



Brazil

Planting climate resilience in rural communities of the Northeast

GCF Additional Financing

Annex 21: Project Implementation Manual (PIM)

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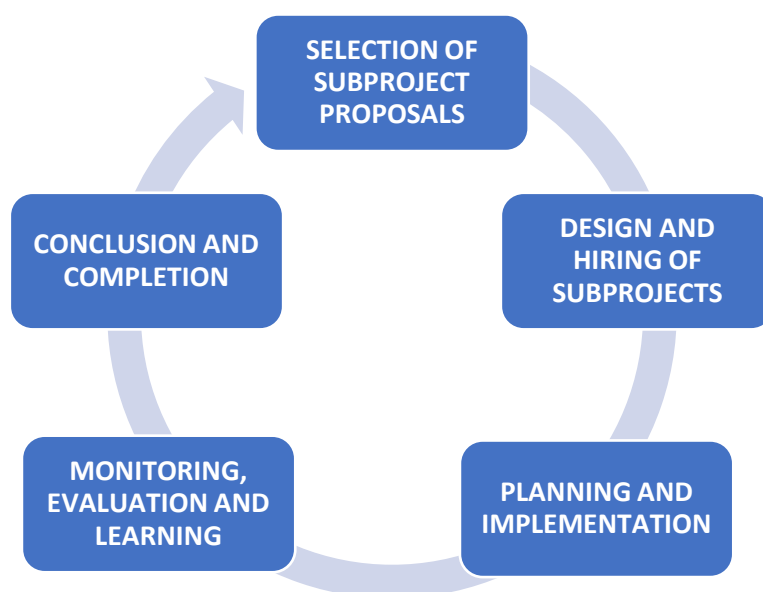
INTRODUCTION

The **Planting Climate Resilience in Rural Communities of the Northeast Project (PCRP)** is a project co-financed by the Green Climate Fund (GCF) and the International Fund for Agricultural Development (IFAD). The project is executed by the National Bank for Economic and Social Development (BNDES), with the sovereign guarantee of the Government of the Federative Republic of Brazil (GoB).

BNDES will directly execute and coordinate the overall project and is responsible for the final decisions of project implementation. Under a decentralized approach, implementation of the project activities will take place in semiarid region of participating states of Northeast Brazil¹. For that reason, the project will select 2 to 4 state-level subprojects proposals within the 9 states in the northeast region. A central-level Planning, Monitoring, Evaluation and Learning Unit (PMEL) unit will support all other subprojects with specialized knowledge and methodologies, in order to promote a harmonization between them as well as expand the project outreach and exchange of experiences.

This Project Implementation Manual (PIM) for the PCRP was aligned to this decentralized approach and organized according to the processes' implementation sequence during the project life cycle, from the selection of implementing partners to the completion of the project. The PIM provides a practical reference tool to guide project implementation and to comply with contractual clauses between IFAD and BNDES on technical aspects and procedures (eligibility, selection, design, planning and implementation of interventions, monitoring and evaluation, supervision) as well as bidding and contract applicable rules, financial and accounting administration and audit procedures.

Figure 1. PCRP Lifecycle



¹ The Resolution 115 of 23/11/17 from Sudene defines these features of the Semiarid: i) Average annual rainfall ≤ 800 mm; ii) Thornthwaite Aridity Index ≤ 0.50 ; and iii) Daily percentage of water deficit $\leq 60\%$ (average of all days of the year). In the case of Maranhão, it will also consider Bill (Projeto de Lei) no. 2492/2019 which enlarges the semiarid of Maranhão to additional 44 municipalities. <https://www25.senado.leg.br/web/atividade/materias/-/materia/136472>

In the case of any differences between the PIM and the Financing Agreement, the latter shall prevail. The project implementer can propose modifications to the PIM in order to adapt it to new conditions or circumstances that may arise during project implementation, which will form part of the PIM once they have the prior No Objection (NO) from IFAD.

1. PROJECT OVERVIEW

The PCRP will work towards a paradigm shift: if family farmers in the semiarid northeast Brazil (NEB) transform their productive systems, then they will be able to increase production while improving their autonomous capacity to face the challenges posed by ongoing climate change, because the adoption of climate resilient practices will result in farming systems that perform restored ecosystem functions. These systems will have climate change adaptation and mitigation benefits, increasing and stabilizing family income and food security while incentivizing young generations to stay active in rural activities. The PCRP will work with the most marginalized and vulnerable groups of the poorest region in Brazil. The partnerships between IFAD, GCF, and Government of Brazil and BNDES will mobilize resources and disseminate lessons to many levels of government in other regions in Brazil and abroad.

The project consists of three components that reinforce one another to promote climate resiliency as well as emission mitigation: 1) Climate Resilient Productive Systems (CRPS); 2) Water access; and 3) Knowledge Management and Scaling-Up.

Component 1 will implement diversified agroforestry systems that will increase local water availability. The *Caatinga* is a rich productive area, with fertile soils, where temporary streams and wetlands exist, making up a biome with good capacity for agricultural production, provided that adapted vegetation is used, with adequate arrangements and techniques appropriate to the levels of humidity and solar radiation. The area has great biomass production capacity for multiple purposes and can afford to produce with quality, without use of industrial inputs. For this, it is enough to establish a vertically stratified system that promotes total coverage of the soil and maximizes use of sunlight.

The water access activities in Component 2, such as rainwater harvest and storage, if accompanied by the current agricultural model, may be temporarily palliative – subject to severe water loss due to high evapotranspiration from heat and wind – but productivity would remain limited. In fact, water investments in the semiarid must be complemented by soil recovery practices promoted in Component 1, to allow infiltration of rainwater, increase soil biomass rate, create shade and wind shelters to reduce evapotranspiration (which can exceed 2,000 mm/year). The specific flora and fauna in the semiarid have developed a high capacity to access and store water (in roots, trunks, stems and leaves), resulting in a biota capable of supplying more water than needed for growth and reproduction, adding surplus water to the system.

Knowledge management, policy dialogue, communication, and monitoring and evaluation (M&E) activities under Component 3, meanwhile, will allow the investments under Components 1 and 2 to be sustainable and scaled up to other states in the region and dryland areas, including other countries, resulting in the intended paradigm shift in approaches to climate adaptation and mitigation.

The project will directly benefit a total of approximately 1,000,000 people in 250,000 family farms (of which 40% are women and 50% youth), increase the resilience of agricultural production systems over 84,124 ha and restore degraded ecosystems of importance for the provision of environmental services. It

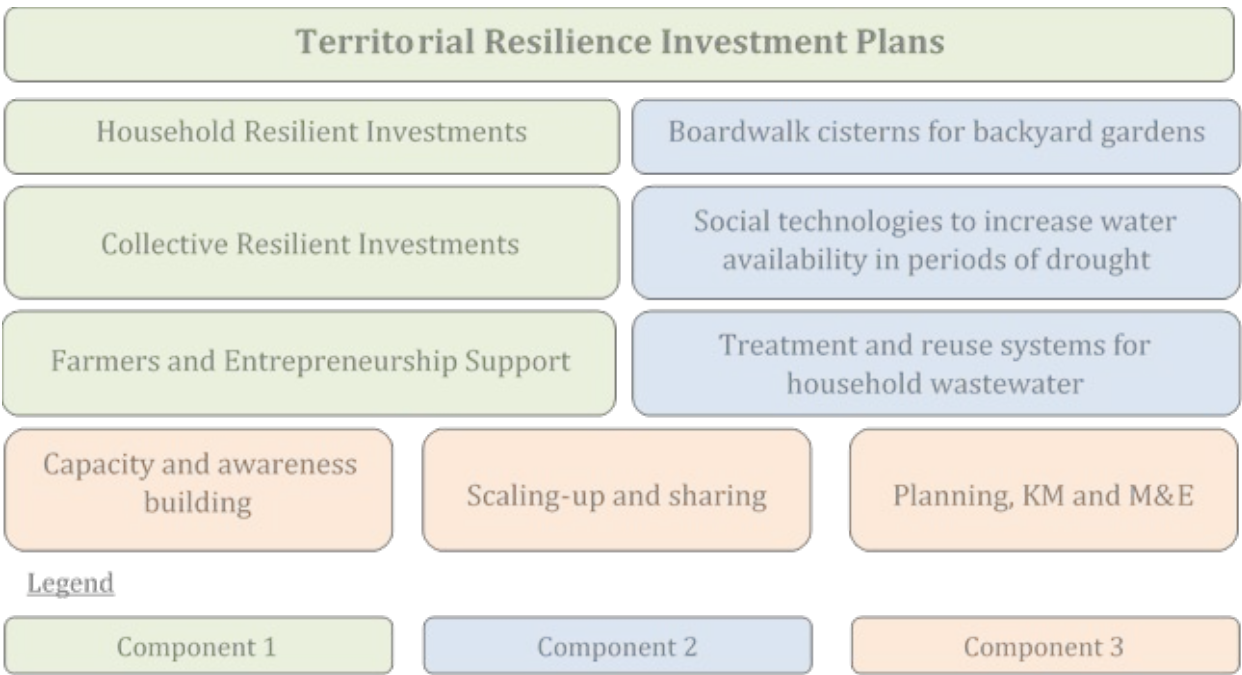
will increase the water access to 36,000 families, increasing their resilience to droughts. The project will mitigate between 11.2 million tCO2eq and 11.8 million tCO2eq over a 20-year period.

2. DESCRIPTION OF ACTIVITIES

Climate stressors aggravate the downward cycle caused by the inadequate practices translating into a decline in productivity, which in turn feeds into social and environmental degradation processes inducing the impoverishment of family farmers and ecosystem services. The partnership between IFAD, GCF, GoB, BNDES and Northeast states will shift from the predominant current paradigm to one characterized by the promotion of dense, stratified and diversified agricultural systems, farmer-led technology development, and active leadership from women and youth. It will mobilize resources and disseminate lessons to many levels of government in other regions of Brazil and abroad. PCRP will work with existing supply chains in each micro-region, increasing productivity and strengthening resilience, capitalizing existing infrastructure and processing units.

The project will consist of three complementary and mutually reinforcing components (pictured in the diagram below) to promote climate resiliency as well as emission mitigation: 1. Climate Resilient Productive Systems (CRPS), 2. Water Access, and 3. Knowledge Management and Scaling-Up. Selection of the productive systems and water access technology is described in the Feasibility Study.

Figure 2. Project Diagram



Component 1. Climate-Resilient Productive Systems (CRPS)

The main objectives of Component 1 are to implement diversified agroforestry systems that will increase local water availability in the productive system and empower beneficiaries (especially women and youth leaders) in sustainable management of these systems. Investment strategies have been designed to meet the diverse demands of family farmers, given the range of sizes of land areas, climate-resilient adaptation requirements, target beneficiaries, and productive objectives.

Activity 1.1.1. Selection of Project Areas and development of Territorial Resilience Investment Plans (TRIPs)

Through Activity 1.1.1, the project will select its implementation area and develop Territorial Resilience Investment Plans (TRIPs) which will act as a “master plan” to guide collective and individual investments in components 1 and 2. As sole Executing Entity (EE), BNDES will have the final decision making power on all project activities including: i) use of funds; ii) State selection and project implementation area; iii) final beneficiaries; iv) eligible practices and interventions; v) TRIPs final approval; vi) approval of procured TA Teams and service providers.

