, including:

- Justifying the level of concessionality, the financial model, scalability and exit strategy.
- Leading and facilitating consultations for project strategy, priorities, key partners, and key barriers to success;
- Supporting completion of all background studies, ensuring they are appropriate in scope and provide required analyses in good quality;
- Elaboration of the Theory of Change (TOC) and its adequacy to reflect project impacts;

<ul style="list-style-type: none"> Revising the risk assessment. Developing a co-financing framework and the assessment of resources leveraging potential Writing the full proposal Preparing the budget. Elaborating project budget according to GCF Standards. Elaborate a protocol for local monitoring of project's activities. <p>Avina' staff will implement this activity.</p> <p>Deliverable: 1.4.1. Full Project proposal submitted to the GCF.</p>	
<p>Activity and deliverable 2:</p> <p>2. PPF activity area: Environmental, social and gender studies</p> <p>2.1. Updated gender assessment and gender plan will be required with information collected from field visits to the three municipalities of Marajo to ensure a comprehensive analysis on the issue. The analysis will be made based on new findings to strengthen entry points for gender-responsive actions to be taken under each of the project activities.</p> <p>Deliverables:</p> <p>2.1.1. Updated gender assessment in English.</p> <p>2.1.2. Annex summary page with suggested climate gender indicators to be used within the project for measuring the effectiveness of solutions proposed.</p> <p>2.1.3. Updated gender action plan in English.</p> <p>2.1.4. 5-pages summary report (One in English and One in Portuguese)</p> <p>2.1.5. PowerPoint presentation with up to 5 slides with main results.</p> <p>2.2. Stakeholder engagement plan will include engagement with local authorities at the Municipality, State, National and Sectorial level, with smallholders community leaders, local financial institutions, national and local government organizations, local representatives from the banking sector, private entities, civil society organizations (CSOs), academics or researchers, NGOs, employees, workers, subcontractors, suppliers, consultants, private sector market buyers and other relevant stakeholders. This activity includes field visits, meetings and workshops with potential stakeholders and beneficiaries. Avina' staff will implement this activity.</p> <p>Deliverables:</p> <p>2.2.1. Updated stakeholder engagement plan in English.</p> <p>2.3. Free Prior and Informed Consent process. Given that the project will take place in territories in which Quilombolas⁶ groups inhabit, it will be important to undertake an updated formal free prior and informed consultation process.</p>	

⁶ "Quilombola is an Afro-Brazilian resident of quilombo settlements first established by escaped slaves in Brazil, until slavery abolition in 1888. According to the elements expressed in the definition of Article 1.1.a. of Convention 169 of the ILO – International Labor Organization, the quilombola communities can be considered "tribal people", and therefore subject to the rights set forth in the Convention.

<p>Deliverable: 2.3.1. Updated FPIC process report with Quilombolas.</p>																								
<p>Activity and deliverable 3: 3. PPF activity area: Risk assessment 3.1. Identification and assessment of potential executing entities for the implementation of the funding Proposal. Since the Marajo Territory is very remote and Fundación Avina has no office nearby, it will be necessary to identify potential organizations that have strong capacities to partially execute activities on site. Such assessment includes an evaluation of the type of policies the entity has, their alignment with GCF policies and capacity to adhere to GCF policies. There are very few Brazilian organizations with installed capacities to undertake such a task, therefore, it is important to make a thorough assessment of potential executing partners. Avina´ staff will implement this activity. Deliverable: 3.1.1. Assessment report of capacities of executing entities.</p>																								
<p>Activity and deliverable 4: 4. PPF activity area: Identification of programme/project level indicators 4.1. Updated monitoring and evaluation project’s system, including the Identification & measurement of GCF core indicators relevant to the project; providing means of verification of expected results quantified against each indicator; Framework for monitoring and measurement of the output and impacts to report progress; Update logical framework with SMART indicators. Avina´ staff will implement this activity. Deliverable: 4.1.1. Updated monitoring and evaluation framework annex report.</p>																								
<p>Activity and deliverable 5: 5. PPF activity area: Pre-contract services, including the revision of tender documents 5.1. Elaboration of tender documents, including Terms of Reference (TOR) for key consultancy services to be procured. Request for Proposals, Expression of Interests of key stakeholders including government offices and market representatives. Avina staff will implement this activity. Deliverable: 5.1.1. ToRs for services and consultants to be procured under the project.</p>																								
<p>Activity and deliverable 6: 6. PPF activity area: Advisory services and/or other services to financially structure a proposed activity 6.1. Financial Feasibility study for adequate financial instruments for supporting smallholder’s climate-resilient solutions while providing sustainability for the project long-term. Considering proposed smallholders’ solutions will</p>																								

<p>need a longer approach than the project's timeframe, a financial assessment for the long term and exit strategy of the project will be needed. This study will include: an assessment of existing financial instruments and services deployed by local banks in Marajo, a risk management assessment for local financial institutions interested in supporting climate resilient adaptation solutions, an evaluation of financial capacities of local smallholders to opt for financial instruments. The assessment will also study ways to unlock access to public and private finance for smallholders in Marajo. Considering this financial long-term evaluation, the assessment will also propose a financial strategy for project implementation in light of financial actors involved and its business model.</p> <p>Deliverable:</p> <ul style="list-style-type: none"> 6.1.1. Detailed financial feasibility recommendations for the most appropriate financial model for smallholders in Marajo in English 6.1.2. 5-pages summary report (One in English and One in Portuguese) 6.1.3. PowerPoint presentation with up to 5 slides with study results 	
<p>Activity and deliverable 7:</p> <p>7. PPF activity area: Other project preparation activities</p> <p>7.1. Translation of key documents Portuguese/English: Tender documents, agreements, support letters and other relevant reports need to support the preparation of the full funding proposal. Given the area in which the project will take place and the fact that Portuguese is spoken in Brazil, it is necessary to have documents in both English and Portuguese.</p> <p>Deliverable:</p> <ul style="list-style-type: none"> 7.1.1. Annex documents translated. 	
<p>Estimated time for submission corresponding full Funding Proposal to the GCF March 2022⁷</p>	X

C. Justification of the Project Preparation Request

Fundación Avina is a regional direct access entity operating in Latin America. Fundación Avina submitted the afore mentioned project proposal for GCF consideration. However, based on GCF recommendations, it was suggested that the proposal could benefit from more detailed background information, including vulnerability and risk assessments of smallholders and coastal ecosystems of Marajo; demonstrate the feasibility of products and species introduced, in light of climate impacts; identify the most appropriate financial model for local smallholders and local financial institutions to scale up climate finance long-term. It was suggested to overall strengthen the business model of proposed interventions with the view to scale up the solution proposed, secure the financial sustainability as well as to evidence support from key stakeholders in Marajo (local government involvement, private sector engagement and financial institutions).

In addition, the location in which the project will intervene is in a very remote area of the Brazilian Amazon in Marajo, requiring substantive efforts for the mobilization of technical expertise. This region has a GDP per capita less than half of the state average (about US\$ 2,100/yr. in comparison to US\$ 4,400/yr.) and communities are among the poorest in Brazil, making them highly vulnerable to the impacts of climate change. For the development of a full funding proposal, Fundación Avina must spend significant

⁷ It is estimated that the PPF will begin in July 2020. Therefore, we expect to submit the full proposal 12 months later at most.

amount of resources and time and given its size and nature, while it has limited technical and human capacities to carry out all the necessary work. In addition, the government of Brazil endorses the development of this project; however, they do not have resources envisioned for its development. Travel logistics to visit Marajo are also difficult, expensive and time consuming. In order to make the necessary assessments and arrangements with stakeholders, Fundación Avina would require mobilizing resources and allocating budget that the institution does not have at this moment. In the absence of a project preparation fund, without PPF support, some of these activities could remain flawed and weak.

The expertise involved in the activities mentioned in the deliverables are very specific and involve Avina staff, and local and international consultants, in order to deliver a robust analysis of the viability and sustainability of project interventions. Particularly there is a need of a comprehensive financial mechanism for supporting climate resilient agroforestry based solutions, which will be key for assuring the project's sustainability on the long run. Besides, the stakeholder engagement during the PPF aims to enable the collaborative project's elaboration with local governments and the local financial institution, who will be also determinant during project's phase-out.

The PPF funding from the GCF will allow Fundación Avina to make an accurate project design, identify and maximize the potential impact and address some of the barriers for implementation.

D. Implementation Arrangement

Fundación Avina will manage PPF funds, directly execute part of the PPF technical activities with in-house capacity; procure services and supervise all those activities and products that require outside services to secure the overall compliance with Fundación Avina's policies and GCF procedures and rules. A separate project manager will be appointed to provide oversight to the PPF implementation or additional charges will be conferred upon an existing official. The ToRs for activities that would require services to be procured in this PPF are provided as a separate document.

Consultancies and services to be procured according to Fundación Avina's policies:

For all services required to be procured under this project, the following rules are applied:

5.1. Contracts for Services and Equipment

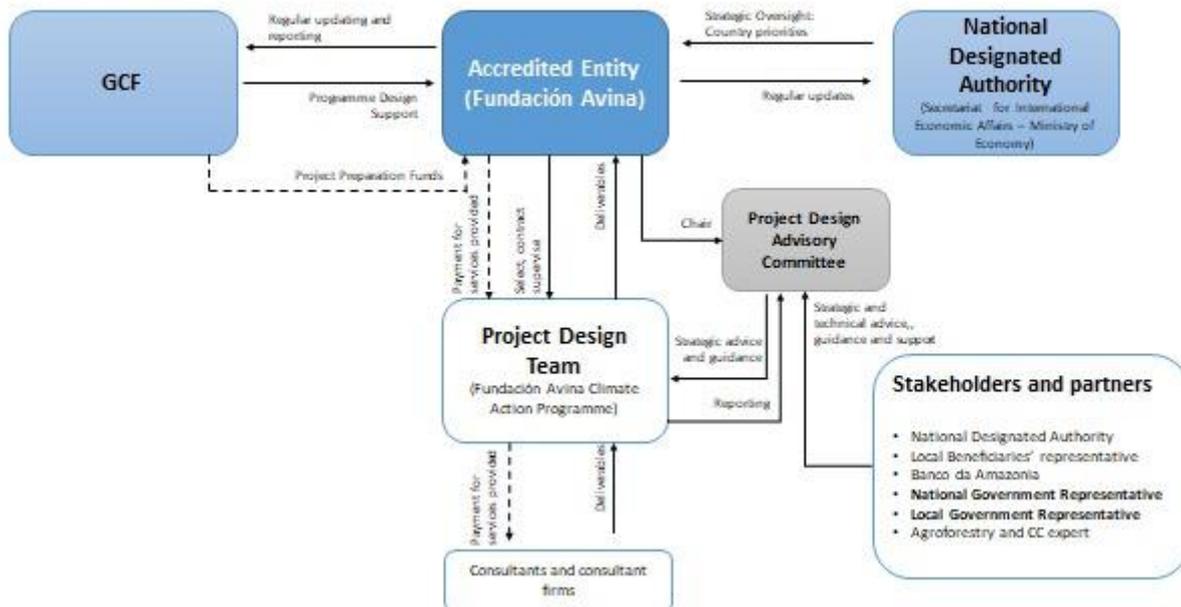
Contracts and Purchases for Social Investments / In-kind Donations		
Approval according to each Unit's Approval Matrix. Contracts and purchases are included in the budget for partnerships with each Co-Investor.		
Contracts for Services/Travel, transportation, rental, translation, materials	Direct Purchase	Under \$3,000 USD Evaluation of best options for pricing, but it is not necessary to record the search process or proposals in the CRM Quote and Invoice
	Best Quality and Cost Selection	Over \$3,000 USD Evaluation 3 proposals from different providers (include the price comparison process for the investment in the CRM) Contract or Purchase Order (where applicable). Invoice
	In all cases, contracts for travel services will be made through a travel agency and will require the invoice or proof of payment including the travel description and passenger name.	
Purchases of Equipment or Machinery	Direct Purchase	Under \$3,000 USD Evaluation of best options for pricing, but it is not necessary to record the search process or proposals in the CRM Quote and Invoice
	Best Quality and Cost Selection /Guarantee/Technical Service	Over \$3,000 USD Evaluation 3 proposals from different providers (include the price comparison process for the investment in the CRM) Contract or Purchase Order (where applicable). Invoice

In the case of consultancies services needed for the design of the project, the rules below will be applied in order to select the best available services.

Contracts or purchases for Social Investments/In-kind Donations		
Approval according to the Approval Matrix for each Unit. Contracts or acquisitions included in the budget for the partnerships with each Co-Investor.		
Consultancies	Direct Contract	Amounts under \$5,000 USD Consultancies less than three months in duration Contract with individual Consultants require elaboration of document justifying the Direct Contract signed by the Manager of the Operational Unit Contract Renewal, an annual control of prices will be established with other providers in the same category
	Talent Bank Policy	Amounts over \$5,000 USD Development of TDR Consult Talent Bank to open a call Legal Support for Consulting Contract and Confidentiality Agreement Approval by Area Director and Manager of Talent Management

Implementation arrangements

Implementation Map



The overall management and implementation of the PPF will be carried out by Fundación Avina, and its role will be to:

- Ensure overall project management, reporting and monitoring in accordance with GCF standards and procedures;
- Promote Monitoring and Evaluation measures and manage identified risks;
- Ensure executing entities and contractors adhere to GCF policies and rules, in particular the Environmental and Social Safeguards and Gender Plan during project implementation.
- Organize meetings with local stakeholders, NDA and sectorial representatives throughout the implementation of this project.
- Facilitate communication, reporting and networking among key stakeholders, project beneficiaries, executing entities, contractors;
- Supervise all project staff;
- Ensure that all key and relevant stakeholders are engaged and involved with the project;
- Negotiate contracting terms and performance measures in accordance with the GCF, including legal and contractual agreements.

- Design the overall project proposal and submit it to the GCF for funding consideration.

Besides the administration roles, Fundación Avina will also play as an executing entity, ensuring that the project is fully managed and implemented in accordance with its objective, producing the results, delivering outputs and providing reporting and monitoring as specified in the project document, to the required standard of quality and within the specified constraints of time and costs. Fundación Avina will be the main executor of the project and hence, it will hire the necessary national and international expertise as needed to implement all activities under this proposal.

Full disclosure of PPF outputs

Fundación Avina will ensure full disclosure of the PPF outputs in its website <https://www.avina.net/en/green-climate-fund/> to ensure it is publicly available for use by relevant actors in the country.

Fundacion Avina shall implement the Project Preparation Activities with the goal of submitting a funding proposal for approval by the Board within 2 years of the approval of the Project Preparation Funding Application. Fundacion Avina shall notify the Fund as soon as it has reasons to believe that a submission within this timeframe may not be possible.

E. Budget⁸ Details and Disbursement Schedule

Disbursement and Reporting Schedule:⁹

Budget details have been withdrawn for confidentiality purposes.

	Total Amount	1st Tranche	Final Tranche
Disbursement amount	492,733	443459	49273
Disbursement %	-	90%	10%
Reporting Schedule to GCF:			
	Month 01-Month 06	Within 12 th Month	
	Interim Progress Report	Completion report & Financial Report	

For reporting purpose, Fundacion Avina will submit all deliverables of proposed project preparation activities and a draft Funding Proposal of the underlying project together with the completion report for this PPF application

First Tranche: 90% of total grant, which equates to USD 443459 (US Dollars) only, will be disbursed upon or after effectiveness of the Grant Agreement and upon fulfilment of the disbursement conditions specified in the Grant Agreement and Standard Conditions.

Final Tranche: 10% of total grant, which equates to USD 49273 (US Dollars), will be transferred upon submission of a project completion report including an Audited Financial report. Submission of a completion and audit report will be furnished no later than three (3) months after the completion of the PPF Support.