Sub-activity 1.1.1.1 Develop a baseline study to select project area The following tasks and selection criteria will apply:

Subactivity 1.1.1.1. Develop a baseline study to select project area

Step 1. Selection of states and PMEL. At a preliminary stage, the selection process will be based on state qualification, verification of borrowing capacity, poverty characteristics according to the PCRPs focus and targeting, climate vulnerability criteria, counterpart contribution capacity, implementation capacity (previous experience with IFAD or similar projects), social and economic indicators and implementation arrangements. The States taking part on the public call prepared by BNDES would be ranked through an in-depth analysis based on the following established criteria:

- (i) verification of borrowing capacity;
- (ii) state qualification;
- (iii) verification of counterpart capacity;
- (iv) incidence of rural poverty;
- (v) climate vulnerability index and historical exposure to drought;
- (vi) food and nutritional security index;
- (vii) water quality and availability;

After the application of the criteria, two to four NEB states will be pre-selected as eligible to present a Consultation Letter (Carta Consulta) to the Executing Entity (EE) – BNDES. This document will go through a deeper analysis by BNDES technical team before it is submitted for final approval by the BNDES’s Board of Directors. The process of selection of states, area and beneficiaries is included in more detail in the PIM (Annex 21).

Similarly, the institutions/organizations that participate in the competitive public call to implement activities of PMEL Unit, would be ranked through an analysis based mainly on the following criteria, and the pre-selected ones will present a consultation letter to the EE that will be thoroughly analysed by BNDES technical team and will be subject to the approval of BNDES Board of Directors:

- i) client qualification;
- ii) experience with the region and similar projects and themes;
- iii) experience with similar budget;

Step 2. Define project area in each selected state. The municipalities within states will be ranked through an analysis based on the following criteria: (i) rural poverty incidence; (ii) climate vulnerability index and historical exposure to drought; (iii) food and nutritional security index; and (iv) water quality and availability. Technical Assistance (TA) will be selected per area, with one extensionist serving an average of four communities or one territory (total of about 140 families) over a three-year period for Component 1 activities and a two-year period for Component 2 activities. This step will occur during the preparation of the State's proposal

Step 3. Select beneficiary groups. In the beginning of the implementation phase at state level, each state will propose the beneficiary groups, focusing on those with the greatest climatic, socioeconomic and environmental vulnerability.² A baseline survey will be conducted to collect information on agricultural production, herds, local climate, water availability, gender issues, and nutrition, among others of the target population. Priority will be awarded to marginalized groups such as traditional communities, youth, and women. Participation is not mandatory, so public awareness campaigns and stakeholder engagement are necessary (see activity 3.1.1). For indigenous people's communities, the project will also follow Indigenous People's Planning Framework (IPPF).

Subactivity 1.1.1.2. Develop TRIPs. TRIPs are the planning tool for all activities proposed under Components 1 and 2. They include investments, resources, capacity building, and other initiatives to achieve the objectives. Each TRIP will cover an average of four territorially contiguous communities. To implement TRIPs, selected states will provide non-reimbursable funds (grants) to community organizations/associations. Final beneficiaries will only access such grants through community organizations/associations. The sub-grant agreements with community organizations and associations in Brazilian terms "acordos"; with which are in Brazilian legal terms called "convênio" (sub-grant agreement) and IFAD has in-depth experience with its operations and accountability. Final beneficiaries will provide 10% in-kind contribution of the total TRIP and this will be captured in the "convênioacordo". Technical assistance (TA) teams will be contracted by the States to design TRIPs with full involvement of beneficiaries based on the Manual for Designing Productive Investment and Business Plans. TA teams are private service providers to be selected and procured by the states, following the guidelines of BNDES. Under component 1, four types of Investments in Systems of Agroforestry (ISAs) will be considered for: families (ISA Família), backyard gardens (ISA Quintais), communities (ISA Coletivo), schools (ISA Escola) as well as a pilot on Bio saline agriculture. Once completed, the TRIPs will be submitted by the SIU for validation and evaluation of the state-level Consultative Council and then will be submitted for final approval by the states to BNDES. This mechanism will ensure greater involvement, participation and empowerment.³

Activity 1.1.2. Implement CRPS in family farms and backyard gardens

Through activity 1.1.2, CRPS will be implemented in Family farms and in backyard gardens. Investments will receive TA for development, implementation, and initial monitoring.

² These selection criteria will be applied: (i) the environmental precariousness rate of its property (signs of deforestation, erosion, and soil degradation); (ii) food and nutritional insecurity rates (malnutrition and chronic degenerative diseases); and (iii) tangible effects of drought and level of access to quality water.

³ Each state will set up a Consultative Council meeting to discuss TRIPs presented to the PMU to ensure their quality, in the various relevant scopes (alignment with project objectives, feasibility, etc.). This body may request additional information or recommend improvements that is considered inappropriate (see section B4).

Subactivity 1.12.1. Implement CRPS in family farms

Objective: Reduce vulnerability of production to droughts and increase income, developing a progressive culture of multiple sustainable uses of productive areas.

Selection criteria: Target beneficiary families (see subactivity 1.1.1) that have sufficient water for irrigated production on 0.5 hectare each.

Investments (ISA família): Resources to implement the CRPS.⁴

Area: 31,000 plots with an average of 0.5 hectare each (total 15,500 hectares)

Subactivity 1.12.2. Implement backyard gardens using CRPS

Objective: Develop irrigated, diverse and productive backyards in conjunction with activities in Component 2, applying CRPS principles to reduce families' food and nutrition insecurity from droughts, increase access to nutritious food as well as value and strengthen the role of women in production.

Selection criteria: Beneficiary group families (see subactivity 1.1.1) that have no water for production purposes. These beneficiaries will also receive water access investments in Component 2.

Investments (ISA Quintais): Resources to implement CRPS.

Area: 36,000 gardens with an average size of about 0.2 hectare each (total of 7,5000 hectares expected)

Activity 1.1.3. Implement Collective Resilient Investments

The funds for collective investments are also non-reimbursable and will follow the same co-funding and TA as individual investment in output 2.

Subactivity 1.13.1. Implement Collective Areas Sustainable Management (CASM)

With increasing population and land use in the Semi-arid, there is a real threat that the communities with common land tenure could gradually deplete the Caatinga, mainly due to timber extraction for firewood and overgrazing.

Objective: The main objective is to improve the ecosystem services provided by the Caatinga, such as micro-climate regulation, carbon sequestration and fixation, pest and disease control, provision of water, decomposition of waste, natural pollination of crops and other plants, and provision of raw materials (timber, seeds, nuts, fruits, etc.). The system will stabilize and, if possible, increase the supply of forage. The enhanced ecosystem services help ensure that the community will be the main stakeholders in the conservation and recovery of the system in which they live in.

New options for income generation are needed, especially for women and youth, and the increase of forage for the herd, so that the animals gain more weight and compensate for possible loss of income due to the herd's reduction. It is possible to develop a slow and progressive culture of multiple and sustainable uses of the Caatinga and reduce extensive grazing, while increasing income, encouraging family succession, and conservation and recovery of the ecosystem services offered by the Caatinga.

Selection criteria: Communities that have a collective use area of around 500 hectares or more.

Undertakings:

⁴ Seeds, seedlings, fertilizers, equipment rental or purchase, irrigation systems, tools, fences, etc.

- Recover degraded areas using CRPS;
- Decrease timber demand by implementing eco-efficient stoves and biodigesters;
- Increase supply and efficient use of water for production;
- Structure community seedbanks and nurseries;
- Promote low-impact productive activities in collective areas (e.g., beekeeping).
- Strengthening community governance of access and sustainable use of the areas.

Area: 60 CASM with an average size of 600 hectares each (total 36,000 hectares).

Investments (ISA coletivo): Tools and materials for implementing CRPS, nurseries, eco-efficient stoves and bio-digesters.

Subactivity 1.1.3.2 Implement CRPS in Schools

Rural schools are where young people, children of farming families acquire knowledge on various subjects, such as rural life and agricultural production. The project will seek to enable these educational institutions to teach sustainable practices.

Objective: Enable rural educational institutions for youth to experiment and teach CRPS, rational use of water for production, renewable energies, and other resilient practices to students. Target the cooks who prepare school meals, encouraging them to use native fruits and vegetables, reinforcing children's food and nutritional security.

Selection criteria: Rural schools within a range of the target areas (see subactivity 1.1.1). Preference will be awarded to Family Agriculture Schools (EFAs).

Undertakings:

- CRPS teaching and experimentation;
- Development and maintenance of nurseries and seedbanks;
- Promotion of entrepreneurship in CRPS; and
- Training for cooks and students on the nutritional value of native fruits and vegetables to diversify and enrich diets.

Area: 1,000 schools (with about 100 families per school) with at least 0.1 hectare each (total 100,000 families and 100 hectares).

Investments (ISA escola): Resources to implement the CRPS, such as seeds, seedlings, organic fertilizers, equipment rental or purchase, irrigation systems, tools, fences, nurseries, training materials, computers, etc.

Subactivity 1.13.3 Test productive models of Bio saline agriculture

In the Semi-arid, brackish or salty groundwater is common. Around 25% of wells have freshwater (< 500 mg/l TDS⁵), 33% are brackish (501–1,500 mg/l TDS), and 42% salty (>1,500 mg/l TDS).⁶ An estimated 75%

⁵ TDS – Total dissolved solids.

⁶ MME-CPRM-SERVIÇO-GEOLÓGICO-DO-BRASIL. **Projeto Cadastro da Infra-Estrutura Hídrica do Nordeste. Relatório Preliminar - 1ª Etapa - 225.000 km² - Versão Beta.** Brasília: MME-CPRM-Serviço-Geológico-do-Brasil. Available at: https://www.cprm.gov.br/publique/media/hidrologia/m_apas_publicacoes/cadastramento_fontes_semiarido_brasileiro.pdf. 2003.

of the wells in the Semiarid are unfit for human consumption. There are over 500 desalinization units operating in NEB, which produce residual water that currently accumulates in evaporation tanks with no productive use.

Objective: Develop pilot testing of productive activities using effluent from the desalination process.

Selection criteria: Communities benefitted from collective desalinization systems, especially those under the Programa Água Doce (PAD).

Undertakings: Fish breeding and irrigation of halophyte plants in small areas.⁷

Investment: Fish, tanks, irrigation equipment, resources to implement the CRPS, soil laboratory tests, etc.

Number of bio-saline production systems: 24 bio-saline systems each irrigating 1 hectare and benefiting 50 families (total 1,200 families and 24 hectares).

Activity 1.1.4. Build a Farmers Network and Promote local entrepreneurship for products and services that support family farming

To facilitate the replication of CRPS, support will be provided: i) TA teams will build a territory-based intervention strategy identifying properties demonstrating exemplary experiences of CRPS and water access technologies and building a network to exchange these good practices; and ii) Small grants and business management support to microenterprises that innovate and produce specific tools and equipment to facilitate the implementation of CRPS.

Subactivity 1.1.4.1 Build a Farmers Network

The following tools will be used:

Task 1.1.4.1.1 Train Farmers

TA teams will need to be trained in CRPS principles and practices, water access technologies and gender-transformational approaches, appropriate for indigenous and traditional communities and that attract youth.

In addition, farmers who already implement aspects of CRPS will be invited to become farmer-trainers. Their selection will not be limited by the criteria of target group or property size. They can have several roles in the project; from integrating TA teams, allowing visits to their farms as demonstration plots, or participating in local farmer network, trainings and workshops. The Project will ensure both women and men become farmer-trainers.

Task 1.1.4.1.2 Hold exchange visits; an important source of practical information and knowledge sharing. They involve organizing a group of farmers to visit another farmer or group. Although usually the visit is done to a 'more advanced' group, it is not a one-way process, because visitors discuss and comment what is being observed. These initiatives are often more effective than courses or lectures on the same topics due to language similarity and experience of real-life situations. Farmers from 5,000 medium-sized farms (at least 5 hectares) located in the project's region will be invited to participate in the exchange visits. There will be an active participation of Young Communicators in these exchanges (see subactivity 3.1.1.1).

⁷ Hoffman and Shannon, 1985

Messaging apps are widely used in Brazil and can be applied to bridge communication gaps in farming communities. TA can create and manage online social-media groups to share experiences on specific topics and solve problems promptly. These groups can further the sharing of the knowledge learned in the exchange visits.

Subactivity 1.1.4.2 Promote local entrepreneurship for products and services that support family farming

Most small-scale products and tools available to farmers are directed towards traditional large-scale monoculture, creating a vicious cycle that makes farmers turn to non-resilient production practices. Specialized small-scale equipment and mechanization can make farmers more productive and able to add value to their production.

The few scattered farmers who dare challenge the model must develop or adapt their own tools. During visits to Bahia and Pernambuco, the design team witnessed several examples of these innovations: forage palm chopper and feeder, long-arm pruning shears, wood chipper, and low-tech water reuse facility, among others. This thriving creativity and potential demand face high barriers to their widespread use. Microentrepreneurs in this sector are mostly small and lack the management capacity for commercial financing, making efforts to scale up or even start their businesses nearly impossible. Their innovations usually never go beyond their plot.

With greater access to capital – especially capital with management assistance and sustainability conditions tied to it – microentrepreneurs with businesses that have a direct impact on climate resilient agricultural production can scale up their operations and influence family farmers beyond the project's direct beneficiaries to improve their practices. A dynamic business environment can also attract youth.

In light of the above, the project will support investment in small-scale mechanization⁸ of microenterprises that provide services or products for improving family farmers' CRPS, thereby enhancing rural entrepreneurship. Small grants may support microenterprises that innovate and produce specific tools and equipment, nurseries, composting services, apps to manage production, organic fertilizers, pest control, and market platform, etc. These enterprises will also receive business management support. The GCF grant will cover the incremental costs associated with higher-than-average screening, evaluation and technical assistance costs of the fund's investments. The small grants to microenterprises will be provided by states under specific legal agreements to microenterprises selected through a competitive process, following BNDES approval of the criteria following BNDES final approval.

Expected results of **Component 1** include:

- | | |
|--|--|
| • 575 TRIPs designed and approved; | • 1,800 families from 60 communities benefiting from CASM; |
| • 31,000 families benefiting from Family Farms Investments and TA; | • 540 eco-efficient stoves installed; |
| • 36,000 families benefiting from backyard gardens investments and TA; | • 540 biodigesters built; |
| • 1,000 schools teaching CRPS; | • 540 income-generating and resilient production-based activities in collective areas; |

⁸ According to Brazilian Law, "microenterprise" is defined as a company with annual gross revenue of less than R\$ 360,000.

- 1,200 families benefiting from 24 bio-saline productive systems;
- 5,000 medium-sized (at least 5-hectare) productive units participating in farmers networks;
- 550 TA and farmer trainers trained;
- 24,000 farmers participate in exchange events / workshops;
- 84,124 hectares under sustainable management;
- 11 MtCO₂e emissions reduced; and
- 70 micro enterprises supported to supply small-scale equipment for CRPS.

Component 2. Water Access for Production

The purpose of this component is to disseminate practices in efficient water capture, harvesting, storing and use to decrease vulnerability of livestock / crops to rainfall irregularity and prolonged droughts. All investments in this component will be financed as determined in the TRIPs for beneficiary groups (described in activity 1.1.1).

Component 2 beneficiaries will be the ones that will implement backyard gardens (described in subactivity 1.1.2.2). Irrigation in small plots allows diversified production, mainly with fruits and vegetables, for family consumption and to sell surpluses.

The TA provided to the beneficiaries will focus on addressing issues of efficient water management, good irrigation practices, techniques for limiting evapotranspiration, and precautions to prevent soil salinization. All pumping systems will use renewable energy (photovoltaic or wind).

All water infrastructure methodologies selected in the PCRP are widely disseminated in NEB and are extremely simple to build, known in Brazil as “social technologies”. Construction of the water infrastructure technologies listed below is usually carried out by trained community masons, beneficiary families, and their neighbours with oversight from TA teams.⁹ In addition to creating an activity for local workers, it also ensures future maintenance of the cisterns without relying on outside services. Technical training and training in water management will be systematically provided in association with the construction process.

Through the use of water technologies, the project will deliver Output 2.1 Improve water access to family farmers and traditional communities to reduce the impact of severe droughts by investing in small-scale technologies for harvesting, reuse, treatment and storage.

Activity 2.1.1. Build boardwalk cisterns for backyard gardens¹⁰

Investment: Materials to construct cisterns; irrigation equipment; tools and materials for implementing CRPS. Construction of a plate tank with storage capacity of 52 m³, coupled with a 200 m² concrete water-catchment area (boardwalk or *calçada*).

⁹ The same technique has been used for construction of cisterns in the One Million Cisterns Program.

¹⁰ Cisterna Calçada - Instruction regulated by Law number 12.873, dated October 24, 2013. Decree number 8.038 of July 4, 2013 and Ordinance number 130 of November 14, 2013.

Application: Irrigate small plots to support short-cycle crops (mainly vegetables) during dry season. The role of women in this production is fundamental. Impact on family food security and nutrition are significant.

Total: 20,000 cisterns.

Activity 2.1.2. Implement social technologies to increase water in the field

Subactivity 2.1.2.1 Build small farm ponds ¹¹

Investment: Small-width deeply excavated reservoirs that store at least 500 m³ of rainwater to reduce evaporation and retain water for longer periods.

Application: Irrigate plots and support short-cycle crops during dry season.

Total: 500 farm ponds.

Subactivity 2.1.2.2 Construct small groundwater storage basins

Investment: Construction of small underground dams through a transversal blocking system along temporary streams and river banks, with flexible plastic sheeting lining a trench (from surface to rock or impermeable layer).

Application: Capable of irrigating larger areas and storing a significant quantity of water for several months.

Area: 500 small underground dams.

Activity 2.1.3. Implement treatment and reuse systems for household wastewater

For rural families, untreated water represents risks to the environment, soil, and human health. Only 27% of the NEB population (mostly in urban areas) has access to sewage collection and treatment.¹² The treatment systems selected use simple and affordable technology based on cycling water and nutrients for food production. These technologies adapt forms of rural sanitation to the household level and contribute significantly to sanitary improvement of environmental and living conditions of beneficiary families.

Subactivity 2.1.3.1 Implement systems for grey water reuse

Investment: Construction of treatment system consists of filtering grey water residues through physical and biological mechanisms, in which organic matter is biodegraded by microorganisms and earthworms.

Application: Irrigate small plots, such as backyard gardens and nurseries.

Area: 10,000 greywater treatment systems irrigating 0.05-hectare plots (250 hectares).

Subactivity 2.1.3.2 Implement green septic tanks

¹¹ Instruction regulated by Law 12,873 of 24 October 2013, Decree number 8,038, of 4 July 2013 and Ordinance number 130, of 14 November 2013.

¹² Instituto Trata Brasil, see: <http://www.tratabrasil.org.br/saneamento/principais-estatisticas/no-brasil/esgoto>

Investment: Construction of evapotranspiration tank (or green septic tank). Anaerobic digestion, which occurs in septic bed, consumes organic matter from household waste in the root zone of the plants.

Application: Can irrigate trees (usually banana trees, which are part of the treatment systems) and non-edible plants.

Area: 5,000 blackwater treatment systems irrigating 0.05-hectare plots (250 hectares).

Expected results of **Component 2 include**:

- 20,000 cisterns with walkway;
- 500 trench barriers;
- 500 small underground dams;
- 10,000 greywater reuse systems;
- 5,000 blackwater treatment systems.

Component 3. Knowledge management and scaling-up

Component 3 supports and expands on the activities in Components 1 and 2. The activities described below will be explored in the project so that information flows serve both to consolidate learning among families who will experience new approaches in CRPS and water access as well as to scale to a regional and international level the adaptation and mitigation measures that the project will propel. Strategies developed will drive upscaling and deliver Output 3.1 CRPS and small-scale water harvesting system disseminated in the NEB semiarid and abroad to increase climate resilience of vulnerable communities.

Part of Component 3 (activity 3.1.2 - sub-activities 3.1.2.1, 3.1.2.2, and sub-activity 3.1.3.1.) will be conducted thorough the establishment of the Planning, Monitoring, Evaluating, and Learning Unit (PMEL - see B.4 below). The entity which will conduct activities under PMEL will be selected by BNDES following an open selection process by the submission of a consultation letter (carta consulta), which will be subject to analysis and approval by BNDES according to its internal procedures, and without the involvement of the states. The recruitment of TA teams and selection of beneficiaries for the above mentioned activities will be conducted by the entity selected for PMEL under direct guidance and approval by BNDES. It will not involve sub-grants. The States will conduct activity 3.1.1 – sub-activities 3.1.1.1., 3.1.1.2 and 3.1.3.2 of Component 3, following BNDES guidelines.

Activity 3.1.1. Raise awareness and build capacities of women, youth and traditional communities

This activity combines several strategies: i) highlight the leading role of youth and women as 'knowledge managers and generators' and 'local talents'; ii) consolidate laboratories for learning, exchange and replication of sustainable practices in communities through a set of printed and audio-visual materials; iii) facilitate dynamic M&E of socio-environmental impacts, which will be registered in materials that allow effective influence in spaces dedicated to public policy making.

Subactivity 3.1.1.1. Develop a young communicators network

A total of 450 young people will be selected to participate in a media resource empowerment program focusing on successful experiences in accessing water resources and CRPS. In addition to being responsible for registering activities and facilitating production of audio-visual and printed materials, Young Communicators (YCs) will act as “social mobilizers”, fulfilling a crucial role in social organization processes.

Another important initiative in which YCs will take part, together with the farmers' network (see subactivity 1.1.4.1), is the construction of a participatory monitoring model with audio-visual resources.

Local and regional exchanges between YCs will be promoted. YC will work closely with TA teams and community-based partner organizations. Each will receive a scholarship through a "learning grant" and have access to equipment (mobile phones and notebook computers).

Subactivity 3.1.1.2. Strengthen capacity for women, youth, and traditional communities

All educational activities (workshops, courses, exchanges, etc.) will follow a "learning by doing" approach that explores experimentation of alternative technologies and information exchange among community members. Given that women, youth, and traditional communities tend to be on the margin of community-based organizing efforts, the project will prioritize capacity-building opportunities targeting these groups.

(i) **Rural women:** The project strengthens rural women's capacities as part of a comprehensive environmental education program that explores the connections between feminism, women's rights, the semiarid region biomes, agroecology, and food and nutritional security.

(ii) **Youth:** In addition to YC networks, youth will be involved in short-term professional courses with a focus on diversity of production systems and CRPS. The youth will then be incorporated in TA teams and serve as liaisons with families.

(iii) **Traditional communities:** Implementation of sensitivity trainings for TA professionals in issues of race and ethnicity, with a focus on methodological approaches and instruments that address the relationship these communities have with natural resources and land management techniques. The second line of action involves conducting case studies in traditional communities.

Activity 3.1.2. Drive scaling-up, unlock policy barriers and experiment with CRPS and resilience participatory monitoring model

Subactivity 3.1.2.1 Promote south-south cooperation

Another aspect of this project involves developing capacities by sharing knowledge, skills, resources and technologies among countries through the construction of a more horizontal relationship of solidarity than the classic "North-South" cooperation. At the start of implementation, the exchange sites inside and outside Brazil and the prioritized systematization methods will be identified. IFAD is currently implementing the Dryland Adaptation Knowledge Initiative (DAKI,) which will pave the way for the project implementation, among other activities, will develop distance learning online platform in foreign languages and this tool could be used in case trips cannot materialize. At the start of implementation, the project will define the exchange sites inside and outside Brazil, the method of interaction (online or in person) and the systematization methods. In addition to TA team members, farmers will be invited to participate. The project will invest in construction of a database cataloguing the practices and technologies for proper management of natural resources that have been identified in these different contexts.