⁸ “Sub-total cost” must be provided for each activity, and broken down by the “cost categories” (e.g. Consultants, Travel, Equipment, Training & workshops, others). Please provide sufficient breakdown of costs to enable effective review.

⁹ For PPF requests of 12 months or less. 80, 67% of the overall budget can be disbursed upon effectiveness of the signed funding agreement, with a 19.33% final payment upon approval of the final substantial and audited financial report. A progress report is required every 6 months during the PPF implementation period and this report should include all deliverables scheduled to be completed within this period.

Simplified Approval Process Funding Proposal

Project/Programme title:	Enhancing resilience of smallholders and ecosystems to climate change impacts through adapting and scaling up land/resources used systems in the Marajo Archipelago in Brazil.
Country(ies):	<u>Brazil</u>
National Designated Authority(ies):	MF – SAIN
Accredited Entity:	Fundación Avina
Date of first submission:	<u>2018-12-18</u>
Date of current submission/ version number	<u>2020-10-6</u> [V.05]
If available, indicate GCF code:	<i><u>This code is assigned to each project upon first submission of a Concept Note or Funding Proposal and remains the same throughout the proposal review process. If you have submitted this project/programme previously please indicate the GCF code here.</u></i>



Contents

Section A **PROJECT / PROGRAMME SUMMARY**

This section highlights some of the project's or programme's information for ease of access and concise explanation of the funding proposal.

Section B **PROJECT / PROGRAMME DETAILS**

This section focuses on describing the context of the project/programme, providing details of the project/programme including components, outputs and activities, and implementation arrangements.

Section C **FINANCING INFORMATION**

This section explains the financial instrument(s) and amount of funding requested from the GCF as well as co-financing leveraged for the project/programme. It also includes justification for requesting GCF funding and exit strategy.

Section D **LOGIC FRAMEWORK, AND MONITORING, REPORTING AND EVALUATION**

This section includes the logic framework for the project/programme in accordance with the GCF Results Management Framework and Performance Measurement Framework, and gives an overview of the monitoring, reporting and evaluation arrangements for the proposed project/programme.

Section E **EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA**

This section provides an overview of the expected alignment of the projects/programme with the GCF investment criteria: impact potential, paradigm shift, sustainable development, needs of recipients, country ownership, and efficiency and effectiveness.

Section F **ANNEXES**

This section provides a list of mandatory documents that should be submitted with the funding proposal as well as optional documents and references as deemed necessary to supplement the information provided in the funding proposal.

Note to accredited entities on the use of the SAP funding proposal template

- The Simplified Approval Process Pilot Scheme (SAP) supports projects and programmes with a GCF contribution of up to USD 10 million with minimal to no environmental and social risks. Projects and programmes are eligible for SAP if they are ready for scaling up and have the potential for transformation, promoting a paradigm shift to low-emission and climate-resilient development.
- This template is for the SAP funding proposals and is different from the funding proposal template under the standard project and programme cycle. Distinctive features of the SAP funding proposal template are:
 - *Simpler documents*: key documents have been simplified, and presented in a single, up-front list;
 - *Fewer pages*: A shorter form with significantly fewer pages. The total length of funding proposals should **not exceed 20 pages**;
 - *Easier form-filling*: fewer questions and clearer guidance allows more concise and succinct responses for each sub-section, avoiding duplication of information.
- Accredited entities can either directly incorporate information into this proposal, or provide summary information in the proposal with cross-reference to other funding proposal documents such as project appraisal document, pre-feasibility studies, term sheet, legal due diligence report, etc.
- Submitted SAP Pilot Scheme funding proposals will be disclosed simultaneously with submission to the Board, subject to the redaction of any information which may not be disclosed pursuant to the [GCF Information Disclosure Policy](#).

Please submit the completed form to:

fundingproposal@gcfund.org

Please use the following name convention for the file name:

“SAP-FP-[Accredited Entity Short Name]-[yyymmdd]”

A. PROJECT/PROGRAMME SUMMARY			
A.1. Has this FP been submitted as a SAP CN before?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
A.2. Is the Environmental and Social Safeguards Category C or I-3?		Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
A.3. Project or programme	<i>Indicate whether this FP refers to a combination of several projects (programme) or one project.</i> <input checked="" type="checkbox"/> Project <input type="checkbox"/> Programme	A.4. Public or private sector	<input checked="" type="checkbox"/> Public sector <input type="checkbox"/> Private sector
A.5. Result area(s)	<i>Indicate the result areas for the project/programme.</i> Mitigation: Reduced emissions from: <input type="checkbox"/> Energy access and power generation <input type="checkbox"/> Low emission transport <input type="checkbox"/> Buildings, cities and industries and appliances <input type="checkbox"/> Forestry and land use Adaptation: Increased resilience of: <input checked="" type="checkbox"/> Most vulnerable people and communities, including women and girls <input checked="" type="checkbox"/> Health and well-being, and food and water security <input type="checkbox"/> Infrastructure and built environment <input checked="" type="checkbox"/> Ecosystem and ecosystem services		
A.6. Total investment (GCF + co-finance)	8,134,036 (USD)	A.7. Total GCF funding requested	7,678,301 (USD)
A.8. Type of financial instrument requested for the GCF funding	<i>Mark all that apply.</i> <input checked="" type="checkbox"/> Grant <input type="checkbox"/> Loan ¹ <input type="checkbox"/> Equity <input type="checkbox"/> Guarantees <input type="checkbox"/> Others:		
A.9. Division of GCF funding by thematic funding window (if applicable)	_____ USD or _____ % Mitigation USD or <u>100 % Adaptation</u>		
A.10. Implementation period	5 years		
A.11. Total project/programme lifespan	30 years	A.12. Expected date of internal approval	11/25/2021
A.13. Executing Entity information	Fundación Avina is a regional direct access entity, operating throughout Latin America and supporting Latin American countries to access climate finance. Fundación Avina will be the executing entity of this project and hence procure the necessary services to implement all activities under this proposal.		
A.14. Scalability and potential for transformation (Eligibility for SAP, max. 50 words)			
The project seeks to enhance resilience of smallholders in Marajo through the implementation and scaling up of climate resilient diversified agroforestry systems that have proven to be an efficient local response to droughts, floods, salinization and sea level rise, caused by climate change. Activities will also result in an increasing production of climate-resilient non-timber forest products (NTFP) and enhanced access to markets and finance.			
A.15. Project/Programme rationale, objectives and approach (max. 250 words)			
Smallholders in Marajo face adverse climate change impacts such as increasing droughts, erosion, flooding, and crop loss or damage, among other problems, due to sea level rise, extreme heat and changing rainfall patterns, which affect their food production and livelihoods ² , making them very vulnerable to climate change ³ .			

¹ Senior loans and subordinated loans.

² Marengo J.A., Nobre C.A., Tomasella J., Oyama M.D., Sampaio G., Oliveira R., et al., The Drought of Amazonia in 2005, J. Climate, 2008, 21, 495–516 and INPE, Riscos das Mudancas Climaticas no Brasil, Projeto colaborativo realizado pelo Centro de Ciencia do Sistema Terrestre (CCST) do Instituto Nacional de Pesquisas Espaciais (INPE) do Brasil e o Met Office Hadley Centre (MOHC) do Reino Unido, 2011.

³ See annex 13

Increasingly, smallholders that depend on agroforestry and agriculture are exposed to extreme climate variability⁴. Climate disturbance has caused significant economic losses for smallholders⁵ and is disrupting markets across the archipelago as well as becoming a threat to the biodiversity and environment they depend on. If no adaptation measures are in place and a scenario of 2 meters sea level rise takes place⁶, mayor impacts are estimated for Marajo, such as loss of land, affecting people’s livelihoods in particular access to food, housing and work. These conditions could lead people to migrate if effective adaptation measures are not implemented.

Some Marajo’s smallholders have overcome the continuous loss of their agricultural production to floods and severe storms by engaging in market oriented agroforestry and subsistence agriculture⁷. The household income of these low-income Marajo residents is increasingly relying on the production and marketing of açai and other agroforestry products, while cassava, corn and other products are geared for household consumption in subsistence agriculture. Other smallholders, however, continue to produce under the conventional monoculture model and are seeing their income and products increasingly affected by climate and market fluctuations⁸. Among the 15 multi-products and multi-functional agroforestry systems documented in Marajo Island and neighboring areas in the Amazon Delta, scientific research shows that four were found to be more adapted and economically profitable (see Figure 1 below)⁹. All four agroforestry systems have direct climate, environmental and economic benefits that enhance smallholders’ capacity to adapt to the challenges and opportunities brought by sea level rise and climate change¹⁰. Nevertheless, large-scale engagement of smallholders in the implementation of such systems has not yet been achieved throughout the island.

Agroforest systems	Functions	Benefits
Root based agroforest (RBAs)	Mitigate and regulate the effects of tidal and river floods as well as sea water incursion	Desalinization, erosion control, wave breaks, control strong river currents and sedimentation
Umbrella based agroforest (UBAs)	Mitigate and regulate the effects of severe wind and rainstorms	Secure annual or seasonal production of fruits and other products, reduce risk of damages from felling trees
Shade based agroforestry (SBAs)	Mitigate and regulate the effects of hit waves and dry spells	Protect pollinators and pollination of açai and other market value fruits, reduce soil compaction
Cluster based agroforest (CBAs)	Mitigate and regulate the effects of droughts	Maintain water pools to provide fresh water and refuge for fish and wildlife

Table 1: Miguel Pinedo Vasquez collected the above information based on five-land use surveys conducted in 1995, 2005 and 2015 in the municipalities of Abaetetuba, Afuá and Chaves (PLEC, United Nations University 2016). CIFOR

The main barriers that hinder the effective, suitable, large-scale implementation of these local, nature-based solutions implementation at large scale are:

- I) Limited adaptive capacities and high climate sensitivity

Smallholders in Marajo have limited capacities to effectively adapt to the impacts of climate change at the same time that they have high climate sensitivity¹¹. They depend on rain-fed crops¹² for securing their livelihoods, which are climate-dependent and affected by changes in precipitation patterns, altering crop yields and fisheries, and thus affecting food security and leading to loss of production and loss of income. Excessive rainfall and droughts increase production risks as well as crop disease or loss (Açaizal systems for example) and affect changes in

⁴ Local ecological knowledge and incremental adaptation to changing flood patterns in the Amazon delta. Vogt et al 2016. The changes seen are in rainfall patters, with increased intensity of storms and extensive drought periods, and changes in flood patterns, with increased salinization and erosion of agricultural fields. The river level and the amplitude of tidal flood vary broadly between aguas de inverno (high-water-level season broadly occurring between February and April) and aguas de verão (lower-water-level season broadly occurring between July and November), where there is approximately 1 meter difference in average river level. In recent years, aguas de verão are higher and with greater amplitude, with varzea alta now often flooding 4–8 times across 2–4 days rather than 2–6 times across 1–3 days. Accessible at: Vogt et al. 2016. Local ecological knowledge and incremental adaptation to changing flood patterns in the Amazon delta. Accesible at this [link](https://www.dropbox.com/s/zu994yknyq7b0ia/Vogt%20et%20al%202016%20%28002%29.pdf?dl=0): <https://www.dropbox.com/s/zu994yknyq7b0ia/Vogt%20et%20al%202016%20%28002%29.pdf?dl=0>

⁵ Marengo J.A., Nobre C.A., Tomasella J., Oyama M.D., Sampaio G., Oliveira R., et al., The Drought of Amazonia in 2005, J. Climate, 2008, 21, 495–516 and INPE, Riscos das Mudancas Climaticas no Brasil, Projeto colaborativo realizado pelo Centro de Ciencia do Sistema Terrestre (CCST) do Instituto Nacional de Pesquisas Espaciais (INPE) do Brasil e o Met Office Hadley Centre (MOHC) do Reino Unido, 2011.

⁶ See Annex 13

⁷ Figure 6, Annex 13 and Local ecological knowledge and incremental adaptation to changing flood patterns in the Amazon delta (Vogt et al. 2016).

⁸ Detailed data will be collected during the PPF phase.

⁹ Local ecological knowledge and incremental adaptation to changing flood patterns in the Amazon delta (Vogt et al. 2016).

¹⁰ Figure 7, Annex 13. Adapted from Local ecological knowledge and incremental adaptation to changing flood patterns in the Amazon delta (Vogt et al. 2016).

¹¹ Vulnerability is typically defined as a function of exposure, sensitivity, and adaptive capacity. Smallholders in Marajo are highly exposed to climate change impacts.

¹² For more details, see annex 13.

fish stocks. In addition, communities in Marajo are one of the poorest in Brazil. Their socio-economic situation makes them less capable to respond and more vulnerable to the impacts of climate change.

II) Lack of relevant climate information

Limited information on climate related impacts in Marajo is available for decision-making. Although some smallholders are aware of climate impacts in their food production and livelihoods as described multiple times during interviews conducted with local stakeholders during the project design, up to date climate specific information needs to be provided to smallholders to increase their understanding on risks and opportunities. In addition, information on feasible adaptation solutions such as climate resilient diversified agroforestry systems and options to increase resilience needs to be wider spread and included within local public policies.

III) Risky perception of the smallholders by financial institutions to catalyze investment.

Smallholders in Marajo face many barriers to access public or private finance to support their subsistence and commercial production through nature-based adaptation solutions (based on forest resources). Financial services and products like loans, guarantees are inexistent for the region, and financial capacities of smallholders haven't been analyzed, in particular their repayment capacities. The GCF can play a catalytic role in reducing risks associated with investing in small-scale adaptation measures by providing seed funding to strengthen financial capacities of smallholders to access micro credits (in particular women) and to create the enabling conditions for the development of micro finance services and products through local financial institutions interested in supporting adaptation solutions and resilient economies.

IV) Insufficient technical capacity to successfully implement sustainable diversified agroforestry systems

To date, smallholders have limited technical capacities in place in Marajo for adopting climate resilient diversified agroforestry systems despite the demonstrated multiple benefits these systems have in reducing climate risks, providing ecosystem services, increasing food production and their potential contribution to CO2 reduction. For example, one of the most important NTFP is açai. For açai production, the current practices opt for monoculture, which is very vulnerable to the impacts of climate change. The project will promote açai production as part of an integrated, diversified system that brings multiple environmental services, in which other species and products can also be grown and climate impacts can be tackled (through Açaizales "systems integrating açai in Portuguese" which are integrated systems that cannot be dissociated.

V) The role of land tenure¹³

The land tenure system in Brazil and in particular in the Amazon region is very complex given the size of the rainforest, the settlement history and conflicting interests. Some of these areas were distributed among smallholders, granting them the right to use the land but not property titles. Uncertainty about ownership is a particular issue among Quilombolas¹⁴ in Salvaterra¹⁵. A combination of existing private and collective legal regimens have provided security to land tenure for families and communities, particularly of quilombola communities. Since this is a barrier that can only be addressed by Brazilian authorities and that will require further work outside the scope of the proposal, the project will only work with smallholders that have land ownership or demonstrated right¹⁶ to use common land.

V) Insufficient access to markets

Smallholders in Marajo face enormous difficulties to meet market needs. Climate change is affecting their current food production, which makes them unreliable when committing to deliver specific amounts of products to existing markets. The logistics to move food production are also a challenge in Marajo given the distance and geography of the archipelago. In addition, climate variability plays an important role in determining whether an activity can be done or not in a certain period as further explained in Annex 13. In addition, the fact that many smallholders are unable to access financial products and services from local financial institutions to support their production to either increase their production or facilitate transportation, makes them more vulnerable to climate change and less capable of accessing markets. Annex 13 presents information on the variability of income based on market distance. The further the market, the higher the price, and this price increase stays with intermediaries¹⁷, not with the producers who are actually directly suffering the climate change effects.