Subactivity 3.1.2.2 Facilitate discussions to unlock policy barriers

The National Forest Code requires farmers in the Northeast to preserve 20% of their land as legal reserve. Family farmers, however, can perform certain productive activities in their legal reserves such as agroforestry and beekeeping. The Forest Code anticipates that States could implement a legal reserve

quota (CRA) market, where farmers that preserve above their required 20% could sell their quotas. Several policies that are constraining family farmer's CRPS were identified during project design. The most notable include: i) lack of an Environmental Reserve Quota (CRA in Portuguese) market; and ii) norms and regulations preventing family farmers from accessing markets.

As recommended by the World Bank,¹³ establishing the CRA market could provide additional incentives for family farmers to increase the area covered by the climate-resilient agriculture principles laid out in the project. A CRA credit produced on a beneficiary's property could be used to offset a legal reserve (RL) debt on another property within the same biome, preferably in the same state. The RL debts represent obligations acquired by any given farmer that can be efficiently offset by environmental improvements produced by smallholder farmers with CRPS, thereby generating a transfer payment from the RL offender to the smallholders. Implementing a state CRA could create a market for forested lands, adding monetary value to a preserved Caatinga. Given the high costs of restoration/reforestation in the Caatinga and the climate-resilient agriculture principles laid out in the project, exchange of CRAs could become an effective way to facilitate Forest Code compliance, meeting NDC targets and preventing deforestation of surplus native vegetation.

The Committee on World Food Security and FAO (2016) recommend that governments employ public policy to support family farmers with respect to issues such as pricing policies, public procurement, food safety and standards, and appropriate credit and infrastructure. Family farmers in Brazil are affected by top-down imposition of food safety standards designed to respond to large-scale mechanized and standardized food production for commodities and large distribution channels. As a consequence of these entry barriers, family farmers revert to informal markets with lower demand and prices.

The project will facilitate discussions in forums on marketing and market access for family agriculture. The proposal is to take advantage of existing organizational structures, reinforce them and create new ones. These working groups should involve a broad set of stakeholders (e.g., project beneficiaries, NGOs, private and public sectors) and develop a roadmap to implement the CRA markets and improve regulatory conditions for family farmers' access to markets. It will also commission research on targeted policy and regulatory issues.

To qualify the inputs made in these forums on public policy, materials (publications and videos) will be produced that present results of the actions undertaken, in accordance with the progress indicators used in the M&E system. These publications – that present concrete social, environmental and economic results of transitioning to a model of family farmer CRPS – can influence public opinion, which in turn can contribute to the “scaling up” process.

Subactivity 3.1.3 Experiment with CRPS and resilience participatory monitoring model

Since transition to CRPS is gradual and its social, economic and environmental impact not immediately perceived, a monitoring methodology is needed that gives visibility to transformations promoted during

¹³ The World Bank, June 2017. Brazil's INDC Restoration and Reforestation Target, Analysis of INDC Land-use Targets. Report No. AUS19554.

implementation. Systematization processes will be published and subsidize political advocacy processes, reaching external stakeholders, such as public managers and institutions working on related topics.

Activity 3.1.3. Plan, Monitor, Evaluate and Learn

An independent closing evaluation and mid-term review is part of the project. Activities will be carried out at national and state level as follows (More details in Annex 11):

Sub-activity 3.1.3.1. PMEL: at the National (Regional) level, undertakings include: building-up an information platform based on systematizations and innovation experiences, 12 GIS evaluations (4 at start-up, 4 at midterm and 4 at completion), contracting yearly M&E, IT and Communications services, collecting data and information for preparing the Project Completion Report, carrying out M&E meetings and planning workshops (one per year) and elaborating 4 Studies, Systematizations and other Knowledge Management products (2 at mid-term and 2 at completion).

Subactivity 3.1.3.2. PMEL: at the State level, undertakings include: 12 Studies, systematizations and other Knowledge Management products (4 per State), 21 planning workshops, 21 M&E meetings and 21 Territorial Committee Meetings (1 per year per State). It also involves elaborating the baseline study, mid-term review and impact evaluation including the Women's Empowerment in Agriculture Index (PRO-WEAI) and Minimum Dietary Diversity for Women (MDDW) Studies¹⁴. Finally, the M&E system at the State level includes 3 more State-specific studies.

Expected results of Component 3:

- 54 workshops for young social communicators;
- 100 systematizing workshops;
- 9 state exchanges;
- 36 regional exchanges;
- 450 youth benefited with scholarships and communication equipment;
- 70 newsletters and informative reports produced;
- 300 training workshops for women about sustainable technologies;
- 360 territorial meeting for women;
- 12 exchange programs for women;
- 27 training workshops of gender experts;
- 243 training workshops for youth;
- 4 national learning routes;
- 3 international learning routes - LAC and Africa;
- 8 thematic studies.

3. IMPLEMENTATION ARRANGEMENTS, ROLES AND RESPONSIBILITIES

IFAD: On its role as cofinancier and recipient of GCFs resources, IFAD will be responsible to carry out project supervision, mid-term review and final review missions. IFAD will also perform implementation support missions, and prior review all of all project benchmark documents, as well as main procurement

¹⁴ The Project-level Women's Empowerment in Agriculture Index (pro-WEAI) and Minimum Dietary Diversity for Women (MDD-W) indicators studies will be developed together with the baseline and completion studies.

processes and institutional agreements, issuing its no-objection accordingly. IFAD will also be responsible to report the GCF annually on the project's performance.

The Executing Entity (EE): the Brazilian Development Bank (BNDES), which is part of the Federal Government of Brazil, will be the project's Executing Entity and the borrower of the loans from IFAD and GCF, and will operate the sublending to the selected states. BNDES is a public company wholly owned by the Federal Government with legal personality incorporated under private law, and linked to the Ministry of Economy (ME). As sole Executing Entity (EE), BNDES will have the final decision making power on project activities including: i) use of funds; ii) State selection and criteria for project implementation area; iii) criteria to select final beneficiaries; iv) criteria to define eligible practices and interventions; v) criteria for TRIPs approval; vi) requirements to procure TA teams and service providers. BNDES will verify the application of the criteria and requirements, and will provide final approval

The Central Project Management Unit (CPMU): The CPMU will be housed within BNDES (the Executing Entity - EE) to monitor implementation, compile physical and financial information, report to IFAD and be overall accountable for the overall implementation of the project. The CPMU coordinates subprojects' implementation by SIUs in line with the PIM, which can be updated according to needs provided the no objection from IFAD is obtained. It also approves the state-level subproject AWPBs, PACs, TRIPs and physical and financial Progress Reports, and compiles overall subproject AWPBs, PACs, and physical and financial Progress Reports. It oversees, evaluates, guides and advises overall project execution. It also has the central role of communicating directly with IFAD (for example for no-objection requests), performing financial management, accounting and financial reporting to IFAD, engages auditors and submits audit reports to IFAD, relative to the activities of the overall Project. The CPMU will be headed by a Project Coordinator to be appointed by BNDES with prior no objection from IFAD.

State Level Implementing Units (SIUs): A SIUs will be established for each state subproject to implement Components 1 and 2 specific activities and sub-activities of Component 3 at state level in line with the PIM and guidance of CPMU. . These management structures will be responsible for procurement, financial management and monitoring of their own state-based subproject activities in line with BNDES guidelines and final decision. Each state subproject will be implemented by way of a state level financing agreement with the BNDES. All subproject agreements will comply with IFAD policies on financial management, procurement, auditing, monitoring, eligibility, and anticorruption, as well as requirements defined by BNDES in its co-financing policy. The state level financing agreements will mirror the relevant arrangements established in the Financing Agreement(s) and comply with its or their provisions. Before granting the no-objection to the subproject agreements, IFAD will conduct a financial management assessment of the corresponding SIUs to ensure that the appropriate financial management arrangements are in place. Whenever possible, subprojects will build upon pre-existing operational structures of IFAD-supported projects, within the state secretaries responsible for family farming and no new structure will be established. The terms of reference (TOR) and selection of core SIUs staff will be submitted to IFAD for prior review and no-objection, according to the PIM. The selection of support consultants by the SIUs will take place through an open and competitive process, with prior review by IFAD and BNDES. Each state-based SIU will be headed by a Subproject Manager to be appointed by state secretaries responsible for family farming, and the key staff indicated in Section 6.1 below. The staff of the SIUs will work full-time for the project.

Planning, Monitoring, Evaluating, and Learning Unit (PMEL): The PMEL Unit will be responsible for specific activities and sub-activities of Component 3 in line with the PIM and guidance from the CPMU. It

will be subcontracted by BNDES through a tender process. It will be headed by a PMEL Manager, approved by BNDES and appointed with no objection from IFAD. The PMEL implementation will be contracted by the CPMU and it will 'perform financial management, procurement and contract management; and provide full access to and collaboration with the project auditors; submit requests for no-objections to BNDES, for passing on to IFAD; ensure procurement is compatible with the Project's social and environmental safeguards; submits AWPBs, including procurement plans, and physical and financial progress reports for the subprojects to BNDES; ensure that contractors are familiar with GCF, IFAD and BNDES policies, norms and procedures to: (i) avoid ineligible expenditure and delays in projects implementation; (ii) protect the assets of the project; develop TOR and cost estimates, technical specifications and budgets; conduct analysis of quotations, technical and financial proposals; prepare price calculation maps, reports of portfolio, technical and financial evaluation; and manages respective contracts provided for procurement and contracting plan.

Advisory Committee: It will advise the CPMU on the general direction of project execution towards the achievement of the Project's agreed results, and promote the integration and alignment with other government projects, programs and policies. It will ensure Project efficiency, integration with other programs / policies, and achievement of expected results. It shall be composed of representatives from the federal government (one representative nominated by NDA within the Ministry of Economy, and other federal Ministries such as one representative nominated by the Ministry of Agriculture, Livestock and Food Supply - MAPA, by the Ministry of the Environment – MMA, by the Ministry of Regional Development - MDR), civil society organizations (one per state nominated by the participating farmers'organisations), two by each subnational participating state (one nominated by the Secretary responsible for finance and/or planning, and one of the Secretary overseeing the SIUs), and two from BNDES. IFAD may participate as an observer. The Advisory Committee will meet at least once per year, usually by videoconference, to review the AWPB before its submission for IFAD's no objection. It would also review the annual progress reports remotely before their dispatch to IFAD. The Project Coordinator will act as Secretary of the Advisory Committee, calling for meetings and dispatching key information at least two weeks ahead of the meetings, and preparing the minutes.

Consultative Councils: Each state level SIU will establish a Consultative Council to ensure attainment of objectives, transparency and equity as well as participation from stakeholders, which, following the practice of the ongoing IFAD-supported projects, will include two representatives of beneficiaries and civil society (including traditional communities) in addition to a representative each from the state secretariats responsible for finance/planning, rural development and environment. The beneficiary and civil society representatives will be selected every 2 years by farmers'organisations participating in the project, whereby one representative will be selected by traditional communities as long as these are participating in the subproject. Each of the 5 council members will have one vote. The participation will be voluntary. The project will finance travel to council meetings. Its main role will be to advise the SIU regarding the general direction of subproject execution towards the achievement of its agreed results, to review and clear state level AWPBs and TRIPs before the CPMU final approval. In the case of the KM subproject, its Consultative Council shall also be composed of all the other Subproject Managers, in order to promote project integration. The Subproject Manager will act as Secretary of the Management Committee, calling for meetings and dispatching key information at least two weeks ahead of the meetings, and preparing the minutes.

Legal basis for implementation: The main legal agreements will be the funding activity agreement between the GCF and IFAD; the Financing Agreement(s) between IFAD and BNDES; and the state level

financing agreements between BNDES and participating state governments, and the Convênios between the states and final beneficiaries.

Figure 3. Project management structure

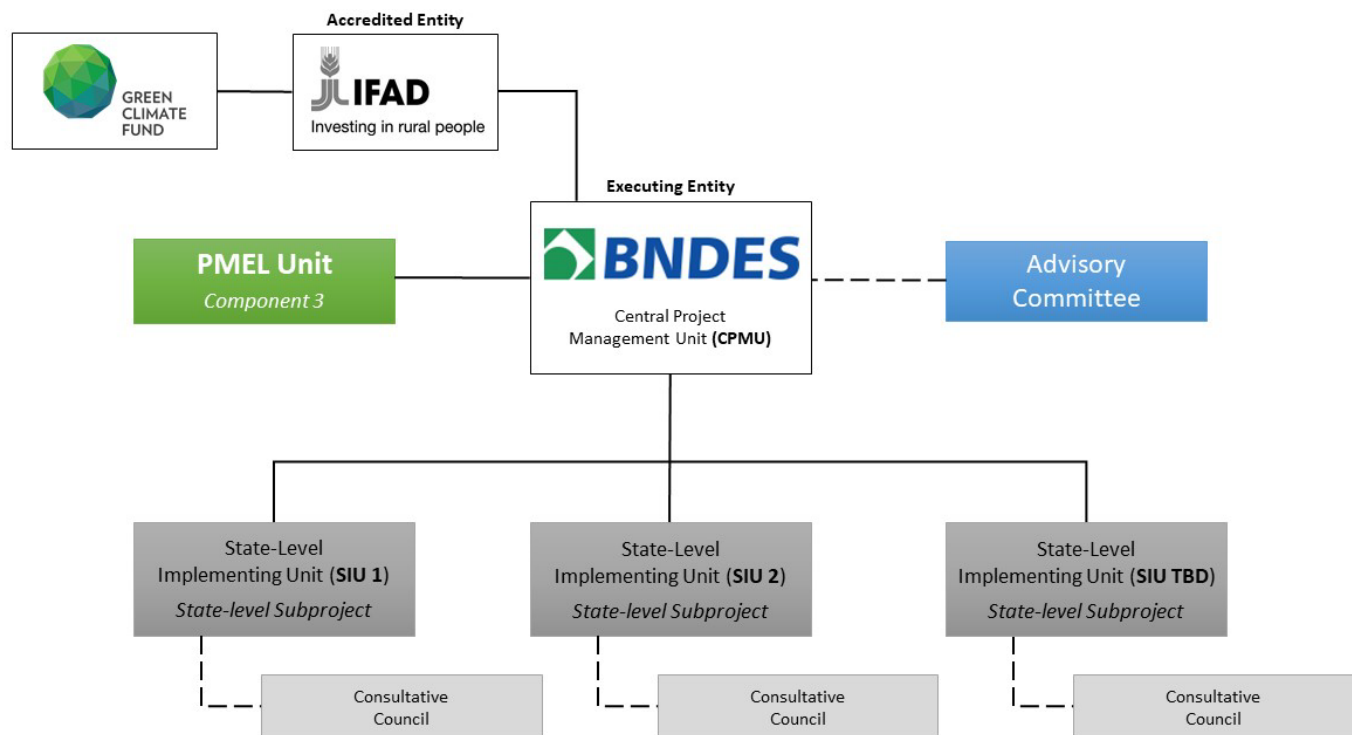


Table 1. Institutional governance and key responsibilities

ARRANGEMENT	COMPOSITION	RESPONSIBILITIES
IFAD	IFAD team headed by Country Director	Produces the GCF's Annual Performance Reports on the basis of the progress reports received from BNDES; Carries out the supervision (includes the findings of the field supervision missions), implementation support, mid-term, implementation support and final review missions, and reports as necessary; Reports to the GCF; Conducts prior reviews and issues no-objections.
Central Project Management Unit (CPMU)	BNDES team headed by Project Coordinator	Housed in the Executing Entity, has final decision making power. Executes the overall project and coordinates state-level subproject implementation and PMEL Unit in line with the PIM; Oversees, guides and evaluates project execution; Approves the state-level sub-projects' AWPBs; Guides the PMEL and SIUs on subproject implementation, including AWPBs, operational issues and reporting; Submits AWPBs, including procurement plans, and physical and financial progress reports for the overall project to IFAD; Performs financial management, accounting, engages auditors and submits audit reports to IFAD, relative to the activities of the overall Project; Submits Withdrawal Applications to IFAD; Requests IFAD no-objections as defined in the PIM; Proposes changes to the project design based on implementation experience and external circumstances (including the project's logical framework and the PIM).
State-Level Implementing Units (SIUs) State-level subproject	Subproject teams headed by Subproject Manager	Implements Components 1 and 2, Activity 3.1.1, and Sub-activities 3.1.2.3 and 3.1.3.2 at state level in line with the PIM and the guidance of CPMU; TRIPS first level approval; Perform financial management, procurement and contract management; and provide full access to and collaboration with the project auditors; Submit Withdrawal Applications to BNDES; Submit requests for no-objections to BNDES, for passing on to IFAD; Ensure procurement is compatible with the Project's social and environmental safeguards; Submits AWPBs, including procurement plans, and physical and financial progress reports for the subprojects to BNDES; Ensure that contractors are familiar with GCF, IFAD and BNDES policies, norms and procedures to: (i) avoid ineligible expenditure and delays in projects implementation; (ii) protect the assets of the project; Develop TOR and cost estimates, technical specifications and budgets; Conduct analysis of quotations, technical and financial proposals; Prepare price calculation maps, reports of portfolio, technical and financial evaluation; and Manages respective contracts provided for procurement and contracting plan.
PMEL Unit	Planning, Monitoring, Evaluating, and Learning Unit headed by PMEL Manager	Implements Sub-activities 3.1.2.1, 3.1.2.2, 3.1.3.1 in line with the PIM and the guidance of CPMU. Perform financial management, procurement and contract management; and provide full access to and collaboration with the project auditors; Submit requests for no-objections to BNDES, for passing on to IFAD; Ensure procurement is compatible with the Project's social and environmental safeguards; Submits AWPBs, including procurement plans, and physical and financial progress reports for the subprojects to BNDES; Ensure that contractors are familiar with GCF, IFAD and BNDES policies, norms and procedures to: (i) avoid ineligible expenditure and delays in projects implementation; (ii) protect the assets of the project; Develop TOR and cost estimates, technical specifications and budgets; Conduct analysis of quotations, technical and financial proposals; Prepare price calculation maps, reports of portfolio, technical and financial evaluation; and Manages respective contracts provided for procurement and contracting plan.
Advisory Committee	Representatives from the NDA, federal government, civil society, participating states, BNDES	Contribute to project efficiency, integration with other programs / policies, and achievement of expected results. Advises on general direction of project execution; and Promotes integration and alignment with other government projects, programs and policies.
Consultative Councils	Representatives of State Administration, beneficiaries and civil society	Contribute to attainment of objectives, transparency and equity. Reinforce participation of beneficiaries and civil society representatives (including indigenous peoples) in addition to representatives from state secretariats. Review the subproject's AWPB. Assess activities and procedures of the SIU; Review technical-administrative, economic-financial and operational information related to SIUs; and Integrates and aligns with other state projects, programs and actions Evaluate and validate TRIPS for SIU first level approval

4. SELECTION OF SUBPROJECT PROPOSALS

All institutions to implement the project are to be selected on a competitive basis based on criteria as below. BNDES will conduct the selection of pre-proposals, through a public call for both the state-level implementation and the PMEL Unit. After this selection, the institutions will present a consultation letter (BNDES “Carta Consulta”) to the EE, and this document will go through a deeper analysis by BNDES technical team before it is submitted for final approval by the bank’s Board of Directors. The final selection will also have IFAD’s no objection. (as per 4.3 below). The process will consist of the following steps:

4.1. Formulation of subproject state-level technical proposals (carta consulta)

At this preliminary stage, technical proposals (carta consulta) will be drafted according to a simplified template. State-level subprojects to be financed, will prepare technical proposals on the basis of “carta consulta” (technical proposal) to the BNDES. The relationship between the loan and grant funded activities for components 1 and 2 of each subproject will mirror exactly the relationship for the overall project for components 1 and 2. BNDES will publish all the instructions for the formulation of proposals, after IFAD’s no-objection.

These proposals shall include geographical targeting, priority activities and key targets to be achieved, duly aligned with the targeting criteria, intervention approach and logframe indicators of the PCRP. The proposal shall also include project management arrangements. The final selection of the proposals will be based on verification of: borrowing capacity, poverty¹⁵ characteristics according to the project’s focus and targeting, climate vulnerability index, counterpart contribution capacity, and implementation capacity (previous experience with IFAD project will be considered).

Regarding the Knowledge Management (KM) Component 3 (Sub-activities 3.1.2.1, 3.1.2.2, 3.1.3.1), it will be contracted under selection process by BNDES following the “carta consulta” procedure. It will be a competitive public call for the execution of a predetermined work plan and budget utilizing, i.e., simplified templates for selection and consultation letter for the selected one(s).

4.2. Qualification of the implementing agencies

The first step of the selection process will consist of credit and legal analysis of the borrower, in the case of the state-level subprojects. It will be verified whether the subproject proponent meets BNDES domestic borrowing criteria. In the case of the KM Subproject, the proponent’s documentation will also be analysed to evaluate its legal and institutional capacity to be a grant recipient. BNDES will conduct a selection of pre-proposals, through a public call for both the state-level implementation and the the PMEL Unit.

The states’ selection process will be based on client qualification, verification of borrowing capacity, poverty characteristics according to the project’s focus and targeting, climate vulnerability criteria, counterpart contribution capacity, implementation capacity, social and economic indicators and implementation arrangements.

¹⁵ In the case of poverty level, CadÚnico (Cadastro Único) will be the main system utilized..

At a preliminary stage, the states that participate in the public call would be ranked through an analysis based on the following criteria:

- (i) verification of borrowing capacity;
- (ii) verification of counterpart capacity;
- (iii) client qualification;
- (iv) Incidence of rural poverty;
- (v) Climate vulnerability index and historical exposure to drought;
- (vi) Food and nutritional security index;
- (vii) Water quality and availability;

Points may be awarded to states with prior IFAD project experience or other similar implemented projects as this will prove the project capacity and increase readiness. Two to four northeastern states will be pre-selected as eligible to present a State Proposal (Carta Consulta) to the Executing Entity (EE) – BNDES.

Similarly, the institutions and organizations that participate in the public call to implement activities of PMEL would be ranked through an analysis based mainly on the following criteria, and after that the pre-selected one(s) will be eligible to present a Carta Consulta to the EE:

- (i) client qualification;
- (ii) experience with knowledge management and south-south and triangular cooperation;
- (iii) experience with similar projects and themes as contained in the FP's component 1 and 2;
- (iv) experience with implementation of similar budget;

4.3. Technical analysis of subproject proposals

For both processes, after the selection of the eligible states and organizations for the PMEL, BNDES will publish all the instructions and selection criteria for the formulation of consultation letters. .