Project rationale

The project aims to increase adaptive capacities of smallholders through access to climate relevant information to better understand risks and opportunities; promote and upscale climate resilient diversified agroforestry systems, to better cope with shocks and stresses triggered by climate change on both subsistence and commercial agriculture forest products; improve local planning instruments for climate-resilient resource management; enhance capacities of smallholders to access to markets for climate-resilient NTFP products; increase smallholder's financial capacities to support adaptation solutions in the long-run and strengthen enabling conditions for local financial institutions to deploy financial services and products.

Activities will be implemented in the three most populated municipalities¹⁸ in the Marajo Archipelago, with the following objectives:

- a) Promote stronger local governance and enabling conditions to increase local adaptive capacities to respond and recover from climate disturbances.

- b) Adapt and upscale climate resilient diversified agroforestry systems to diversify household incomes and boost environmental services to enhance smallholders' resilience to drought, severe rainstorms, floods and other disturbances produced by climate change.
- c) Increase adaptive capacity and reduce the climate vulnerability of local smallholder's livelihoods through access to markets and finance.

The solution proposed will implement climate resilient diversified agroforestry systems throughout the three municipalities of Marajo. Figure 1, shows the different functions and benefits in climate vulnerability reduction derived from implementing such systems.

The project is seeking grant support from the GCF given that the beneficiaries are a highly vulnerable group¹⁹ that has developed autonomous adaptation solutions in the western part of Marajo and with the project's support, the local knowledge will be taken to the eastern part of the island. Such practices and learning opportunities could serve as examples to other vulnerable communities in Brazil and other countries in the region dealing with similar climate threats. This could change the paradigm of millions of people, from vulnerability and dependence on government subsidies to self-reliance and resilience via community-driven, locally developed solutions. The Marajo region concentrates some of the lowest human development indexes all over Brazil so the need of the recipients is clearly established. In addition, climate finance has been historically targeted to mitigation activities in Brazil¹, despite the increasing need to support vulnerable communities living in the Amazon Region. Furthermore, Fundación Avina is a regional direct access entity, accredited to only access and provide grants from the GCF.

¹³ Land tenure for traditional and indigenous people in Brazil is ruled by the Convention 160 from the ILO - International Labor Organization, and was enacted by the Decree nr. 5051, of April 19th 2004, and approved by the legislative decree nr. 143, of June 20 2002. It recognizes the right to tenure and property, and stipulates measures for these rights. For more information, see Annex 13.

¹⁴ A quilombola is an Afro-Brazilian resident of quilombo settlements first established by escaped slaves in Brazil. They are the descendants of Afro-Brazilian slaves who escaped from slave plantations that existed in Brazil until abolition in 1888.

¹⁵For more information see Annex 13

¹⁶ A procedure for demonstrating land tenure reflecting agrarian requirements as well as community-based rules will be defined during the final proposal.

¹⁷ The PPF will further explore the situation of intermediaries in order to provide a feasible solution to address this particular barrier.

¹⁸ Cachoeira do Arari, Salvaterra and Soure.

¹⁹ Beneficiaries include Quilombolas smallholders living in the Municipality of Salvaterra.

B. PROJECT/PROGRAMME DETAILS

B.1. Context and baseline (max. 500 words)

The **Archipelago of Marajo** is the largest fluvial-marine archipelago in the world, with about three thousand islands and islets, encompassing a terrestrial area of approximately 68,000 km², located in the northeast of Pará state, in the delta of the Amazonas and Tocantins rivers, in Brazil. Marajo is already facing the impacts of climate change.

According to recent IPCC research, the increase in global mean surface temperature (GMST), which reached 0.87°C in Brazil, in 2006–2015 relative to 1850–1900, has increased the frequency and magnitude of impacts affecting natural and human systems. Droughts are occurring in regions bordering the Amazon region, due to natural variability and enhanced greenhouse gas forcing. A regional change over Amazon climate is already perceived²⁰, with drastic reduction on evapotranspiration, changes in rains dynamics and prolongation of the dry season²¹.

Between 60 and 90% of the communities living in the Amazon Delta and Estuary – especially in Marajo - are exposed to flood hazards, due the combination of extreme floods; longer and warmer dry seasons already happening and expected in the next 30 years²². Smallholders in these communities are highly dependent on fishing and farming at a small scale. The IPCC states that risks of impacts and decreasing food security are projected to become greater as global warming reaches beyond 1.5°C and both ocean warming and acidification increase, with substantial losses likely for coastal resources. Forest removal is also affecting Marajo. Approximately 40% of original forest removal at the biome level may trigger a large-scale transition to the “savanization” of Amazon, caused by a reduction in precipitation, especially in eastern Amazon (where Marajo is located). Combined with climate change, deforestation could cause a warming of more than 4 °C and rainfall from July to November could decrease by up to 40%. The vegetation would change towards a species composition more adapted to the new drier conditions²³, bringing additional risks to traditional livelihoods dependent on forest-based products (wood, fruits, seeds, latex)²⁴.

Smallholders in Marajo are very vulnerable to climate change impacts, because they live in areas that are highly exposed to climate risks and have limited access to services and other resources, which reflects in low capacity to respond to severe weather conditions and other climate related changes²⁵. Additional vulnerability factors reported by the pre-feasibility study prepared for this proposal include: 1) changes in rainfall regime and streamflow, 2) sea level rise due to climate change; and 3) the predominant low human development conditions in the region²⁶. The coastal areas of Marajo Archipelago are very unstable and exposed to high levels of erosion due to sea level rise²⁷. Approximately 40% of Marajo’s residents are living on marginal and highly vulnerable lands and their livelihoods are under permanent risks of severe floods, droughts, severe storms and salinization of agricultural soil and aquifers. An increase in the frequency of unusually strong tidal floods (locally known as *lançantes*) is already producing major damages to agriculture. Moreover, models have shown scenarios with flooding higher than 2m would result in the submersion of around 28% of the land of the Marajo Archipelago^{28,29}. Other expected impacts include loss of fishing grounds, infrastructure, and reduced access to drinking water.

In addition to the climate risks stated above, the Marajo region has a GDP per capita less than half of the state average (about US\$ 2,100/yr. in comparison to US\$ 4,400/yr.) communities are among the poorest in Brazil, making them highly vulnerable to the impacts of climate change. Smallholders have limited economic, social and technical capacities, which affect their ability to maintain and improve subsistence and commercial production of forest resources (açai production, etc.). For example, as they do not meet basic requirements to access loans from domestic banks, smallholders suffer from restricted access to finance, which hinders their economic alternatives and possibilities to improve product value chains. These aspects combined undermine efforts to increase resilience of livelihoods and possibilities to diversify economic opportunities in light of climate change.

²⁰ Data registered in the IPCC report from 2007a. the temperature increase estimate is 0.64 °C

²¹ SHUKLA et al, 1990

²² Mansur et al., 2016

²³ NOBRE, 2014.

²⁴ More detailed information on Climate change impacts can be found on Annex 13.

²⁵ MARENGO, 2011

²⁶ The Marajó archipelago region concentrates some of less developed municipalities in Brazil, and is truly one of pockets of poverty of Pará state, with three counties among the lowest Human Development Indexes in Brazil.

²⁷ Vogt et al. 2016. Local ecological knowledge and incremental adaptation to changing flood patterns in the Amazon delta

²⁸ <http://noticias.terra.com.br/ciencia/interna/0,,O1960209-E1299,00-Aquecimento+global+ameca+a+Ilha+de+Marajo+no+PA.html>

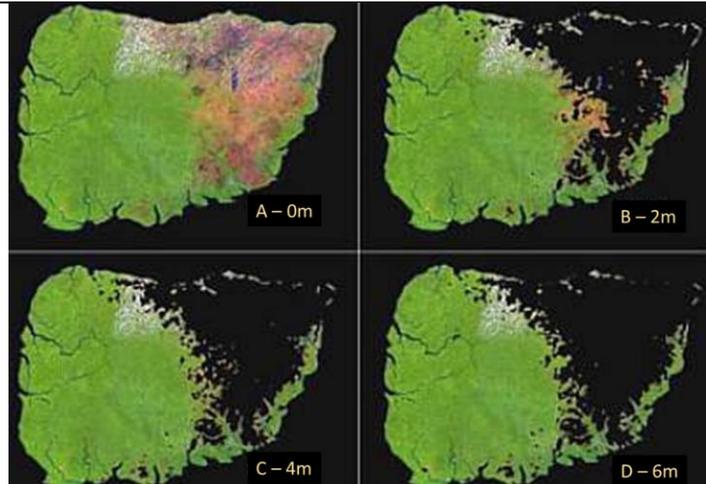


Figure: Pictures A, B, C and D: Current situation (A: 2006) and potential submersion of portions of Marajo Island by simulated sea level rise (B: 2 meters elevation; C: 4 meters elevation; D: 6 meters elevation). Adapted from TERRA (2006).

Smallholders in the different municipalities in Marajo primarily work with the production, management, processing and marketing of several agroforestry, forest and aquatic resources³⁰. Increasingly, agroforestry and forest products are becoming an important source of income for Marajo's residents, with products such as açai fruit becoming regional, national and global commodities³¹. The açai represents about 25% of the total production within Pará state (the biggest producer in Brazil)³². In the case of Marajo, **the current food production system is under threat** due to **seawater incursion and salinization of soils** caused by sea level rise. Smallholders will be affected by the diminishing productivity of their lands. On açai production, the current practices favor monoculture, which is very vulnerable to the impacts of climate change. Açai production needs to be promoted as part of an integrated, diversified system that brings multiple environmental services, in which other species and products can also be grown and climate impacts can be tackled (through Açazales "systems integrating açai in Portuguese" which are integrated systems that cannot be dissociated).

Subsistence agriculture plays an important role in food security, but less on income security for smallholders. While Marajo's smallholders are successful at managing risk and vulnerability to tidal and rain floods by engaging in subsistence agriculture production using the *canteiro* system³³, they are still in disadvantage to compete with agriculture products from the South of Brazil and are supplying the local urban markets. On the other hand, agroforestry products such as açai, bacuri, taperebá and others have none or very limited competition in the local, regional and international markets³⁴. Currently, there is an ideal condition for upscaling the production, processing and marketing of açai and other products resulting from climate resilient diversified agroforestry systems.

Resilience/adaptation challenges. Smallholders have consistently dealt with environmental variability and change in Marajo, which has led to the development of valuable local adaptation responses and valuable local adaptation knowledge. Smallholders in Marajo are highly adapted to seasonal changes. However, they are less able to adapt to extreme changes, which is why capacity building and technical support is needed. It is important to highlight that increase in adaptive capacity does not automatically result in actions to reduce vulnerability³⁵. These are highly dependent on other factors such as technological, financial, behavioral, cognitive, and socio-cultural. Thus, receiving additional and adequate support is crucial to fully address vulnerability levels in Marajo.

Area of intervention

³⁰ IBGE, Agricultural Census 2006. Agricultural Data-base SIDRA, Instituto Brasileiro de Geografia e Estatística, 2006. Accessible at: <https://cidades.ibge.gov.br/>. See also http://www.seplan.pa.gov.br/sites/default/files/PDF/ppa/ppa2016-2019/pdrs_marajo.pdf

³¹ In this region non-timber products such as (açai, cupuaçu, taperebá and others) are increasingly becoming the main source of household income for smallholders. Agroforest fruits such as açai, cupuaçu, bacaba and others are becoming global commodities and resources that can sustain a local and regional green economy³¹. In addition, smallholder agroforestry systems are greatly facilitating the process of cultivation of non-timber forest products (NTFPs) such as medicinal trees and shrubs.

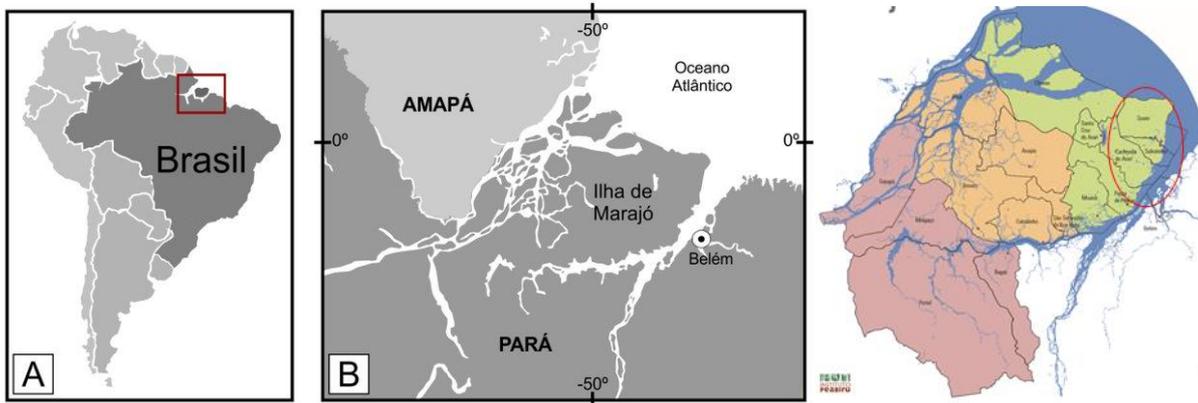
³² See Annex 13 for more details (FAPESPA, 2018).

³³ Local ecological knowledge and incremental adaptation to changing flood patterns in the Amazon delta (Vogt et al. 2016).

³⁴ For instance, the production of açai palm constitutes one of the most important source of household income on Marajo Island. In addition, açai constitute one of the main staples consumed by smallholders and it was estimated that one litre of açai juice has 2.6 grams of protein, representing 25 to 30% of the daily protein need.

³⁵ Vulnerability is typically defined as a function of exposure, sensitivity, and adaptive capacity

Among the 12 municipalities in Marajo, the project will intervene in **three of the most climate vulnerable ones: Salvaterra, Cachoeira do Arari and Soure**³⁶. Smallholders' experiences with the implementation of diversified agroforestry systems have been observed in the West of Marajo. Given that local knowledge exists in Marajo on effective solutions to cope with climate change impacts, the project will facilitate knowledge sharing and good adaptation practices to be replicable in the East of Marajo.



Source: Mariana Buoro, Institute Peabirú

Gender assessment

A gender scenario was assessed in the municipalities of Salvaterra, Cachoeira do Arari and Soure, where the project seeks to intervene with adaptation measures³⁷. Some recommendations that came from the assessment is that for subsistence, mangroves are coastal ecosystems used by men and women. For women, activities such as gathering crab, medicinal herbs, andiroba to produce oil and tucumã are unpaid activities. **Women also fish, but only as a subsistence activity. They do not consider this activity for income raising, therefore women do not participate in unions nor have retirement plans.** It is important to incorporate women's strategic information about climate change impact on coastal ecosystems (including mangroves) in activities that seek to improve local policy planning instruments. Women are key informers, who can guide and propose appropriate interventions aiming at the sustainable use of natural resources as an adaptation measure to climate change. Agroforestry production is relevant to their economy, although they do little processing and value adding. Women have limited access to credits; they have limited saving capacities to make investments; and they have no access to qualify for financial support or inputs to establish small businesses. Most of women depend on government programs such as "bolsa família"³⁸ for income.

The project will implement activities with a gender-sensitive intervention, understanding cultural practices and promoting equal opportunities for capacity building and ownership for women and men of the climate resilient agroforestry based solution, ensuring that gender is fully integrated throughout the entire project cycle from the beginning³⁹.

Ongoing projects/initiatives in Marajo relevant to this proposal⁴⁰

The Adaptation Fund has not approved any adaptation projects for Brazil. The GEF has supported a number of regional initiatives supporting conservation and water management in Brazil as part of global and regional initiatives, but nothing specific on climate change and adaptation for smallholders in Marajo. A GEF project called: "Implementation of the Strategic Action Programme to ensure Integrated and Sustainable Management of the Transboundary Water Resources of the Amazon River Basin Considering Climate Variability and Change" seeks to enhance the governance of 8 countries, including Brazil for the effective integrated water resources management. However, this project does not specifically address the adaptation needs of smallholders in Marajo.

The Sustainable Fishing Project on the Amazon Coast (PeSCA): A sustainable Fishing Project on the Amazon Coast (2016 – 2018), which is a cooperation between UNESCO Brazil and Fundo Vale, supported by the Mitsui Bussan Foundation in Brazil, this project aimed at improving the

³⁶ These municipalities located at the northeast part of the Marajo archipelago that sum 7.564km². The total population of these municipalities is 63.627 inhabitants. Most people in these areas live or work in rural areas with earnings below one minimum wage (47% of the population), and below two minimum wages (74% of the population). Cachoeira do Arari has two sustainable management areas (PAE XIPAIA and PAE URUBUQUARA) with relevant Açaí production at family earnings. Salvaterra is composed by quilombolas who live mainly from cassava production, fishery and other undiversified agriculture. Soure's population is mainly fishermen/women, who also collect crabs as additional earnings

³⁷ Detailed information on gender considerations can be found on the Annex 4.

³⁸ Bolsa Familia is a subsidy provided by the federal government to low income families living under the poverty line accounting from 85.- to 180.- US dollars per month.

³⁹ A gender expert from Brazil was hired to help Foundation Avina elaborate the project design and the elaboration of a gender assessment and an adequate gender action plan.

⁴⁰ More information on relevant initiatives and projects are found in Annex 13

income and quality of life of fishermen from the coast of Pará, Maranhão and Amapá states, as well as ensuring that the productive chain of local fishery resources is ecologically, economically and socially sustainable. This project concluded in 2018. However, the project did not have a climate focus.

The current project will take into account all other existing initiatives that are relevant for the region and integrate their lessons learned with the view to advance local policy instruments and mainstream climate change and climate adaptation, ensuring complementarity and coherence among them.

Role of Fundación Avina in the project

Fundación Avina is a regional direct access entity operating in 18 countries in Latin America. Fundación Avina has strong history of working directly with stakeholders from the public and private sector and vast experience working different local communities in Brazil. For example, in the Access to Water Program, Fundación Avina has been working towards strengthening the inclusive water governance by supporting community water management organizations for sustainable access to water. Since 2015, 99.503 people benefited from this program through increased visibility and recognition of associativity; strengthened capacities for improved system administration, operations and maintenance; and adoption of participatory decision-making mechanisms in the North, Northeast and the Southeast of Brazil. In the Brazilian Amazon, we have reached 20% of the number above⁴¹. Fundación Avina will execute activities under this project and procure necessary services to ensure effectiveness and results sought.

B.2. Project/programme description (max. 1,000 words)

Based on the identified climate drivers and barriers, the proposed adaptation solution will focus on the following components, outputs and activities:

The project will provide an integrated adaptation solution that includes facilitating and strengthening adaptive capacities of smallholders to better cope with climate impacts affecting food production, as well as working with local state municipalities and the Federal Government for improving local policy planning tools and instruments to integrate adaptation needs. In addition, through the strengthening of smallholders' capacities to access financial services and products and markets for NTFP, the project seeks to scale up adaptation solutions, as well as unlock investments that enable smallholders to become more resilient and less dependent from assistance government programs such as Bolsa Familia.

The project will benefit smallholders⁴², (both women and men⁴³) to make their food production of both subsistence and commercial NTFPs more resilient to climate change impacts, through the implementation of climate resilient diversified agroforestry systems. These systems have shown to have an extremely high adaptive capacity⁴⁴. The diversified agroforestry systems help diversify opportunities for generating income by bringing multiple options of NTFPs that are resilient to climate impacts. For example, the effects of sea level rise can be mitigated by protecting or enhancing natural regeneration in key areas (embankments by the beach, degraded mangroves and river margins forests) with native species of economic value (native species andiroba, açai, pineapple, cassava etc., and exotic species, such as coconut when applicable) and species that serve as natural coastal barriers^{45,46}.

Component 1 – Climate resilient local governance and enabling conditions for the implementation of climate resilient diversified agroforestry systems and coastal ecosystem management.

Rationale. The project will work with local stakeholders in particular municipalities and the regional State in order to strengthen local governance, adaptive capacities, climate knowledge, and information sharing on up to date climate change impacts and risks affecting Marajo as well as benefits and functions of **climate resilient diversified agroforestry systems**⁴⁷. This component involves enhancing capacities, knowledge and access to information for local government institutions, smallholders in the three Municipalities in which the project will take place.

⁴¹ Other relevant program that Foundation Avina supports is the work of local community's interaction with cooperatives of recyclers in urban spaces. For 15 years, Avina has been supporting the political and economic organization of solid waste collectors in order to improve national legislation on solid waste and make the collection processes more sustainable and inclusive, recognizing the important role of the solid waste collectors at the recycling value chain. Nowadays Avina is focusing on including a vision of circular economy within the recycling program, including reverse logistics and recycling business development. In 2018, 1500 families benefited from this program.

⁴² Including fishermen and açai fruit/nuts producers.

⁴³ Women's empowerment is crucial because they have had previous experience in the collection of fruits and natural resources with a conscious use for the preservation and conservation of the landscape (as explained during interviews).

⁴⁴ For example, agroforestry based systems allow fish habitat to multiply and use the systems for shelter, particularly when there is seawater intrusion in water streams. See Annex 13 for additional information.

⁴⁵ Studies such as "Warming accelerates mangrove expansion and surface elevation gain in a subtropical wetland" published in the British Ecological Society's *Journal of Ecology* provides strong evidence that conserving and restoring coastal wetlands can help humans adapt to climate change due to the capacity of mangrove plots to increase surface elevation as a measure of the wetland's ability to build soil and keep pace with sea level rise.

⁴⁶ See Annex 13 section see for information and illustrations on diversified agroforestry systems.

⁴⁷ The information will be further strengthen during PPF project design.

Adaptation alternative. The project will increase adaptive capacities of local government institutions and smallholders through access to up to date climate relevant information on impacts, risks as well as climate resilient diversified agroforestry based solutions as a tool to reduce climate impacts on food production; improved local policy planning instruments for climate-resilient coastal protection.

The project's activities are designed to incorporate the multidimensional and multifunction of local adaptation knowledge to enhance and create enabling environments required to mainstream local adaptation solutions and climate information into local policy instruments, to achieve the following outputs:

Output 1.1 will result in **Increased local awareness and better understanding of climate impacts, risks and adaptation solutions** by conducting trainings and other outreach activities to enhance the capacities of smallholders (women and men) in food production. This output will help smallholders to make informed decisions in the engagement of adaptive actions/solutions. Access to climate information and communication tools for improved decision-making contribute to increased adaptive capacities and ownership of the adaptation solutions proposed by this project among beneficiaries.

Output 1.2 will result in Improved **local policy instruments**⁴⁸ that either mainstream climate change components into existing policy instruments or create specific local adaptation policy instruments to facilitate the adoption and upscale of climate resilient adapted agroforestry systems, markets and livelihood strategies. Long-term changes can only be achieved if adequate actions are supported by the right policy. Approximately 65% of all Brazilian coasts are in process of erosion. Marajo suffers from severe problems of erosion due to the increasing changes in tidal currents and stream flows⁴⁹. Although the State of Para in Brazil has a Plan on coastal management, the plan has no defined methodology to monitor coastal erosion or adequately diagnose this problem. The project will also provide support that will result in Municipal Coastal Ecosystem Management plans developed and implemented in the three municipalities that will build a living shoreline to create green barrier walls for coastal erosion reduction through agroforestry systems. The combination of species the agroforestry systems can offer for coastal protection help mitigate and regulate the effects of tidal and river floods on food production as well as seawater incursion can help tackling erosion processes. Therefore, this project will also contribute to the improvement of local policy instruments with the view to scale up impact for the adaptation solutions that work and to procure that those solutions are adopted in other municipalities in which the project will not directly implement activities.

Output 1.1 – Increased Local knowledge, understanding of climate change impacts and adaptation solutions

Under this output, adaptive capacities of smallholders and local government representatives will be enhanced through a set of capacity building, climate knowledge sharing activities, in a gender sensitive manner.

- 1.1.1 Conduct awareness-raising activities and provide access to information (workshops, social media communication, etc.⁵⁰) on climate change impacts on coastal ecosystems affecting food production, livelihoods as well as the proposed adaptation solutions **targeting smallholders** in the three municipalities, seeking balanced participation of men and women to enhance adaptive capacities.
- 1.1.2 Implement a monitoring protocol to monitor climate risk indicators on coastal ecosystems and climate resilient diversified agroforestry systems.
- 1.1.3 Organize yearly awareness-raising meetings to report to smallholders on monitoring of climate risk indicators, efficiency of the adaptation solutions and local policy development.

Output 1.2 – Improved local policy instruments to mainstream climate change adaptation through local adaptive knowledge with a gender sensitive approach.

Under this output, the project will have all available local policy planning instruments that are relevant for food production and disaster risk reduction revised and climate related information would be integrated, in particular, to adaptation needs. Policy can play a catalytic role in promoting the right type of practices among smallholders that are climate resilient and that help reduce the impacts risks while ensuring NTFP's profitability is sustained in the context of climate variability.

- 1.2.1 Facilitate the organization of meetings and workshops with **smallholders and local government representatives** to develop new policy instruments or plans and/or improve existing ones to mainstream climate change adaptation solutions, including climate -resilient diversified agroforestry systems, to support food production, livelihood strategies and access to markets⁵¹.

⁴⁸ Land use plans will be taken into account to understand future demands from local population and guide the climate change mainstreaming efforts in order to enhance the overall resilience plan for the three municipalities in which the project seeks to operate.

⁴⁹ A GEF in partnership with OTCA and UNEP, worked on a elaborated a report called "Integrated and Sustainable Management of the Transboundary Water Resources of the Amazon River Basin Considering Climate Variability and Change". This project had as one of the main outcomes the elaboration of a report that looked at adaptation to sea level rise in the Amazon Delta.

⁵⁰ Access to tools such as an information platform will be made available to support smallholders' capacities on climate risks and opportunities.

⁵¹ For the implementation of activity 1.3, other municipality representatives will be invited to participate in information sharing meetings in view to share lessons learned on adopted local planning instruments that mainstream adaptation components. These meetings and workshops are crucial for

- 1.2.2 Facilitate, in the three municipalities, the design and implementation of participatory **Coastal Ecosystem Management plans** for smallholders that implement diversified agroforest systems that contribute to building living shoreline as green barrier walls to reduce coastal erosion produced by wave height and strong currents.
- 1.2.3 Conduct awareness-raising workshops on climate change impacts on coastal ecosystems, food production and livelihoods but also on adaptation solutions through diversified agroforestry systems, **targeting local government agents** in the three municipalities, providing opportunities for the participation of women in political decision-making to enhance adaptive capacities.
- 1.2.4 **Provide technical support for the development and adaptation of local policies and regulations** to mainstream climate change adaptation through collective actions and local investments. The goal is to achieve better regulation of adaptation solutions, such as NTFPs derived from the implementation of climate resilient diversified agroforestry systems.

Component 2 – Diversified agroforestry systems and coastal ecosystem management for climate resilience

Rationale. The second component is aimed at improving coastal ecosystems management for ecosystem resilience through green barrier walls composed by local adapted diversified agroforestry systems to reduce climate change impacts and increase food production for consumption and commercialization purposes. In Marajo, some smallholders are successfully using highly diversified agroforestry systems⁵² that are contributing to reduced climate impacts and the rehabilitation of coastal ecosystems. A diversified agroforest system that integrates mangrove species with fruit species such as açai is greatly helping smallholders to control coastal erosion (See table 1 above), restore fishing grounds and increase the yield of açai and other commercial fruit species. The mixed mangrove agroforestry systems are helping smallholders to engage in artisanal fishing practices in coastal areas that are in the process of forest rehabilitation.

Adaptation actions/solutions.

Output 2.1 will result in agroforestry demonstration sites created to promote knowledge sharing among smallholders and up to 1,000 climate resilient diversified agroforestry systems implemented to increase food production through technical assistance provided in view to increase açai production and other products like pineapple, cassava that are economically relevant in an integrated matter⁵³. The project is intending to upscale an existing solution (from the 4 proposed systems one will be chosen according to local conditions and beneficiaries interest) already tested locally in the West of Marajo that has shown remarkable benefits against climate change.

Output 2.1 Adapted multiple products and functions of agroforestry systems to enhance adaptive capacities of smallholders promoted.

10 demonstration sites for smallholders will be implemented within the three target municipalities to gain knowledge on how to implement climate resilient diversified agroforestry systems to increase food production applicable to local needs of the three Municipalities. The selection of agroforestry systems will be based on the four systems described on table 1 of this proposal. In addition, 1000 smallholders will receive technical support to implement climate resilient agroforestry systems of up to 1 hectare each⁵⁴.

2.2.1 Establish 10 demonstration sites for climate resilient diversified agroforestry systems⁵⁵, nurseries and seed banks, suitable to local conditions for training of project staff and supply of germplasm for agroforestry systems.

2.2.2 Build capacities of up to 40 local technical community agents (mainly selected from the beneficiary municipalities and considering gender balance) to provide **technical assistance** to smallholders in their set-up process and maintenance of diversified agroforestry systems (approx. one ha each) for climate resilience.

2.2.3 Implement the set up process of 1000 climate resilient diversified agroforestry systems.

the local appropriation of climate change resilience understanding. Raising awareness will enable local governments to improve their decision-making and direct public budget towards a more climate resilient options, which will be important once the GCFs project is ended. In addition, they support the promotion of scaling up of adaptation solutions such as diversified agroforestry systems.

⁵² Local ecological knowledge and incremental adaptation to changing flood patterns in the Amazon delta. Vogt et al. 2016. Four common agroforestry systems used by smallholders in Marajo are: 1) Root based agroforest (RBAs): A system that helps to manage erosion, sedimentation and salinization by planting, enriching or assisted natural regeneration of mangue vermelho (*Ryzophora mangle*) and aninga (*Monrillardia arborescens*). 2) Umbrella based agroforest (UBAs): A system that helps to manage the impact of wind and rain storms on fruit production by planting, enriching or assisted natural regeneration of large canopy tree species such samauma (*Ceiba petandra*) and muiratinga (*Olmedia caloneura*) 3) Shade based agroforestry (SBAs): A system that helps to manage humidity and avoid soil becoming dry during droughts by planting, enriching or protecting the natural regeneration of palms with large leaves such as buçu (*Manicaria saccifera*) and buriti (*Mauritia flexuosa*) species. 4) Cluster based agroforest (CBAs): A system that helps to filtrate, retain and store fresh water during droughts and sea-water-incursion by planting, enriching or assisted natural regeneration of aturiá (*Machaerium lunatum*) and piri (*Cyperus giganteus*) in and around small water pools locally know as poças

⁵³ Output 3.1 is dedicated to support access to markets by the beneficiaries for the implementation of the agroforestry systems under this component.

⁵⁴ See Annex 13 for more details on the different types of agroforestry systems proposed and Annex 14 on the grant mechanism governance.

⁵⁵ Four systems are known to provide multiple functions and benefits in terms of tackling climate impacts and generating income. The systems will adequate to the specific needs of smallholders in terms of adaptation to particular climate impacts, products, area, income requirements, etc.

2.2.4 Provide technical assistance for maintenance of 1000 diversified agroforestry systems for climate resilience including capacity building to the beneficiaries of the systems⁵⁶.

2.2.5 Provide technical assistance and train technicians from local municipalities and other stakeholders on diversified agroforestry systems to regreen degraded coastal areas, while promoting the balanced participation of women and men.