This proposal qualification and selection will follow BNDES' internal objectives, functions, policies, and procedures, which include a thorough technical analysis, and will be subject to BNDES Board of Directors approval before the signature of the agreements with the states and sub-grant agreement with the PMEL's organization. The final selection will have IFAD no objection.

The consultation letter (Carta Consulta) to be submitted by interested states, includes, among others, information on states qualification and experience, governance and implementation arrangements, geographical targeting, priority activities and key targets to be achieved, duly aligned with the targeting criteria, intervention approach and logframe indicators of the PCRP, selected municipalities, as well as compliance with applicable legislation..

The relationship between the loan and grant funded activities and results for components 1, 2 and 3 will mirror exactly the relationship for the overall project for components 1, 2 and 3. Each one must proportionally mirror all components of the Project. Therefore, state projects will differ mainly in the definition of territories and geographic areas (and thus also in overall size), as well as the specificities that may arise from the environmental characteristics of those territories. This design will also be part of the Carta Consulta that will be submitted to BNDES.

5. SUBPROJETS DESIGN AND HIRING

5.1. Design preparation

Eligible semiarid northeastern states will present for approval a *carta consulta* (proposal) to the EE (BNDES) including information on governance arrangements, targets, and compliance with applicable legislation. The selection process will be based on client qualification, verification of borrowing capacity and implementation arrangements, as well as project analysis with predefined criteria

Each subproject must proportionally mirror all components of the Project. Therefore, subprojects will differ mainly in the definition of territories and geographic areas (and thus also in overall size), as well as the specificities that may arise from the environmental characteristics of those territories.

The subprojects that foresee activities with indigenous or other traditional communities shall conduct compulsory prior consultations with those communities in line with the PCRP.

After submission of the “carta consulta” to BNDES, internal processes of approval will be followed according to BNDES’s norms in force at the time of evaluation. After BNDES approves a proposal, the contracting phase starts, in which the state(s) must comply with contractual conditions for successful conclusion of the agreement. IFAD will provide its non-objection to the state financing agreements.

5.2. Criteria for selection of municipalities

Each subproject proposal shall indicate a selection of beneficiary municipalities based on the following criteria:

- (i) Incidence of rural poverty;
- (ii) Climate vulnerability index and historical exposure to drought;
- (iii) Food and nutritional security index;
- (iv) Water quality and availability;
- (v) Presence of at least one Agricultural Family School;
- (vi) Presence of schools;
- (vii) Presence of other relevant projects or programs that can contribute to strengthen project activities;
- (viii) Contiguity (or at least proximity to each other) of municipalities for effective and efficient implementation.

For the incidence of rural poverty, Cadúnico (Cadastro Único) will be the main system utilized. Climate vulnerability index and historical exposure to drought will use the database of the National Commission to Combat Desertification and Mitigate the Effects of Drought, the Warning System Tools for early detection of Drought and Desertification in the semiarid regions in Brazil, and the Resilience Scorecard and Index developed for the PCRP (see Appendix 4 of the PIM). Food and nutritional security index will use the MAPAINSAN 2014 study and the National System of Food and Nutrition Surveillance – SISVAN. Water Quality and availability – based on data from Ministry of Citizenship

5.3. Criteria for selection of beneficiary groups

In each selected state, eligible communities will also be selected, including rural and traditional communities, as well as rural settlements land credit beneficiaries, etc. The state-level implementing unit (SIU) will validate compliance with selection criteria from a pre-selection and validated list in a workshop organized by each subproject's TA team. BNDES will verify the application of the selection criteria and make the final approval. It is expected broad participation of representatives of all related public institutions and agencies (state and local governments, public companies, etc.), and private (nongovernmental organizations, projects, TA companies, private sector, etc.), and other relevant actors that work in the rural area. From analysis of each community's reality and the application of criteria, it will be possible to establish a list of eligible communities.

Based on the list of communities, the state SIUs will carry out field visits in each community to: i) confirm the information provided during the selection workshop; ii) present the project's objectives and methodology; and iii) verify the community's interest in participating in the project; iv) verify the proposed activities' capacity and potential for implementation. Based on this information, a list of the participating communities in each municipality and state will be prepared. This is an important procedure, because there is a lack of disaggregated data by communities.

The main criteria include:

Eligibility Criteria

- (i) Rural families living in the selected municipalities;
- (ii) At least 70% of the members registered on the CadÚnico or Unified Registry (i.e. considered as poor or extremely poor);

Prioritization Criteria

- (i) Exposure to climatic shocks and climatic vulnerability;
- (ii) Access to water for human consumption;
- (iii) Access to water for agricultural production;
- (iv) Sufficient land access to allow implementation of Project activities (particularly for components 1 and 2)
- (v) Families headed by women;
- (vi) Traditional communities such as artisanal fishermen and "*fundo de pasto*";
- (vii) Indigenous communities;
- (viii) **Quilombola** communities;
- (ix) Communities with collective areas;
- (x) Rural settlement communities that have received land credit;
- (xi) Presence of young people especially those without access to land (also for activities of Component 3);
- (xii) Proximity of communities to facilitate formation of groups of four communities that will form a territory (unit of action of each technician);
- (xiii) Potential to implement project activities, in particular, the Climate Resilient Productive Systems;
- (xiv) Presence of desalination facilities with area available to develop biosaline agriculture;
- (xv) Community organization; and
- (xvi) Evidence of nutrition problems.

Once the SIU has identified and proposes the communities, families will be selected following the procedures described in the chapter of this project implementation manual: “Legal basis for projects operation and selection of beneficiaries.” The final decision on communities and families will be of the BNDES.

Eligibility criteria for Sub-activity 1.1.4.2. Promote local entrepreneurship for products and services that support family farming to be developed.

6. PLANNING AND IMPLEMENTATION

6.1. SIU composition

Each SIU team shall be composed of the following core positions, to be hired according to the TOR contained in Appendix 03:

- Project Manager *
- Project Assistant
- Procurement Specialist *
- Accountant Specialist *
- Technical Analysts *
- Financial Management Specialist *
- Agroforestry and Resilient Production Specialist *
- Youth, Gender and traditional communities Specialist *
- Communication and Knowledge Management Specialist *
- M&E Specialist *
- M&E Analyst

The appointment to the key SIU positions marked with an asterisk * above will be subject to prior no-objection from IFAD, even in case of possible substitutions, for which there must be justification of the reason for the change.

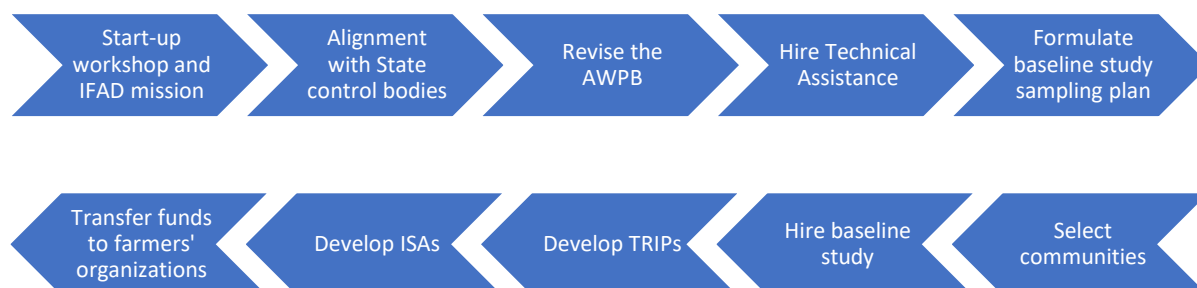
The appointments to positions that will be assumed by civil servants, as managers or coordinators, will be the responsibility of the Secretaries of the borrowing States, observing the procedures adopted by the State Governments and the professional profiles defined for each of the functions in Appendix 03. Positions not composed of servers will be subject to open and competitive selection.

6.2. Start-up procedures

The Financing Agreement (FA) and Guarantee Agreement (GA) enters into force once it is signed. This is a key milestone, as it defines the starting date for eligibility of expenditure for project activities. The next important milestone is the date that additional disbursement conditions are fulfilled, indicated in the FA, which defines the moment the Borrowers may start withdrawing significant amounts of funds from the loan and grant accounts for operational activities. Therefore, project start-up activities are important to help establish operational and fiduciary systems, recruit technical assistance and build the capacity of key project implementers. Effective start-up procedures translate into project implementation readiness.

IFAD and BNDES will organize a start-up mission at CPMU level aiming to coordinate technical implementation strategy, align financial, procurement and monitoring procedures, and support the subproject selection process.

Figure 4. First-year timeline for state-level subprojects



At subproject level, BNDES will hold project start-up workshop in each of the participating states, to which IFAD will field a start-up mission and workshop. All participating states shall participate with a selection of the SIU teams, civil servants and representative local stakeholders. The workshop will be conducted soon after the participating states will have been selected. The purpose is to re-confirm a clear and common understanding of the project objectives and goals, the different phases and stages of the project cycle; to clarify the roles and responsibilities of the entities involved in implementation; and to clarify the legal and financial conditions in the financing agreement, and the associated procedures and responsibilities.

The start-up workshops also provides the opportunity to describe and discuss the project management arrangements and tools, especially the use of Annual Work Plan and Budgets (AWPBs), the implementation strategy set out in the PIM, IFAD and BNDES' policies, the fiduciary and reporting requirements and the M&E arrangements for setting targets and monitoring progress against them. In addition, the start-up workshop clarifies the procedures of official supervision reviews and implementation support towards project improvements. The start mission also presents an excellent moment to hold an operational and procedural alignment meeting with state control bodies.

6.3. Project Planning

The main planning tool for the project is the AWPB. By the **30 September each year**, SIUs must send drafts so that the CPMU can prepare the project AWPB and send for IFAD's review, containing the consolidated planning of all subprojects for the following year. The planning process must include the participation of the procurement, finance and monitoring teams.

The AWPB needs to contain at least the following information:

- Implementation progress and performance (physical and financial);
- Constraints and problems from previous year, and recommendations to resolve them;
- Detailed information on SECAP compliance;
- Lessons learned and rationale for the activities proposed, especially if diverting from the Project Design Report;
- Project strategy and focus for the coming year, by component;
- Procurement performance and issues

- Detailed Annual Budget, by subproject and component, with summaries
- Annexes:
 - Updated Logical Framework
 - Procurement Plan

6.4. Hiring of technical assistance

Once IFAD provides its No-Objection (NO) to the AWPB, including the Procurement Plan, the subproject SIUs shall immediately initiate the procedures to hire the technical assistance (TA) providers. This is a crucial step for each subproject to start the field activities. The TA providers will allow for the SIUs to access communities in order to select them, confirm their interest, and effectively participate of the planning of productive investments.

Brazil's legislation provides a flexible and unique mechanism to hire rural TA. The Ministry of Agriculture, Livestock and Supply (MAPA) already accredits most TA providers (more information in section 8. Procurement and Contracts Procedures). In addition, in the NEB region there are many and highly capable TA entities, much of which have provided services for IFAD funded projects. The subprojects shall plan some training sessions and/or methodology levelling technical workshop at start of a TA contract, with all professionals involved, to guarantee the methodological alignment of the TA services provided in the field.

6.5. Design of TRIPs and ISAs

The state-level subprojects will be organized in rural territories, each of which will be composed of four communities with their own investment arrangements. Therefore, after the communities are selected (item 5.3) and confirmed with the support of the TA, the SIUs shall propose the territories and support the design of their respective investment plans, through which beneficiaries will be able to access project resources, according to the CPMU guidelines and final decision. There will be no further beneficiary selection process once communities are selected. All person belonging to the selected communities will be eligible to participate in the PCRPs and will be invited to participate in the development of the TRIPs.