2.2.6 Promote field visits among smallholder beneficiaries to share best practices within target municipalities.

Component 3 – Access to markets and enhanced access to finance

Rationale. This component focuses particularly on strengthening of capacities of local financial institutions to develop tailored financial products and services geared towards the promotion of sustainable adaptation solutions as well as strengthening financial capacities of smallholders to access markets and financial products for increasing food production derived from the implementation of climate resilient diversified agroforestry systems. This component will enhance knowledge on techniques to transform NTFP with the view to gain and diversify smallholders' income. In order to secure sustainability of the solutions proposed with this project, local financial institutions will deploy financial products and services, tailored to the financial capacities, needs and conditions of smallholders in Marajo; and to incentivize and catalyze additional finance for scaling up sustainable adaptation solutions.

The project in particular seeks to enhance smallholders' resilience to climate impacts in food production and make them less dependent from government programs like Bolsa Familia⁵⁷. Smallholders dependent on Bolsa Familia are very vulnerable to climate change and such dependence does not increase their adaptive capacities. This is why the project entails the implementation of an integrated solution that not only addresses the identified climate risks but also increases opportunities for improving the economies of smallholders, making them more resilient through the production and transformation of multiple NTFPs.

Adaptation actions/solutions.

Output 3.1 will result in enhanced access to markets through supporting associativity among smallholders; improved technical capacities to transform climate-resilient products derived from agroforestry, based on market opportunities for the region. Activities include potential transformation techniques for agroforestry products according to local suitability, market potential and financial viability.

Output 3.2 will result in smallholders' financial capacities enhanced for save money, access local financial services and products for the implementation of climate resilient and diversified agroforestry systems to increase food production⁵⁸. In addition, this output will result in local financial institutions offering financial products and services suited to smallholders' capacities and needs. Nowadays, access to micro finance services by smallholders is limited due to the inexistence of local financial services and products because of risks associated with the financial return of agroforestry based products for the local financial institutions⁵⁹.

Output 3.1. Enhanced market access for climate resilient products

This output will result in smallholders (women and men) with capacities and knowledge enhanced to become associated and access markets for make their food production climate resilient derived from the implementation of diversified agroforestry systems⁶⁰. Smallholders face enormous difficulties to meet market needs. Climate change is affecting their current food production, which makes them unreliable when committing to deliver specific amounts to available markets. The logistics to move food production within Marajo and outside are also a challenge given its geography and climate variability, determining whether an activity can be done or not⁶¹. In addition, many smallholders are

⁵⁶ Agroforestry systems will only be in place either in government settlements that grant the right to live and sustainable use of resources to communities (grant permits will be requested) or in territories where landownership can be demonstrated by smallholders.

⁵⁷ Bolsa Familia is a social welfare program of the Brazilian government, which provides financial aid to the most poor families; the program attempts to reduce extreme poverty

⁵⁸ Fundación Avina will not create credit lines directly within the project, given that it goes outside the scope of Fundación Avina's accreditation. Nevertheless, the activities promoted will have the potential to significantly leverage resources from existing credit funds to further develop and promote long-term sustainability of project's results.

⁵⁹ Studies to be conducted during PPF will help identify interested markets for agroforestry-derived products. Thus capacity building efforts will respond to the opportunities identify during that stage.

⁶⁰ The project will work with smallholders on the following:

- promote institutional innovation and improve climate based agroforestry production systems in order to enhance the degree of organization of smallholders to better enable them to integrate into the food value chains and increase the income;
- Facilitate knowledge on production diversification based on market's interest to increase resilience to climate change, to enable more diverse food consumption and production.
- Facilitate smallholders' capacity to increase power and control over their economic environment, and participation in food value chains by forming cooperatives, associations and networks, and other organizations, and fostering the participation for equal decision-making (women and men included).

⁶¹ See Annex 13 on logistical difficulties and information on the variability of income based on market distance.

unable to access financial products and services from local financial institutions to either increase their food production or facilitate transportation, making them also more vulnerable to the impacts of climate change and less capable of accessing markets. For example, the further away the market is, the higher the price is. Thus, the project is seeking to strengthen smallholders' capacities to enable access to markets.

3.1.1 Build capacity and train smallholders with a gender sensitive approach on product transformation techniques to add value to climate resilient agroforestry products (product processing/transformation), facilitating their access to market and changing behaviors' towards climate resilient practices⁶².

3.1.2 Facilitate and improve capacities of smallholders (women and men) for the identification, promotion and enhancement of associative legal/administrative processes and capacities to reach markets aimed at locally produced, climate resilient NTFPs derived from the implementation of climate resilient diversified agroforestry systems.

3.1.3 Provide technical support for the effective implementation of partnership agreements between smallholder's associations and the private sector market entities⁶³.

Output 3.2 Access to finance for scale-up of local commerce of climate resilient agroforest products and services.

This output will result in financial products and services targeting smallholders in Marajo, deployed by local financial institutions⁶⁴ for financial support of diversified agroforestry systems that provide climate resilient NTFPs⁶⁵. In addition, this output would result in smallholders' financial capacities strengthen. While technologies and solutions can often be financed with existing financial products, many times they require adjustments, especially to payment plans, applicable interest rates and create incentives. For example, demonstrated good practices in the implementation of diversified agroforestry systems may help reduce the financial risk in smallholder's access to financial services directed to diversified agroforestry systems⁶⁶. Financial institutions will have developed and implemented financial products geared toward adaptation to climate change (diversified agroforestry systems) and have a sales force trained in managing such products.

3.2.1 Facilitate un-locking of additional climate finance dedicated to make food production climate resilient, including its processing sub products through a) providing technical support to local financial institutions for the development and adoption of financial products geared toward implementation of diversified agroforestry systems and climate resilient NTFPs and b) strengthen institutional capacities of key local financial institutions for the deployment of services and products that scale up adaptation solutions in Marajo.

3.2.2 Build smallholder's (women and men) capacities on financial education, plans with intended activities for climate resilient food production through the implementation of agroforestry systems or transformation of climate resilient NTFPs and make them eligible to access the new financial services and products provided by local financial institutions.

B.3. Implementation / institutional arrangements (max. 750 words)

⁶² Including peer-to-peer exchange activities.

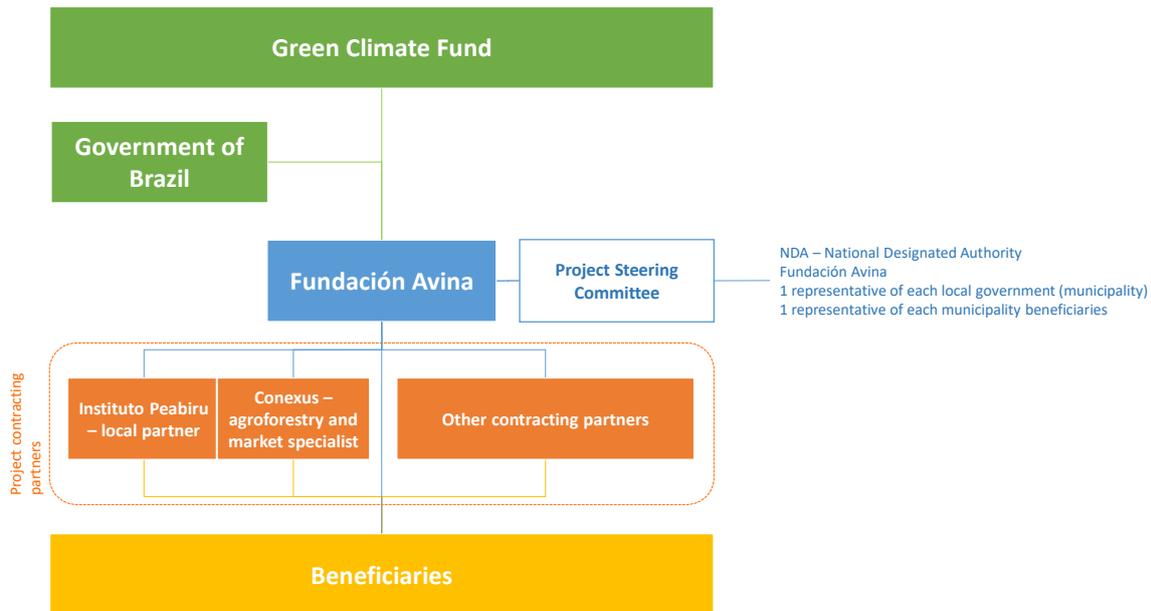
⁶³ Specific private sector entities will be identified during PPF phase.

⁶⁴ Financial institutions will be identified during PPF phase.

⁶⁵ According to Annex 13, Chapter 5.1.5, there are 5 main reasons why there is a lack of credits in the Marajó region nowadays: a) Low degree of financial education, b) Absence of technical assistance, c) Low negotiation capacity, d) Few cost-effective business plans for agroforestry systems, and e) Low credit agents' knowledge on climate resilient agroforestry systems. Items b) and d) are being addressed at component 2. Component 3 addresses a), c) and e).

⁶⁶ The project will work primarily on a) enhancing capacities of smallholders to access and effectively benefit from Pronaf b) work with Banco da Amazonia for the creation of micro finance products and services.

Implementation Structure



Fundación Avina will be the main executor of the project. It will procure services from partners such as Institute Peabiru and Conexus for the implementation of specific activities. In addition, Fundación Avina will work directly with local municipalities and the State government of Pará to ensure the effective engagement throughout the project. The institutional arrangements seek to provide the adequate implementation of the project and the sustainability of results beyond the five-year period of the project. Fundación Avina will also have direct relationships with the beneficiaries, especially under Component 1, aiming to the implementation of the climate resilient local governance, as well as through the overall project management. The project's steering committee will meet yearly with the vision to be an informative space about the project development, provide advise at eventual risks associated with implementation that require changes in project development. It will be comprised by the NDA – National Designated Authority, a representative from Fundación Avina, one representative of each local municipality government, and one beneficiaries 'representative from each municipality. Additionally, other federal or state government's representatives will be invited as observers, such as ICMBio, INCRA and NUPINQ – Pará State Quilombola Issues Entity.

Fundación Avina works in the Amazon region since 2004, aiming to contribute to the reduction of greenhouse gas emissions and future climate change impacts. Fundación Avina has worked with more than 100 organizations in 7 Amazon countries. Amongst the main results achieved, we: a) supported the establishment and development of the business models of Amazon funds in Brazil and Peru b) promoted environmental management best practices among different municipalities in Brazil, Bolivia and Ecuador; c) engaged in the creation of the pan-amazon independent deforestation monitoring network (RAISG); d) supported the creation of a network of civil society and environmental prosecutors to monitor the compliance of socio-environmental legislation in the amazon region⁶⁷. Fundación Avina has also supported the development of a system that buys in advance, agroforestry-based products from local smallholders that seeks to provide early financial support during food farming in the State of Mato Grosso⁶⁸.

The overall execution, management of the project will be carried out by Fundación Avina, and its role will be to:

- Secure the correct and effective overall project management, reporting and monitoring in accordance with GCF standards and procedures and Fundación Avina's policies and rules;
- Implement Monitoring and Evaluation measures and manage identified risks;

⁶⁷ Other detailed results can be accessed through the link: <http://www.avina.net/bioma-amazonico/>.

⁶⁸ Fundación Avina is also working in a program that promotes an innovative platform for peer-to-peer loans for small social and environmental entrepreneurs. This initiative is called 'Dinheiro e Consciência' and envisages financing progressive entrepreneurs and influencing the banking sector to become more transparent, diverse and sustainable. Avina's initiative in Latin America is inspired by the work of Triodos Bank in Europe⁶⁸. Under this project, Fundación Avina will not handle credit lines. The extent of the work will be to strengthen capacities in partner Financial Institutions so that they may promote microfinance products and services targeted at smallholders' adaptation needs. This way, smallholders may access such credits to implement, replicate and upscale adaptation based solutions such as the agroforestry-based systems.

- Ensure executing entities and contractors adhere to all GCF policies and procedures and those of Fundación Avina, including the Environmental and Social Safeguards and Gender Plan during project implementation;
- Organize, convey, articulate meetings of the Project Advisory Committee, stakeholder participation an redress mechanism and media outreach;
- Facilitate communication, reporting and networking among key stakeholders, project beneficiaries, executing entities, contractors and the Project Advisory Committee;
- Supervise all project´s staff and services procured;
- Ensure that all key and relevant stakeholders are engaged and involved with the project;
- Negotiate contracting terms and performance measures in accordance with the GCF, including legal and contractual agreements.
- Report results derived from the implementation of activities to the GCF and other relevant stakeholders.

Besides, administration and coordination roles, Fundación Avina will also play as an executing entity, ensuring that the project is fully managed and implemented in accordance with its objective, producing the results, delivering outputs and providing reporting and monitoring as specified in the project document, to the required standard of quality and within the specified constraints of time and costs. Fundación Avina will be the main executor of the project and hence, it will hire the necessary national and international expertise as needed to implement all activities under this proposal.

Flow of funds



Disbursement of funds will be done from the Green Climate Fund to Fundación Avina, who will be responsible for budgeting, procurement, and expenditure and reporting. The project funds will be deposited in designated account managed by Fundación Avina. It is envisaged that expenses will be paid directly by Fundación Avina to all contracting partners, consultants and material and service suppliers in line with Fundación Avina’s procurement rules in order to enhance accountability and oversight. The utilization of funds will be monitored through an internal control framework, which depicts the funds transfer and reporting channels. The flow of fund disbursement and Financial Reporting arrangement are highlighted in the above diagram. Regarding the management of the grant mechanism, Fundación Avina will procure the services of a suitable entity to facilitate the management of such mechanism.

C. FINANCING INFORMATION

C.1. Total financing						
(a) Requested GCF funding (i + ii + iii + iv + v + vi)		7,678,301			million USD (\$)	
GCF Financial Instrument		Amount	Currency	Tenor	Pricing	
(i)	Senior loans	Enter amount	Options	Enter years	Enter %	
(ii)	Subordinated loans	Enter amount	Options	Enter years	Enter %	
(iii)	Equity	Enter amount	Options		Enter % equity return	
(iv)	Guarantees	Enter amount	Options	Enter years	Enter %	
(v)	Reimbursable grants	Enter amount	Options			
(vi)	Grants	7,678,301	(\$) USD			
(b) Co-financing information		Total amount⁶⁹			Currency	
		455,735			million USD (\$)	
Name of institution		Financial instrument	Amount	Currency	Tenor	Pricing
Fundación Avina		In kind	455,735	million USD (\$)	Enter years	Enter%
						Options
(c) Total investment (c) = (a)+(b)		Amount			Currency	
		8,134,036			million USD (\$)	
(d) Co-financing ratio (d) = (b)/(a)		5,94%				
(e) Other financing arrangements for the project/programme (max ½ page)		<p>Fundación Avina will conduct internal monitoring activities, requesting financial reports (every six months) to the financial/administrative coordinator of this project. In addition, the Direction of Administration and Finance of Fundación Avina will be directly involved in the oversight and management of project expenditure, ensuring resources are deployed accordingly.</p> <p>Financial reporting will be conducted according to international financial standards and will be performed by the administrator hired for the project in direct supervision by the financial administrator of the climate change program in Fundación Avina and verified by external independent audit conducted on yearly basis.</p>				

C.2. Financing by component							
<i>Please provide an estimate of the cost per component (as outlined in Section B.2. above) and disaggregate by sources of financing.</i>							
Component	Output	Indicative cost (USD)	GCF financing		Co-financing		
			Amount (USD)	Financial Instrument	Amount (USD)	Financial Instrument	Name of Institutions
Component 1 – Climate resilient local governance and enabling conditions for the	Output 1.1 – Local knowledge, understanding of climate change impacts and adaptation solutions enhanced	422,082	422,082	Grants	0	Grants	Click here to enter text.