Territorial Resilience Investment Plans (TRIPs)

A TRIP will be drafted for each geographical area or "territory" consisting of four contiguous or nearby communities represented by an organization. Using participatory methodologies, the TRIP will be built on a diagnosis of the territory's environmental, social, productive status, identifying the territory's strengths and weaknesses. TA teams will design TRIPs with full involvement of beneficiaries based on the Manual for Designing Productive Investment and Business Plans.¹⁶ Based on the diagnosis, activities will be planned, including investments and TA services. Depending on the interests of each family, groups of families with similar interests will be identified to access a particular activity.

One of the four organizations will be chosen as Lead Organisation to legally represent the territory and receive the project's non-reimbursable resources on behalf of all four. The selection of this organization must be based on its institutional capacity to develop the TRIP and manage resources. Nevertheless, participation from the three other organizations must be guaranteed by their participation in specialized committees made up of members of all organizations on equal terms, for instance:

¹⁶ A methodology developed by IFAD with support from the knowledge management SEMEAR International Program.

- Coordination Committee
- Procurement Committee
- Accounting Committee

Once designed, the TRIPs will be submitted to the Consultative Council of the subproject for validation, prior to the CSIU's clearance and submission for the CPMU final approval.¹⁷ If a TRIP agreement exceeds the thresholds established in the procurement section of the PIM and the Letter to the Borrower, the approval process will also require IFAD's prior NO. After approval, an agreement will be drawn up between the SIU and the Lead Organisation, detailing for each organisation the activities to be carried out with the project's non-reimbursable resources, the beneficiary contribution, and the time frame.

The beneficiaries will finance part of the cost of the TRIP investments as a counterpart contribution. This contribution will be at least 10% and may come from financial resources or from the provision of economically measurable goods or services. It must be a new contribution to the TRIP, and may thus not consist of goods or infrastructure that already exists. In the case of investments made in the family, the investment value per family may not exceed USD 3,500. For investments exceeding this amount, a prior NO from IFAD will be necessary.

Investments in Systems of Agroforestry (ISAs)

From the formulation of the TRIPS, an "*Investimento em Sistema Agroflorestal (ISA)*" or Investment in Systems of Agroforestry is to be carried out for each of the communities that integrate them. These are divided into four different types:

ISA – Família (Family): These investments will aim at reducing the vulnerability of production to droughts and at increasing income, by developing a progressive intercrop culture of multiple sustainable uses of the productive areas. A typical example of such a production system would be agroforestry with integrated livestock production. It is intended for the beneficiary families that have plots with an average of 1/2 hectare each, and already have water for production.

ISA – Quintais (Backyard): This type of ISA aims at developing irrigated, diversified productive backyard gardens in conjunction with water investment activities from Component 2. The ISA – Quintais will apply CRPS principles to reduce families' food insecurity from droughts, increase access to nutritious food as well as value and strengthen the role of women in production. It is intended to the beneficiary families that do not have water for production. For this reason, it aims at installing a small-stage irrigation system on a plot of about 0.2 ha. The beneficiaries will receive water access investments from Component 2.

ISA – Coletivo (Collective): These ISA investments aim to develop a slow and progressive culture of multiple and sustainable uses of the Caatinga and reduce extensive grazing, while increasing income, encouraging family succession, and conservation and recovery of the ecosystem services offered by the Caatinga. The system will stabilize and, if possible, increase the supply of forage. The enhanced ecosystem services help ensure that the community will be the main stakeholders in the conservation and recovery

¹⁷ Each state may set up a Consultative Council meetings to evaluate the plans presented to the program to ensure their quality, in the various relevant scopes (alignment with program objectives, feasibility, etc.). This body may request additional information or recommend improvements, clear or reject a proposal that is considered inappropriate.

of the system in which they live in. Therefore, it is intended for communities that have a collective use area of at least 500 hectares. The design of these ISAs will have to consider the following activities:

- Recover degraded areas using CRPS;
- Decrease timber demand by implementing eco-efficient stoves and biodigesters;
- Increase supply and efficient use of water for production;
- Structure community seedbanks and nurseries;
- Promote low-impact productive activities in collective areas (e.g., beekeeping); and
- Strengthen community governance of access and sustainable use of the areas.

ISA – *Escola* (School): The aim of these ISAs is to enable rural educational institutions for youth to experiment and teach to students CRPS, rational use of water for production, renewable energies, and other resilient practices. This also involves working with the cooks who prepare school meals, by encouraging them to use native fruits and vegetables, thereby reinforcing children's food and nutritional security. This type of ISA will be directed at rural schools, preferably Family Agriculture Schools (EFAs), located in the vicinity of the participating communities. The ISA's design will have to consider the following activities:

- CRPS teaching and experimentation, including courses on climate change, natural resource management and practices based on the principles of agroecology;
- Development and maintenance of nurseries and seedbanks;
- Promotion of entrepreneurship in CRPS; and
- Training for cooks and students on the nutritional value of native fruits and vegetables to diversify and enrich diets.

For schools to benefit from ISA – *Escola* activities, the following criteria must be met:

- (i) Schools must operate in the communities participating in the Project;
- (ii) Schools must have sufficient area available to implement CRPS or water access activities;
- (iii) Schools must have the possibility of developing follow-up activities with the students' families.

7. BUDGETING AND FINANCIAL PROCEDURES

The project's general financial management will be carried out by BNDES, in the role of CPMU. The CPMU will carry out the technical and financial coordination of the project together with the subproject implementers. Implementers should have technical staff responsible for managing resources and providing technical, physical and financial reports to the CPMU, which will report to IFAD, which in turn will submit the reports to GCF. Within the CPMU, BNDES' financial sector will be responsible for execution of the financial arrangements established under IFAD's disbursement, reporting and audit manuals to ensure proper financial management and implementation.

Financial administration and implementation procedures are detailed in Appendix 01 and 02 of the PIM, to assist CPMU and the SIUs to carry out the project's administrative and financial management to high standards, and to promote compliance with operating policies. The Appendices include information on flow of funds, procedures for requesting and releasing resources, payment to suppliers, requests for disbursements, financial and accounting records, financial reports, authorized signatures, accountability, financial execution supervision, use of income by projects and beneficiaries under their agreements, and project and beneficiary counterparts, among other things

8. PROCUREMENT AND CONTRACTS PROCEDURES

8.1. Procurement Systems, Rules and Procedures

Procurement of goods, works and services financed by the project will be carried out in accordance with the Procurement Law of the Federative Republic of Brazil (Law nº 8.666, from 1993) and its amendments, given that they are consistent with the provisions of IFAD's Project Procurement Guidelines and Handbook and its amendments.

According to the World Bank's assessment¹⁸ of the national procurement methods of 2010, Brazil complies with international standards in terms of: (a) legislative and regulatory framework; (b) institutional framework and management capacity; (c) procurement operations and market practices; and (d) integrity and transparency of the public systems. Therefore, the project shall use of national and state-level procurement systems, applying the rules and procedures established on the current legislation.

According to Brazilian Law No. 12,188 of 11 January 2010, Rural TA services can be hired through a public call for proposals, in which only entities accredited by MAPA (ANATER)_ can participate. The process is similar to the Selection by Fixed Budget (SOF) method, although the number of entities is much higher than the short list of the SOF, which favours competition and the service of all regions of the target audiences of the Projects. IFAD acknowledges and recommends the use of this method.

Nevertheless, national and international bidding processes, as well as all contracts established under the aegis of the project, must always contain IFAD's clauses on Anti-Fraud and Corruption Provisions, as well as Sexual Harassment and Sexual Exploitation and Abuse. The prior review arrangements, determined by thresholds of the estimated value of the contract and other variables, as well as the phases of each process that require IFAD's non-objection, will be fully detailed in the letter to the borrower. Each year, as part of the AWPB, the CPMU will submit to IFAD for approval a procurement plan containing a compilation of the procurement planning of each subproject.

8.1. Sexual Harassment and Sexual Exploitation and Abuse Clauses

IFAD requires that the recipients of its financing observe and ensure that others observe the provisions for the prevention of "Harassment And "Sexual Exploitation and Abuse", including in all agreements and contracts within the scope of the Projects financed with its funds, whether by the project's team, contractors, suppliers and other third parties, under the following provisions:

The borrower, beneficiaries or parties involved have an obligation to report immediately to IFAD incidents in IFAD-funded activities or operations relating to Sexual Harassment and Sexual Exploitation and Abuse.

IFAD applies the definitions of the United Nations, which state that:

- "Exploitation and sexual abuse of beneficiaries in the context of IFAD operations are defined as any actual or attempted abuse of a position of vulnerability, differential power or trust, for sexual purposes, including, but not limited to, monetary, social or political profit from sexual exploitation

¹⁸ 2010. World Bank. Assessment of the Procurement Systems of the Brazilian Federal Government and the Brazilian State of São Paulo: in support of a use of country system pilot project in procurement in São Paulo State.

of others (sexual exploitation); real or threatened physical intrusion of a sexual nature, whether by force or under unequal or coercive conditions (sexual abuse)."

- "Sexual Harassment is any unwanted sexual advancement, request for sexual favour or other verbal, non-verbal or physical conduct of a sexual nature that irrationally interferes with work, changes or is an employment condition, or creates an intimidating work environment, hostile or offensive. "

8.2. Anti-fraud and anti-corruption clauses

Moreover, all contracts must contain the clauses combating fraud and corruption, as follows.

In the case of an IFAD-financed contract, if the CONTRACTING PARTY finds that the CONTRACTED PARTY has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices during the selection or execution of the contract, the CONTRACTING PARTY may, after notifying the CONTRACTED PARTY within a period of 14 days, terminate the agreement, considering the definitions presented below:

- (i) "**Corrupt practice**:" means directly or indirectly offering, giving, receiving, or soliciting anything of value to influence public servant action in the bidding process or contract execution;
- (ii) "**Fraudulent practice**" means falsification or omission of facts in order to influence the bidding process or execution of the contract;
- (iii) "**Collusive practice**" means to plan or establish an agreement between two or more parties, with or without the knowledge of the Borrower or its Prosecutors, to set prices at artificial and non-competitive levels;
- (iv) "**Coercive practice**" means causing harm or threatening to cause harm, directly or indirectly, to persons or their property to influence their participation in a bidding process or affect contract performance.
- (v) "**Obstructive practice**" means:
 - (a) Destroy, falsify, alter or conceal evidence in inspections or make false statements to auditors for the purpose of materially preventing an IFAD inspection of allegations of corrupt, fraudulent, coercive or collusive practice and / or threatening, harassing or intimidating any interested party to prevent it from showing its knowledge on matters relevant to the investigation or its continuation, or
 - (b) Acts intended to materially prevent the exercise of IFAD's rights to promote inspection or audit.

Measures to be adopted

1. IFAD will cancel the loan or grant portion of the contract if at any time it finds that the representatives of the Borrower / CONTRACTING PARTY or a beneficiary of the loan are involved in corrupt,

fraudulent, collusive or coercive practices during the selection process or without the Borrower/contractor having taken timely, appropriate and satisfactory remedial action to IFAD;

2. IFAD shall impose sanctions on the consultant and may declare the consultancy ineligible, indefinitely or for a limited period, for the award of an IFAD-financed contract, if at any time IFAD finds that the consultant has engaged, either directly or through an agent, in corrupt practices, fraudulent, collusive or coercive when participating in selection process or contract execution.

Inspection and auditing

The CONTRACTED PARTY shall allow IFAD and/or IFAD-designated persons to inspect its accounts and records related to performance of the contract and submission of its proposal and/or curriculum, and the CONTRACTING PARTY shall permit such accounts and records auditors appointed by IFAD if the Fund requires so.