⁶⁹ Fundación Avina will provide USD 68.400 to support activities and USD 387,335 for contingency costs under this project. This in-kind support will address activities in which Fundación Avina will require direct involvement beyond project management.

implementation of diversified agroforestry systems and coastal ecosystem management.	<i>Output 1.2 – Local policies and plans updated and/or developed to mainstream climate change adaptation through local adaptive knowledge with a gender sensitive approach.</i>	297,994	291,194	Grants	6,800	Grants	Fundación Avina
Component 2 – Diversified agroforestry systems and coastal ecosystem management for climate resilience	<i>Output 2.1 Adapted multiple products and functions of agroforestry systems to enhance adaptive capacities of smallholders promoted.</i>	6,105,261	6,078,861	Grants	26,400	Grants	Fundación Avina
Component 3 – Access to markets and enhanced access to finance	<i>Output 3.1. Enhanced market access for climate resilient products</i>	278,340	260,740	Grant	17,600	Grants	Fundación Avina
	<i>Output 3.2 Access to finance for scale-up of local commerce of climate resilient agroforest products and services.</i>	278,024	260,424	Grant	17,600	Grants	Fundación Avina
Total sub activities (USD)		7,381,701	7,313,301	68,400			
Project Management Costs		365,000	365,000	0			
Contingency		387,335	0	387,335			
Delivery Partner Fee		691,393	691,393	0			

C.3. Justification for GCF funding request (max. 500 words)

Targeted beneficiaries in the Marajo archipelago face major climate related challenges, such as soil erosion, intense droughts and severe storms that have detrimental effects on food production for consumption and commerce.

The project aims to provide an integrated solution that tackles different angles, from facilitating and strengthening adaptive capacities of smallholders, to improving local planning tools and instruments to mainstream adaptation needs to the implementation of adaptation solutions that bring multiple functions and benefits and help increase economic resilience in three municipalities of Marajo. Finally, through access to

finance and markets the project seeks to unlock investment for the support of climate resilient adaptation solutions, helping beneficiaries from becoming resilient and less dependent from assisting programs such as Bolsa Familia⁷⁰.

Currently there are limited investments that support the production and transformation of climate resilient NTFPs derived from the implementation of agroforestry systems⁷¹. Smallholders in Marajo are becoming more vulnerable to climate change as time passes and require support to overcome their condition (adaptive capacities). Supporting smallholder in Marajo is fully aligned to the commitment made by the Brazilian government under their NDC to promote ecosystem-based adaptation, ecosystems management for improved resilience of vulnerable communities such as those in Marajo. This project directly contributes to the implementation of NDCs measures in the adaptation sector.

The GCF can play a catalytic role in financing this project and help reducing the risks associated with investing in small-scale adaptation measures targeting smallholders that have consistently dealt with environmental and climate variability and change, which has led to the development valuable local adaptation responses. The project provides a fundamental set of tools to strengthen and spread local knowledge in the implementation of nature-based adaptation solutions that will make smallholders more resilient to climate change impacts (Technical knowledge and adaptive capacities as the key barriers). The implementation of the solution proposed will ensure the means to reduce the economic losses generated by climate change while diversifying activities and income. Finally, the project will strengthen a) smallholders' financial capacities and b) the role of local financial institutions for the development of financial products and services for adaptation solutions. Strengthening financial institution's understanding of the opportunities in adaptation finance is a necessarily step to attract investment for micro finance products and services. One of the main barriers to overcome investments by financial institutions is lack of knowledge to invest in adaptation solutions. Smallholders are regarded as high risk, hindering their access to agricultural/forest products lending. The entire agriculture/forest sector is highly sensitive to climate change impacts. Unless a top down (FIs) and a bottom-up (smallholders) approach is provided, the lack of access to finance will continue. In addition, the project can be catalytic in demonstrating the financial opportunities for local financial institutions in establishing credit lines, tailored to smallholders' needs.

Marajo lacks public or private investments due to its geographic situation, its isolation in comparison to other areas of Brazil. (It is only reached by boat). Without GCF resources, smallholders would have limited opportunities to access finance for adaptation solutions, knowledge-sharing experiences for practices that are climate resilient; enhance forest products value chain and access new markets. The GCF plays a critical role in unlocking investments towards sustainable adaptation solutions.

Smallholders in Marajo are already heavily dependent on social programs such as Bolsa Familia⁷² to support their livelihood. Without the project and in the face of climate change, it is very likely that the number of Bolsa Familia beneficiaries will increase and opportunities to increase resilience among smallholders will diminish.

The activities to be implemented under this proposal cannot be financed at the scale proposed without the support of an entity like the GCF.

C.4. Exit strategy and sustainability (max. 250 words)

The project is seeking to upscale a locally tested in the Western of Marajo adaptation solution that will reduce climate impacts suffered by smallholders in Marajo that can be easily replicated and upscale in the long run. Through improved management and availability of information about risks and opportunities on investing in diversified agroforestry systems, economic opportunities for smallholders will increase and their willingness to invest in climate resilient systems that increase production and transformation of climate-resilient NTFPs will grow. Facilitating access to markets and finance increases adaptive capacity of smallholders, as they are in better conditions to invest in their own solutions long-term.

Furthermore, local financial institutions⁷³ have confirmed its interest in better serving smallholders by providing production micro finances with a climate adaptation vision; however, their focus continues to be the provision of business as usual products, mainly because they lack knowledge about the sector and opportunities in adaptation finance, possible risk management methods and have limited product development capacity. This situation leaves smallholders underserved and limits the creation of financial products and services that could contribute to increase of a more resilient economy in Marajo. The project through component 3 is seeking to unlock access to finance and support creation of climate smart products and services that will reach smallholder and help expand solutions to other municipalities with similar needs. Financial institutions will benefit from increased capacities in risk measurement (looking at climate factors and resilient practices) and management to enable them to offer and manage new and improved products and provide climate-smart adaptation micro finances. Financial institutions benefiting from the project's support will have capacities in place to operate in the entire Marajo.

⁷⁰ See Annex 13 for details on Bolsa Familia.

⁷¹ See Annex 13 for further information.

⁷² More details on Bolsa Familia can be found on Annex 13

⁷³ Banco da Amazônia has already confirmed interest. Their formal commitment Will be explored during PPF.

The exit strategy will be therefore worked from the onset by establishing the proper environment for technical improvement of agroforestry practices as well as local financial institutions engagement to finance agroforestry systems.

C.5. Financial management/procurement (max. 300 words)

Fundación Avina as the accredited entity will ensure that all activities are managed through its CRM operational and management system that ensures that all expenses are tracked, approved, monitored and reviewed correctly by the financial unit and the program managers in charge of project oversight within Fundación Avina. Fundación Avina will conduct internal audit monitoring activities, requesting financial reports (every six months) to the financial coordinator of this project. The Direction of Administration and Finance of Fundación Avina will be also involved in the oversight of project expenditure, ensuring resources are deployed accordingly.

Avina has in place since 2012 a customized project management platform within Microsoft Dynamics CRM, which encompasses all the forms, templates and reports needed during the management, execution, and monitoring of a project’s implementation. The major modules of our management system include Contacts and Accounts, Annual Operating Plans, Alliances, Investments (projects/grants), Risks, and Achievements. In regards to project oversight and control, Avina uses a workflow approval processes within this platform to verify that projects are properly developed and are aligned with our internal management policies. These processes include legal management, accounting verification, issuance of amendments, milestones establishment and alignment with payments, disbursement requests, grants budget control, counterpart accomplishments, social and environmental assessment, and leverage registration, among others.

As a regional organization with personnel based in different countries, not only in Latin America, but also in the United States and Europe, Avina relies on this platform to ensure the adequate coordination of tasks on a real time basis. In terms of accountability, this platform permits the consolidation of supporting documentation that can be retrieved at any time as needed.

On procurement, the Human Resources Unit of Fundación Avina will manage consultancy services. The project coordinator will be responsible for facilitating the elaboration of term of references needed accordingly. This work will be done in close coordination with Avina’s programmatic staff. All consultant services are registered through our grant management system CRM and approved by the Climate Change Program Administrator and the Program Coordinator. When procuring other services required under the project, those will be managed, approved and registered by the Administrator Responsible for the Legal Entity (ARLE) in which the project is implemented (country of implementation). Once procured services and consultancies are approved, the legal unit takes over to provide legal arrangements. Finally, disbursement is made accordingly. Avina follows strict procedural rules⁷⁴ (Grants management policy) to approve and pay all services required to achieve the project results.

Finally, the project will hire an external independent audit firm once a year to oversee the financial flows and management of the project. Annual audits will be conducted in accordance with the international audit standards. Such service will be procured according to Fundación Avina’s institutional policies and procedures and reflected in the procurement process.

D. LOGIC FRAMEWORK AND MONITORING, REPORTING AND EVALUATION

This section refers to the project/programme’s logic framework in accordance with the GCF’s [Performance Measurement Framework](#) under the [Results Management Framework](#) to which the project/programme contributes as a whole, including in respect of any co-financing. This is different from the project/programme-level log frame (as there may be other impact measures for example that go beyond those defined by the GCF).

A project-level logical framework, with specific indicators, baselines and targets, means of verification and assumptions should be provided as part of Annex 2.

D.1. Paradigm shift objectives

<p><i>Increased climate-resilient sustainable development</i></p>	<p>Existing food production in Marajo are affected by extreme climate variability. Many smallholders are already taking steps to adopt diversified agroforestry practices. However, many of these practices are done through monoculture practices, which are less resilient to climate impacts and generate negative environmental impacts.</p> <p>Existing local knowledge on different agroforestry systems implemented in Marajo has been accumulated over generations particularly in the South of Marajo. This local knowledge is key for designing and implementing adaptation solutions aimed at enhancing climate resilience and sustainability of smallholders in Marajo.</p> <p>Access to markets and finance will be addressed throughout component 3. Component 2 will support the implementation of diversified agroforestry systems to make food production climate resilient.</p>
---	---

⁷⁴ <http://www.avina.net/avina/en/politicas-y-procedimientos/>

	Component 3 will strengthen the role of key local financial institutions for the deployment of financial services and products that support adaptation-based solutions, in particular diversified agroforestry systems and NTFPs derived from the implementation of such systems. In addition, financial capacities of smallholders will be strengthened.
--	---

D.2. Outcomes measured by GCF indicators (Project level indicators)

Expected	Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions
				Mid-term (if applicable)	Final	
Increased resilience ⁷⁵ of most vulnerable people and communities to climate change impacts;	Number of females and males enhancing their resilience from the knowledge gained of climate threats, risks, and the adaptation solution.	Baseline survey and a final surveys to a random sample the target beneficiaries will be conducted to assess and monitor resilience indicators	0	2500 male and female beneficiaries (50% women – and 50% men) whose resilience has increased	5000 male and female beneficiaries (50% women – 50% men), whose resilience has increased	With the implementation of agroforestry-derived products, biodiversity-rich agroforestry systems, the beneficiaries will be able to reduce their exposure to climate impacts while increasing their adaptive capacity and their participation in a climate resilient economy.

D.3. Objectives and Impacts GCF indicators

Expected	Indicator	Means of Verification (MoV)	Baseline	Target		Assumptions
				Mid-term (if applicable)	Final	
Output 1.1 <i>Local knowledge, understanding of climate change impacts and adaptation solutions enhanced</i>	Number of smallholder with increased knowledge on feasible adaptive solutions to reduce risks and vulnerability to weather hazards and hydrological events (e.g. floods).	A participatory monitoring, reporting and verification system (PMRV) will be established at the early stage of the project	0	500 male and female beneficiaries (50% women – 50% men)	1500 male and female beneficiaries (50% women – 50% men)	Smallholders and governments have limited understanding of climate impacts and information on feasible

⁷⁵ Definition of resilience within the context of this project: Resilience can be described as the capacity of communities, households or individuals to prevent, mitigate or cope with risk, and recover from shocks. The elements to measure it are: a) Reduce exposure b) Reduce the sensitivity of systems to shocks and c) Increase adaptive capacity

		implementation to document, validate and report adaptive Knowledge and awareness capacities of families				adaptation measures of local institutions and efficiency of adaptive strategies and actions of smallholders
	Number of Government Officers with increased understanding on climate impacts and feasible adaptation solutions.	PMRVs will be designed to document, validate and report adaptive Knowledge and awareness capacities of government officers	0	30 Municipal, Federal Officers and OSC technicians, male and female (30% women – 70% men)	60 Municipal, Federal Officers and OSC technicians, male and female (40% women – 60% men)	
Output 1.2 <i>Local policies and plans updated and/or developed to mainstream climate change adaptation through local adaptive knowledge with a gender sensitive approach.</i>	Percentage of local plans and policies integrating climate adaptation components Number of municipalities adopting climate resilient coastal ecosystem plans.	Monitoring evaluation reports. Updated local plans and policies.	Existing policies and plans applicable to the 3 municipalities	30% of local plans include climate adaptation components 1 municipality has adopted a climate resilient coastal ecosystem plan	50% local plans include climate adaptation components 3 municipalities have adopted a climate resilient coastal ecosystem plan	Local governments are interested in improving local policy instruments and plans to make them more climate responsive. In addition, they want to adopt coastal ecosystem management plans
Output 2.2 Adapted multiple products and functions of agroforestry systems to enhance adaptive capacities of smallholders	Number of diversified agroforestry systems implemented	Monitoring and evaluation reports	0	300 diversified agroforestry systems will be implemented from which at least 30% will benefit women	1000 diversified agroforestry systems implemented from which at least 40% will benefit women	Diversified agroforestry systems in place will bring multiple ecosystem services to help reduce erosion, reduce sea level rise, increase fishing ponds and increase and
	Number of demonstrative diversified agroforestry systems fields functioning	Monitoring and evaluation reports	0	5 demonstrative diversified	10 demonstrative diversified agroforestry	

		Reports on results of field schools conducted by the project partners.		agroforestry systems functioning	systems functioning	diversified food production.
Output 3.1 Enhanced market access for climate resilient agroforestry based products	Percentage of smallholders benefiting from increased access to markets via agreements or contracts, facilitated by the project, with public and private sector entities	Baseline survey and a final survey to smallholders to assess the benefit resulting from agreement facilitated by the project.	0	At least 20% of the smallholders (50% women and 50% men) who received training on transformation techniques benefit from purchase agreements with private sector entities.	At least 40% of the smallholders (50% women and 50% men) who received training on transformation techniques benefit from purchase agreements with private sector entities.	Private and sector entities are interested in buying NTFP derived and from agroforestry-based systems.
Output 3.2 Access to finance for scale-up of climate resilient agroforestry- based products	Number of smallholders benefiting from financial education	Random surveys among smallholders to assess their benefit	0	300 smallholders are benefitted with financial education on access to finance. 30% at least are women	500 smallholders are benefited financial education. 40% at least are women	Smallholders are interested in accessing finance to support commercialization of NTFPs and implementation of climate resilient agroforestry systems.
	Number of micro-loans disbursed by partner financial institutions stemming from increased capacity in agroforestry lending provided by the project	Reports from local financial institutions		20 micro loans	200 micro loans	Local financial institutions want to develop new financial services and products but are afraid of the potential risks of investing in smallholder' activities in Marajo.

D.4. Arrangements for Monitoring, Reporting and Evaluation (max. 300 words)

Program performance and results will be tracked following the causal chain defined in the theory of change and demonstrate the relationships between objectives, activities, products and results, throughout the project cycle. Reporting will provide the description of performance and context indicators, baseline and target values for each indicator, a data management protocol for each indicator that includes its definition, unit of measurement, data sources, schedule and frequency of data collection, and the individuals and teams responsible for collecting, analyzing and reporting on performance. The Project will offer a set of tools to monitor increased capacities and resilience gained throughout the implementation of the project. Some of the tools are described in the Project Log Framework.

At the management level, Fundación Avina will use the tools proposed in the project log framework to monitor progress in activities and the achievement of goals under this project. Support for the overall monitoring, reporting and evaluation will be procured to ensure the project has expertise in place.

E. EXPECTED PERFORMANCE AGAINST INVESTMENT CRITERIA

E.1. Impact potential (max. 300 words)

E.1.1. Expected tons of carbon dioxide equivalent (t CO ₂ eq) to be reduced or avoided (Mitigation only)	Total	6,571 tCO ₂ eq
	Lifetime	153,990 tCO ₂ eq
E.1.2. Expected total number of direct and indirect beneficiaries, disaggregated by gender	Direct	5000 40% of female
	Indirect	19625 45% of female
	<i>*For both, Specify the % of female against the total number.</i>	
E.1.3. Number of beneficiaries relative to total population	Direct	Click here to enter text. 5000 (Expressed as 7.8% of the total population of the three Municipalities)
	Indirect	19625 (Expressed as 38 % of the population of the three Municipalities)

The project will help increase the climate resilience and adaptive capacities of smallholders in the Marajo Archipelago that due to its **geographical difficult accessibility**⁷⁶ are very vulnerable to climate change impacts, in particular sea level rise, extreme droughts and changes in rainfall dynamics. The project will provide an integrated solution, the implementation of diversified agroforestry systems that bring multiple functions and services to tackle climate change impacts while reducing the impact of food production and NTFPs, making them climate resilient.

In addition to bring a full set of climate benefits, agroforestry systems contribute to CO₂ emission reduction. The systems proposed in this project will mainly serve to increase adaptive capacities of smallholders in Marajo. These systems may vary according to the local biophysical attributes – i.e. hydrology, soil type, land use and cover, – and local practices and economic activities – e.g. fishing, livestock, small crops or açai plantation. The four types of systems proposed⁷⁷ in this project may be grouped in two macro categories: i) Agroforestry in tree-cropping systems and ii) Agroforestry in silvopastoral systems. Supposing the implementation of 1000 of each system at an average area of 1 ha, the net carbon balance (the carbon sequestration minus carbon emissions compared with traditional land use) estimated in an average impact around of 6,571-tCO₂ eq tCO₂eq/ during project implementation (5 years) and 153,990-tCO₂ eq during the project lifespan 30 years⁷⁸.

As immediate results, the systems offer will help reduce soil salinization, it will help reduce erosion and increase fruit pulp production, including açai production through an integrated agroforestry system that brings multiple benefits and create a green barrier wall to protect coasts. It will also contribute to reduce tree mortality. The expected long-term impacts are a) income increase b) diversified production of agroforestry based products c) access to credits in particular for women d) access to markets e) dramatically reduced dependency to Bolsa Familia and f) reduce poverty.

E.2. Paradigm shift potential (max. 300 words)

The project is designed to shift the dependence of households, economies and development in the Marajo Archipelago, from agriculture to agroforestry and forest management products and become less depend from assistance programs such as Bolsa Familia. By improving business and technical capacities and access to markets, the vulnerability of smallholders, which often results from environmental and socio-economic

⁷⁶ The only access to Marajo archipelago is through boat. The ride is about 4 hours from the city of Belem.

⁷⁷ See annex 13 for details on the different types of agroforestry systems proposed.

⁷⁸ This reduction was estimated using the USDA AFOLU Carbon Calculator for Marajo Island Region. The tool is available at <http://afolucarbon.org/>

conditions, will be reduced. The project will also strengthen local governance, in particular, the mainstreaming of climate change and adaptation measures to local policy instruments to better respond to associated climate risks.

On barriers identified above, the project will deploy specific activities to address them. For example, outputs 2.1 will respond to the limited technical capacities identified in the area. Output 3.2 will help scale up and unlock finance while output 3.1 will address barriers related to access to markets for climate resilient products.

The project focuses on enhancing capacity among Financial Institutions (FIs) to provide financial products and services aimed at agroforestry systems that FIs currently do not have. Once those capacities are strengthened, they can provide dedicated credit lines (from 2nd tier banks) and develop their own. In this case, it will be the FIs that will design specific credit lines for smallholders in Marajo.

The project will provide capacity building to a financial institution that have presence in all municipalities. This means that the process of capacity building program can help establishing a scaling up plan within the institution. The responsibility of implementing the plan would not be under the project. However, once the capacity is in place, agroforestry systems are operating and they show they are a good business case, the financial institution will scale up as a continuous business opportunity and consolidate the market.

E.3. Sustainable development (max. 300 words)

The project has important sustainable development co-benefits:

The project will enhance capacities to improve management of coastal ecosystems in the Marajo region. Such measures will bring a number of environmental services, such as increased access to fisheries as well as supporting services, such as life-cycle maintenance for both fauna and local, element and nutrient cycling, for the smallholders of the Soure, Salvaterra and Cachoeira do Arari municipalities, but they will also benefit the rest of the Archipelago. The project will also address policy gaps to ensure effective adaptation measures guide the management of coastal ecosystems in the future, benefiting all habitants in Marajo. The activities under this project **support** the implementation of the **Sustainable Development Goals, in particular goal 1 no poverty, goal 3 good health and wellbeing, goal 10 reduced inequalities and goal 13-climate action**. Through the implementation of agroforestry systems the project will provide positive environmental impacts through the reduction of erosion levels, tackle sea level rise and extreme drought. These systems are more resilient to climate change and bring better opportunities to diversify income, are already helping to restore critical areas to protect people against climate change impacts. In addition, the project will have direct benefits for the existing economic practices of many smallholders. For example, fishing. Diversify agroforestry systems help increasing fish stocks. The project will provide sets of agroforestry solutions to increase adaptive capacities of smallholders. The activities will put particular attention to a gender sensitive approach⁷⁹. Locally adapted land and resource use system are also vital to reduce to dependence of smallholders to agrochemicals and to support the bottom of the pyramid when it comes to food security. The project will also strengthen smallholder's capacities to access markets and finance to integrate, disseminate and innovate their adaptive and profitable land and resource use systems.

Furthermore, the project will provide knowledge and communication tools to increase capacities among smallholders and municipality agents related to climate impacts and nature-based adaptation solutions that are context specific of the region and are grounded in existing local knowledge. The project will also engage product buyers to increase collaboration and support for sustainable products that are resilient to climate change impacts, ensuring long-term collaboration and sustainability of the project once GCF support ends.

The Project brings strong economic co-benefits derived from the implementation the diversified production systems and from the access to finance and markets components. Component 3.1 will work providing capacity building to smallholders to increase power and control over their economic environment, and participation in food value chains by forming cooperatives, associations and networks, and other organizations. By focusing on the smallholder's capacities, the project expects that smallholders will be able to reestablish past commercial relationships with private sector entities, but with better conditions.

Regarding gender, the project seeks to establish better opportunities for women and men in a more egalitarian participation in all project activities. The project will provide spaces and improved conditions for the effective participation and benefit of women. For example, capacity-building activities will provide opportunities for women to engage and benefit more equally from resilience-building activities.

Key project activities are focused in improving organization skills of smallholders and training on skills for value chain improvement, which has inherent economic and social co-benefits.

The project envisions to bring the following benefits:

- a) The project will help increase family income derived from the implementation of agroforestry systems and the diversity of climate resilient NTFPs.
- b) With the processing of agroforestry products new markets, opportunities will arise to increase the value of their production.
- c) Increase food security, particularly those with high content of protein such as sea and river resources.

⁷⁹ The project is hiring a gender expert consultant to help Fundación Avina with the elaboration of the gender assessment, project design and gender action plan.

- d) Contribute to CO2 emission reduction
- e) Improve opportunities for women to receive fare payment for the work they make.
- f) Bringing private investment to the area
- g) Increase work opportunities for local smallholders and income.
- h) Reduce migration of young people to other regions in Brazil due to lack of work opportunities.
- i) Access to finance by smallholders to promote financial inclusion.

E.4. Needs of recipient (max. 300 words)

The project is targeting most vulnerable smallholders in the Marajo region. These groups can be especially vulnerable to climate change, because they are living on relatively high-risk areas, with limited access to services and other resources. In these conditions, the vulnerabilities are aggravated, as the low availability of resources is reflected in a low capacity of response, increasing vulnerability to more intense impact scenarios, and more severe weather conditions. Susceptibility, lack of coping capacities and lack of adaptive capacities to conditions and processes to dealing with disaster risk in the context of climate change⁸⁰.

The proposal was elaborated taken into account all information collected from a number of meetings and field visits held with community representatives and smallholders⁸¹ in the three Municipalities in Marajo, ensuring that the problem and solutions proposed under this project respond to their needs. The project⁸² also takes into account that many of the direct beneficiaries in the Municipality of Salvaterra, around 6,295 are of Quilombola origin⁸³. Quilombolas representatives have been engaged in a number of informative meetings about the project. A formal consultation process will be carried out to ensure proper engagement, participation and consultation takes place with all Quilombolas communities living in coastal areas of Salvaterra⁸⁴, where the project will intervene. Consultation processes will follow international and national legal standards on public consultation, including the Indigenous Peoples Policy of the GCF, ensuring effective participation and engagement of these groups and only those groups that decide to participate will be taken into account.

Financial needs of smallholders varied from groups to groups, however most smallholders have expressed that a) there are no local banks available in Marajo b) they do not meet financial requirements to access credits c) there are no programs design by financial institutions that support adaptation-based solutions d) capacities are limited among smallholders to save money e) capacities are limited to repay loans (in the pass). On barriers to access domestic and international sources of funds, smallholders are currently not served by commercial banks so they are in hands of usurers. By involving financial institutions who target smallholders but do not usually offer sustainable adaptation products or services, the gap in finance service offerings may be reduced. One of the capacity building processes will help unlocking access to Pronaf as well

E.5. Country ownership (max. 500 words)

The adaptation solution proposed under this project is country driven. Supporting smallholder in Marajo through the implementation of diversified agroforestry systems is fully aligned to the commitment made by the Brazilian government under their NDC to promote ecosystem-based adaptation, ecosystems management for improved resilience of vulnerable communities such as those in Marajo. This project directly contributes to the implementation of NDCs measures in the adaptation sector.

The project was designed from its inception with the support and constant collaboration of the National Designated Authority of Brazil, in consultation with other Ministries and with participation and engagement of local stakeholders including quilombolas, smallholders and fishermen and women⁸⁵. Representatives of research organizations and a gender expert participated in a number of meetings to design the project and provide key information to define the best applicable solutions as well as baseline information⁸⁶.

Country ownership is reflected throughout the project design⁸⁷ including in the implementation of activities proposed by the project. Multiple stakeholders have participated of the project design and have informed the development of this proposal. Meetings in Marajo, Belem, Sao

⁸⁰ Annex 13 explains in details the level of vulnerability of communities in Marajo. Figure 2 in Annex 13 provides an example of areas characterized with high vulnerability.

⁸¹ See Annex 15, Stakeholder engagement report

⁸² The project is known among communities in Marajo as Viva Marajo Clima.

⁸³ A quilombola is an Afro-Brazilian resident of quilombo settlements first established by escaped slaves in Brazil. They are the descendants of Afro-Brazilian slaves who escaped from slave plantations that existed in Brazil until abolition in 1888.

⁸⁴ See details of beneficiaries in annex page.

⁸⁵ The proposal was written based on information collected during interviews and meetings with smallholders and communities in the three municipalities where the project will intervene in Marajo to better understand climate risks and best available solutions based on local knowledge. The Avina team and Peabiru Institute also conducted periodic field visits.

⁸⁶ Experts from the World Resources Institute Brazil, CIFOR and Columbia University provided key information to design this project.

⁸⁷ See stakeholder engagement report

Paulo and Brasilia took place to identify beneficiaries, partners, solutions and activities, ensuring that they all respond to existing climate risks and the needs of local communities and smallholders in Marajo Archipelago.

The project is fully aligned with a number of policy documents, including:

- **The National Adaptation Plan**, that promotes reduction and management of climate-risk considering the effects of climate change. The project proposes a solution that encompasses social, cultural and economic dimensions for promoting adaptation, with particular attention to groups that are more vulnerable and populations and approaching adaptation from a sectoral, thematic and co-benefits standpoints.
- **The National Policy for Climate Change** seeks to strengthen the resilience of the most vulnerable groups, which the project will offer.
- The **Country Programme for GCF**, contemplates measures to reduce the impacts of climate change in vulnerable communities and increase their adaptive capacities, and includes this project as one of the strategies to address these goals.
- **The Brazilian Nationally Determined Contributions (NDCs)** establishes concrete measures to tackle adaptation, assessing climate risks and manage vulnerabilities and promoting ecosystem-based adaptation, ecosystems management to enhance the resilience of vulnerable communities to the effects of climate change, which will be offered by this project.
- **The Sustainable Management Plan for Marajo**⁸⁸, elaborated in 2007, which provides a strategic plan for regional development and includes five thematic areas:
 - a) **Spatial planning, land tenure and environmental management**: to promote land tenure, the regularization of quilombolas' lands and the creation of conservation units for sustainable use of fishery and forest timber and non-timber products,
 - b) **Promotion of Sustainable productive activities**: to strengthen the local economy by supporting cattle farming, fishery, and tourism, as well as supporting the sustainable NTFPs; to stimulate local industry and commerce; and to promote local specific credit lines for productive activities.
 - c) **Infrastructure**: to implement infrastructure adequate for local development⁸⁹; etc. Social inclusion and citizenship: to expand local access to school and health systems; to recognize the rights of traditional communities; etc.
 - d) **Institutional management mechanisms in place**: to create institutional mechanisms for local management and integrate actions amongst different levels of government;

To date, some of the guidelines in the plan have been implemented, but still lack effective actions. For example, all the quilombola communities in Salvaterra are still in process of being recognized as indigenous peoples. There is also no current effective NTFPs value chain strategy, even having the Açai production expanded. Access to credit is still very limited in the archipelago, given that local people do not have an adequate support for the correct planning of their production.

The project will implement activities with engagement and straight coordination and alignment with other governmental initiatives and entities⁹⁰, including:

- Rural Research. **EMBRAPA**, the federal agriculture research organization.
- **BASA – Banco da Amazônia** has shown interest in possible development of micro finance products and services that respond to climate needs.
- Conservation and RESEX involvement through **ICMBio** (the Chico Mendes Institute for Biodiversity Conservation) for the implementation of agroforestry systems in territories under their management.
- Involvement of Municipalities. There has been conversations with **AMAM** (Association of the Marajo Archipelago Municipalities), with the Secretary of Environment in Soure, with the Secretary of Environment in Salvaterra, and the Secretary of Education in Salvaterra to coordinate implementation efforts.
- The **Ministry of Agriculture, Livestock, and Supply**. This ministry will be engaged during the implementation of the project to make sure that activities benefiting smallholders in Marajo, align and complement efforts brought by existing programs.
- Other support. The two universities with campus in the area – **Federal University of Pará (UFPA)** and **State University of Pará (UEPA)** are in direct contact to establish synergies. The **Federal and State Public Ministries and EMATER** are also interested in becoming more involved in the project⁹¹.

Fundación Avina has long-track record in supporting participatory processes in Latin America, which involve multiple stakeholders, at a large scale. Fundación Avina has also over 15 years of experience working in the Brazilian Amazon with multiple local partners, having directly contributed to important advances in the reduction of deforestation rates between 2008 and 2015. Through this work, Avina has promoted initiatives that consider the Amazon as a common good, an opportunity of sustainable development and benefits for Brazilians. It has motivated citizens to participate at relevant public decision-making processes, and to search for innovative and multistakeholder solutions. Examples of this work are the Green Municipalities Initiative at Pará State, the Sustainable Municipalities Initiative at Mato Grosso State, the Sustainable

⁸⁸ Accessible at: http://www.mi.gov.br/c/document_library/get_file?uuid=9408a880-6ec0-4be0-9cb7-feb01c4a6256&groupId=24915

⁸⁹ For example, green infrastructure.

⁹⁰ For more details on the conversations with EMBRAPA, Banco da Amazônia and ICMBio, please refer to the Annex Stakeholder engagement report.

⁹¹ We expect that in 60 days, we would have general view of the kind of collaboration and/or a working plan with the organizations listed above.

Amazon Forum, the Infrastructure NGO Working Group, and the Regional Amazon Articulation, among others. From 2008 to 2015 Avina has invested more than USD 12 million in the region, and involved more than 100 organizations at 7 amazon countries towards promoting new alliances and networks in order to scale-up successful experiences.

E.6. Efficiency and effectiveness (max. 1 page)

E.6.1. Estimated cost per t CO ₂ eq, defined as total investment cost / expected lifetime emission reductions (Mitigation only)	(a) Total project financing	US\$_____
	(b) Requested GCF amount	US\$_____
	(c) Expected lifetime emission reductions	_____ tCO ₂ eq
	(d) Estimated cost per tCO₂eq (d = a / c)	US\$_____ / tCO ₂ eq
	(e) Estimated GCF cost per tCO₂eq removed (e = b / c)	US\$_____ / tCO ₂ eq
E.6.2. Expected volume of finance to be leveraged by the proposed project/programme and as a result of the Fund's financing, disaggregated by public and private sources (Mitigation only)	(f) Total finance leveraged	US\$_____
	(g) Public source finance leveraged	US\$_____
	(h) Private source finance leveraged	US\$_____
	(i) Total Leverage ratio (i = f / b)	_____
	(j) Public source leverage ratio (j = g / b)	_____
	(k) Private source leverage ratio (k = h / b)	_____

The project is requesting million USD in grants from the GCF to benefit 24625 thousand people in Marajo in three Municipalities.

The project will provide minimum required resources per household aiming to establish the enabling conditions needed to help them reduce exposure to climate change impacts while improving resilience in the production of forest and river resources, including access to markets and finance, to secure their livelihoods.

The project is centered in upscaling and locally tested adaptation solution that have proven to be effective in other areas of Marajo, which to help reduce climate impacts and provide multiple benefits to income diversification, making smallholders more resilient to climate change.

Diversified agroforestry systems are chosen as the best available technology given the costs and the multiple benefits they bring in terms of climate and livelihood improvement. Some of the benefits of the four systems used in the archipelago are desalinization, erosion control, wave breaks, control strong river currents and sedimentation; secure annual or seasonal production of fruits and other products, reduce risk of damages from felling trees; protect pollinators and pollination of açai and other market value fruits, reduce soil compaction and maintain water pools to provide freshwater and refuge for fish and wildlife.

The project's target area are Cachoeira do Arari, Salvaterra and Soure, contiguous municipalities located at the northeast part of the Marajo archipelago that sum 7.564km²⁹². The total population of these municipalities is 63.627 inhabitants. Most people in these areas live or work in rural areas with earnings below 1 minimum wage (47% of the population), and below two minimum wages (74% of the population). All municipalities have currently very little access to technical support for their production and almost non-existent access to credit.

Climate related economic losses that will be avoided due to the activities proposed haven't been quantified to date, however benefits and functions that agroforestry systems bring are provided⁹³ and how these systems implemented in other areas of Marajo, have demonstrated to improve production and reduce climate related impacts.

The project will be able to leverage additional climate finance through the micro finance product and services offered by the local financial institutions⁹⁴. The concrete amounts are difficult to estimate at this point.

Finally, the project offers estimated Co2 eq reduction contribution as a co-benefit rather than a result that seeks to achieve. The project is aimed at enhancing capacities of vulnerable smallholders in Marajo and increase their adaptive capacities.

⁹² See annex for more information

⁹³ See Annex 3 for more details and figure 1 under the proposal including business model.

⁹⁴ the project will work with local banks like Banco da Amazonia - BASA, in order to facilitate access by smallholders to existing government credit lines: for example, PRONAF (National Program for the Strengthening of Family Agriculture).

F. ANNEXES

F.1. Mandatory annexes

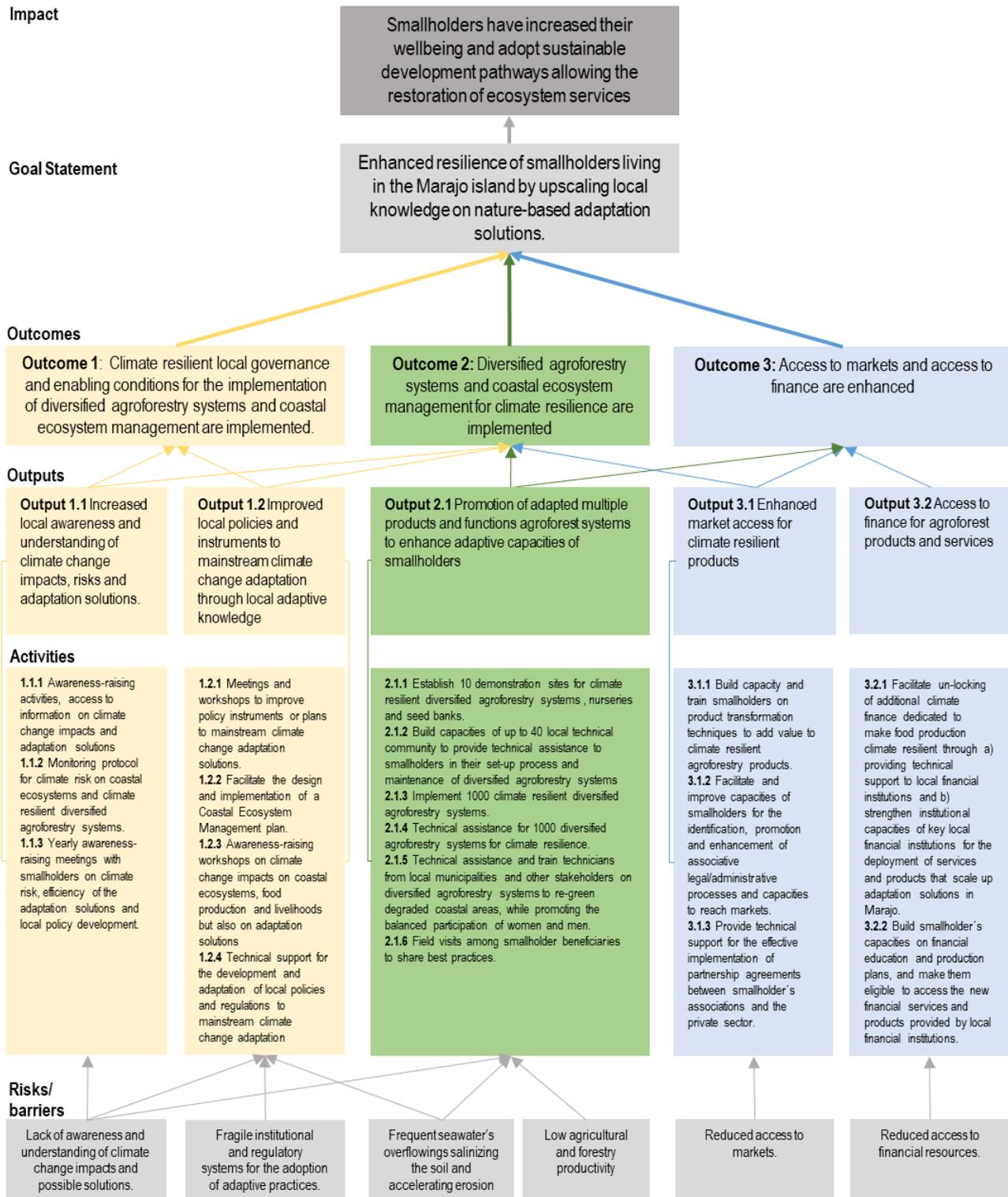
- Annex 1 NDA No-objection Letter(s)
- Annex 2 Pre-feasibility study (including Theory of Change, project/programme-level log frame, timetable, map, and summary of stakeholder consultation and engagement plan)
- Annex 3 Budget plan that provides breakdown by type of expense (Template in excel sheet)
- Annex 4 Gender assessment and action plan (Template)
- Annex 5 Co-financing commitment letter
- Annex 6 Term sheet and evidence of internal approval
- Annex 7 Risk assessment and management (Template)
- Annex 8 Procurement plan (Template)

F.2. Other annexes to be submitted when applicable/requested

- Annex 9 Economic and/or financial analysis
(mandatory for private-sector proposals)
- Annex 10 Legal due diligence (regulation, taxation and insurance)
- Annex 11 Appraisal, due diligence or evaluation report for proposals based on up-scaling or replicating a pilot project
- Annex 12 Environmental and Social Action Plan (ESAP) and Environmental and Social Safeguards risk screening if changed from Part A and B of the concept note submitted.
- Annex 13 Additional Information document
- Annex 14 Grant Mechanism Governance
- Annex 15 Consultation Process and Stakeholder engagement
- Annex 15b FPIC procedure results
- Annex 16 Certificate of internal approval

** Please note that a funding proposal will be considered complete only upon receipt of all the applicable supporting documents.*

Annex 1: Theory of change



Assumptions

- The sea level rise in Marajó region will be up to 2 meters (scenario B, page 8)
- There are health, environmental and political conditions to implement the project activities in the field.
- Beneficiaries maintain their interest to implement climate resilient agroforestry systems over the course of the project.
- The financial sector continue to be interested in deploying the solutions proposed in this project.

Description of beneficiaries per Municipality

	Community	Number of Families	Number of People
18.330 non-quilombolas beneficiaries	Cachoeira do Arari		
	PAE Xipaiá	96	422
	PAE Urubuquara	482	2.121
	Soure		
	RESEX - Marinha de Soure	2.187	9.623
Salvaterra	Joanes	580	2.383
	Jubim	920	3.781
6.295 quilombolas beneficiaries	Salvaterra		
	Caldeirão	210	924
	Mangueiras	180	792
	Paixão	42	184
	Bacabal	90	396
	Boa Vista	115	506
	Siricari	40	176
	Pau Furado	55	242
	Bairro Alto	120	528
	Deus me Ajude	65	286
	São Benedito	35	154
	Rosário	63	277
	Vila União	180	792
	Salvá	10	44
	Santa Luzia	15	66
	Providência	13	57
Sub-total Salvaterra	1.233	5.424	
Cachoeira do Arari			
Gurupá	198	871	
Sub-total Cachoeira	198	871	
Total Quilombolas	1.431	6.295	
Total Geral	5.696	24.625	

	Soare	Salvatera	Cachoeira do Arari	km2	TOTAL
IBGE CENSUS					
	3513	1039	3102		7654
Household situation					
URBAN	21.015	12.672	7.356	people	
RURAL	1.986	7.511	13.087	people	22584
Gender					
MALE	11.472	10.292	10.545	persons	
FEMALE	11.529	9.891	9.898	persons	
Household monthly nominal earnings					
NO EARNINGS	304	366	478	households	1148
UP TO 1/2 MINIMUM WAGE	661	704	799	households	2124
FROM 1/2 UP TO 1 MINIMUM WAGE	1.443	1.250	1.217	households	3910
FROM 1 UP TO 2 MINIMUM WAGES	1.428	1.370	1.180	households	3978
FROM 2 UP TO 5 MINIMUM WAGES	1.200	1.026	742	households	
FROM 5 UP TO 10 MINIMUM WAGES	345	275	134	households	
FROM 10 UP TO 20 MINIMUM WAGES	127	64	21	households	
FROM 20 MINIMUM WAGES	30	15	6	households	
FARMING CENSUS - 2017 preliminary data					
FARMING FACILITIES AREA	198.911,00	14.359,85	74.594,34	hectares	287865,093
number of facilities	120	344	818	facilities	1280
Technical Support					
Receives	65	51	34	facilities	
Doesn't receive	55	293	782	facilities	
Loans					
Acquisition					
Obtained	2	30	17	estabelecimentos	
Not obtained	118	314	799	estabelecimentos	
IBGE Municipal Agriculture Production - 2017					
GDP (Gross Domestic Product) at current prices					
	188.399,23	144.197,57	169.382,78	(x 1000) R\$	488.979,58
GDP PER CAPITA	8.851,86	8.448,02	7.099,77	R\$	
Gross Added Value at current prices					
	180.718,92	138.740,38	168.785,03	(x 1000) R\$	468.222,33
Economic Activity					
FARMING (AGRICULTURE AND CATTLE)	33.929,40	21.674,15	66.882,90	(x 1000) R\$	122.486,45
INDUSTRY	8.580,47	7.173,96	4.405,09	(x 1000) R\$	20.159,52
SERVICES - WITHOUT PUBLIC ADMINISTRATION	40.680,15	36.907,65	20.136,39	(x 1000) R\$	97.724,19



MINISTRY OF ECONOMY
Special Secretariat for Foreign Trade and International Affairs
Secretariat for International Economic Affairs
National Designated Authority for the Green Climate Fund
Esplanada dos Ministérios, Bloco K, 8º andar, sala 874 - Bairro Zona Cívico-Administrativa
CEP 70048-900 - Brasília/DF - e-mail: and.gcf@economia.gov.br

Carta SEI nº 1312/2020/ME

Green Climate Fund
Mr. Yannick Glemarec
Executive Director
Green Climate Fund
G-Tower, 24-4 Songdo-dong, Yeonsu-gu Incheon City Republic of Korea

Re: Proposal for the GCF Project Preparation Facility by Fundacion Avina regarding the project “Enhancing resilience of communities, smallholders and ecosystems to climate change impacts through adapting and scaling up land/resources used systems in the Marajo Archipelago in Brazil”.

In answering this letter, please refer to Processo nº 12120.100334/2020-57.

Dear Madam, Sir,

1. We refer to the Project Preparation Facility proposal “Enhancing resilience of communities, smallholders and ecosystems to climate change impacts through adapting and scaling up land/resources used systems in the Marajo Archipelago in Brazil” for preparation of a project with the same title in Brazil, as included in the PPF proposal submitted by Fundación Avina to us on January 30th, 2020 (“PPF Proposal”).

2. The undersigned is the duly authorized representative of the Secretariat for International Economic Affairs, Ministry of Economy, the National Designated Authority of Brazil.

3. Pursuant to GCF decisions B.08/10 and B.13/21, the content of which we acknowledge to have reviewed, we hereby communicate our no-objection to the Project Preparation Facility activities as included in the PPF Proposal.

4. By communicating our no-objection, it is implied that:

- a. The government of Brazil has no-objection to the Project Preparation Facility request as included in the PPF Proposal;
- b. The PPF Proposal is in conformity with Brazil’s national priorities, strategies and plans; and
- c. In accordance with the GCF’s environmental and social safeguards, the PPF activities as included in the PPF Proposal is in conformity with relevant national laws and regulations.

5. We also confirm that our national process for ascertaining no-objection to the PPF Proposal has been duly followed.

6. We note that a non-objection decision does not constitute any kind of guarantee or commitment by the Brazilian Government. Also, it does not exempt Fundación Avina from complying with legal, regulatory and administrative requirements in Brazil

7. We acknowledge that this letter will be made publicly available on the GCF website.

Kind regards,

Document signed electronically
ERIVALDO ALFREDO GOMES
Secretary for International Economic Affairs
Brazilian National Designated Authority



Documento assinado eletronicamente por **Erivaldo Alfredo Gomes, Secretário(a) de Assuntos Econômicos Internacionais**, em 28/05/2020, às 14:12, conforme horário oficial de Brasília, com fundamento no art. 6º, § 1º, do [Decreto nº 8.539, de 8 de outubro de 2015](#).



A autenticidade deste documento pode ser conferida no site http://sei.fazenda.gov.br/sei/controlador_externo.php?acao=documento_conferir&id_orgao_acesso_externo=0, informando o código verificador **8202173** e o código CRC **696498C3**.