8.3. Procurement Plan

The purpose of the procurement plan is to plan and manage details of acquisitions and contracting that will be carried out during the project's execution period. The initial procurement plan has a programming timeline of 18 months, while the next ones will be elaborated for a period of 12 months.

Procurement of goods, services, works and consultancies (from either legal entities or private individuals) may only be tendered when they are included in the project's procurement plan with prior approval from BNDES and IFAD.

Bids not included in the agreed procurement plan will not be financed from project resources. Likewise, bids made by methods different from those described in the procurement plan cannot be financed with project resources.

Among other regulations, the bidding processes establishes that:

- i. Any inconsistencies related to procedures and methods set out in the procurement plan will result in IFAD's objection to the request.
- ii. For all categories, the procurement method is based on the rules and procedures for acquiring goods or services and selection of consultants described here, within the limits of established values and the nature and complexity of the service, taking into account the national legislation and the principles set out in the IFAD procurement manual.
- iii. Procurement proposals shall contain, in the Term of Reference, the specifications, data and/or documentation necessary for procurement of inputs or performance of services.
- iv. The consulting proposals should contain, in the Term of Reference, the products, related activities, and execution/delivery schedule of the products.
- v. The terms of procurement and consultancies are established according to the stages of each bidding method, defined in the procurement plan.

Content of procurement plan

The procurement plan shall include:

- i. Brief description of goods, non-consulting services, and works to be procured and consultancies to be contracted, observing the Project's eligible expenditure categories;
- ii. Each contract's estimated cost;
- iii. Applicable procurement and selection method;
- iv. Applicability or not of prior review;
- v. Schedule for each step of procurement and selection procedures;
- vi. The financial limits of each method; and
- vii. Confirmation no goods or services to be procured finance SECAP/ESS Category-A investments.

Updates of procurement plan

The procurement plan is a dynamic planning and management tool that can (and should) undergo annual revisions and updates throughout project implementation (or even more frequently if needed). All changes will only be effective after IFAD's no-objection. Subprojects' Procurement Plan for the following year shall be delivered to CPMU by **30 September each year**, as an annex of the AWPB. The CPMU will compile all subprojects' documentation and submit it to IFAD by **31 October each year**.

8.4. IFAD's prior review

Prior Review Thresholds¹⁹

The following are subject to IFAD's prior review:

- a. the award of any contract for the acquisition of goods for USD 200 000, its equivalent or more;
- b. the award of any contract for the acquisition of works for USD 200 000, its equivalent or more;
- c. the award of any contract for the acquisition of services for USD 100 000, its equivalent or more;
- d. the award of any contract and/or agreement with the communities and/or beneficiary organizations for USD 100,000, its equivalent or more;
- e. the award of any individual consultancy contract for USD 50,000, its equivalent or more;
- f. any process of direct purchase or contracting.

Note: The first process of each new procurement method used by each of the subprojects, will require IFAD's prior review, in order to evaluate its adequacy.

¹⁹ In the case of any differences between this version of the PIM and the Letter to Borrower, the provisions of the latter shall prevail, as well as any further adjustment approved by IFAD.

Prior Review Stages

- 1) Term of Reference or technical specifications, and bidding notice, if applicable in the method chosen, accompanied by the cost estimate: spreadsheets with person/hour value (if consultancy services) or average of three budgets (if goods, non-consultancy services or works/reforms).
- 2) Evaluation/adjudication reports or calculation maps with adjudication and contract draft, or purchase order / service (in the case of services: the technical evaluation will be submitted for NO first, followed by another request for NO for the overall evaluation including technical and financial evaluation).
- 3) Contract completed after homologation of the bidding, but without signatures (after no objection, the signature is provided and a scanned copy is sent to IFAD).

8.5. Individual Consultancy Contracts

For individual consultancies, two types of hiring can be observed:

- a. **The Global Price Contract** - Global price consulting contracts are mandatory for products. This contractual modality must be used whenever there are specific products to be delivered, against which payments will be made. Example: elaboration of a study on protection of a spring, elaboration of a plan to revitalize degraded area, etc. Products are partial or total deliveries (if only one) of the object of the contract. The Term of Reference of this contractual modality clearly contains the object, with a specific field to inform the products that must be elaborated (with title and description of each one), containing the respective activities to be carried out for the elaboration of each product and with schedules informing preparation period and deliveries for payment. The duration of this contract must be calculated based on the time necessary to prepare each product, deliver it for review, contractor analyse and make returns and/or approve and provide payments. This type of contract can only be subject to the addition of a period and with an adequate justification for the delay in the preparation and delivery of the products, subject to IFAD's no objection.
- b. **Contract for Time** - The consultancy contracts for time are mandatorily paid through monthly activity reports that measure the hours worked for each respective activity performed in the month and provided for in the Term of Reference. These reports should not be called products. The Term of Reference of this contractual modality clearly contains the object of the advisory, and informs all possible necessary activities that the contractor must carry out monthly. In this Term of Reference there is no field "products to be delivered", only a field that informs the payment method conditioned to the delivery of a monthly report describing the activities carried out, which must be reviewed by the contractual manager and approved. Whenever applicable, proof of the activities must be attached to the reports. This type of contract should be used to hire a team of consultants who will support the Project Management Units, such as a consultant to support the Monitoring and Evaluation area, the Bids and Contracts area, the financial area, etc. This contractual modality must provide in the contract (and / or in the Term of Reference) performance evaluation, which will indicate the possibility or not of contact renewal. The terms of these performance evaluations can be quarterly, or half-yearly or annual. These contracts can be renewed until the end of the project, if the contracted activity is necessary.

NOTE 1: individual consultancies contracts cannot contain punishment clauses, either for time or for a global price. The punishment is the non-payment of the poorly prepared product (global price contract) and non-contractual renewal in the case of negative performance evaluation).

NOTE 2: individual consultancies contracts must contain the Anti-Fraud and Corruption Clauses.

8.6. Document recordkeeping

The documents for each stage of the bidding process (contracts, invoices, receipts, and other documents indicating eligible expenses) must be kept in perfect chronological order, duly registered to be made available at any time for routine audits and verifications by BNDES and IFAD.

Documents should be available for at least 10 years after project closing, or 10 years after submission of the last audit report to IFAD.

9. AUDITING

IFAD has an obligation to its financial management department to ensure that resources from lending operations be used economically, efficiently, transparently and solely for the purpose set forth in the loan or grant agreements. Audits must also verify the project's compliance with the commitment regarding the non-financing of SECAP/ESS CAT A investments.

At a minimum, supporting documentation and financial and procurement records must be properly maintained from start of project until the closing date established in the item "**documentation records**," as they will be subject to verification by audits.

The external audits will be carried out by the contracted company, and the internal audits will be the responsibility of State Controllers, who will annually insert in their planning the scheduled audits for evaluation.

Audits will be carried out based on financial records, which will contain the segregated information, such as payment orders and expenses incurred by category of expenses and by component.

All the documents related to the bids and contracts must be well organized and kept for analysis of the audits, and there must be individualized control for each bid, with the opening of administrative processes, which must be chronologically instructed and assessed (paginated and initialled).

All assets acquired must be made available throughout the duration of the project for audit verification and must be properly identified.

Auditing will be conducted under terms acceptable to IFAD, and the audit report will meet all the terms of the revised TOR approved by IFAD in accordance with International Standards on Auditing (ISA). Each project's accounts must be audited each fiscal year. The audit report should be submitted to IFAD for review and approval by **June 30** of each year, in English or Spanish, which are IFAD official languages. IFAD will review the audit report and periodically determine whether the recommendations are being implemented satisfactorily.

The annual audits shall include analysis and issuance of separate written opinions on: (a) the project's financial statements; (b) the management of the Designated Account/s; and (c) the Withdrawal Applications.

When an independent audit is contracted, the firm will be contracted through the national comparison of prices (shopping), with standard TOR approved by BNDES and IFAD. The winning firm may act for four consecutive years, but in the fifth year of the project, there must be a new bidding process for another firm to perform the audit.

10. MONITORING, EVALUATION AND LEARNING

10.1. Planning, Monitoring, Evaluation and Learning System (PMEL)

A Planning, Monitoring Evaluation and Learning System (PMEL) will be developed to allow the results-based project management. A specific PMEL Unit will be established to carry out PMEL tasks under subcontract from BNDES. The data and information collected through the use of specific tools for the implementation of CRPS, will contribute not only to learning, feedback and improvement of project interventions but will also build the foundations for the material relevant to the knowledge management (KM). The PMEL will be a fundamental tool to the CPMU decision making and will be in particular useful to provide feedback to the SIUs at the state level. In addition, the systematization and dissemination of good practices and successful experiences will be important to define and design South-South cooperation schemes, advancing concrete results.

The design of the PMEL is based on the experience of practices and methodologies applied in previous IFAD operations in Brazil and in other countries in the region. The planning and monitoring tools will favour participative practices both in their intervention at the level of TRIPs, communities, as well as in the Project management.

In order to manage the state level information, the Country-based Monitoring and Evaluation system (DATA-FIDA), developed and implemented for the ongoing IFAD Brazil portfolio will be used and customized for the PCR. The system has been developed by Programa Semear Internacional (PSI) and all projects in Brazil have been trained on its use. It is a project-supporting tool for organizing the information so that it reflects the implemented activities contribution both to the Logical Framework (LF) and to the project AWPB. Each state-level SIU will carry out the physical and financial monitoring of the implemented activities in its respective state using the DATA-FIDA system and will report to the CPMU to monitor the implementation of the project as a whole. The CPMU will be assisted by the PMEL Unit. During the first year of project implementation, improvements will be made to the DATA-FIDA system to allow the aggregation of the state data and its handling by the CPMU; in addition, an interface will be implemented for DATA-FIDA to dialogue with the IT system of BNDES. The CPMU will be responsible for preparing and sending to IFAD the required consolidated progress reports and other project information, based on information provided by the SIUs. IFAD will be responsible for preparing and sending the progress reports to the GCF, in collaboration with BNDES.

10.2. Focus and objectives

The PMEL objective is to generate learning for the project implementation and evidence on the results on changes in the quality of life of vulnerable groups, communities and regions in which the Project will operate. The PMEL will be developed in a participatory manner including all the actors involved, to promote the ownership of the used instruments and procedures.

10.3. Planning

It will be undertaken at a strategic and operational level. At the strategic level, the state project authorities' participation will be promoted for a preliminary mapping of the area of intervention in each state. In these selected areas, the participation of SIUs will be important, to initiate the Project actions with the selection of municipalities and beneficiary groups with the highest socioeconomic, climate and environmental vulnerability. The SIUs that will have on board, both an M&E specialist and an analyst, will be responsible for the preliminary mapping of this planning exercise to be aligned with the objectives and goals defined in the ML and the Project design document.

At the operational level, the AWPB will be prepared annually by the state-level SIUs defining for each subproject a logical and coherent set of activities that will be carried out each year, which the CPMU will consolidate into a single document. The project's AWPB will be composed of systemic or wide ranging activities such as the proposed in Component 3, as well as those of a territorial nature, limited to the specific realities in the selected states.

The AWPB preparation and its implementation will be facilitated by the tools available and under use at IFAD portfolio in Brazil for the financial and physical performance (DATA-FIDA) follow up. The AWPB as a project management instrument will facilitate the monitoring for the fulfilment of the activities, the use of resources and the budget execution, and be a continuous evaluation tool allowing informed and timely decision-making to adjust and/or reschedule the Project at any moment during its implementation.

Each state, through its SIU, must participate in the elaboration of its AWPB taking into account the project's final goals. Starting in the second year, the assessment of the results of the previous year will also be considered, to include adjustments in the implementation rates depending on the magnitude of the changes achieved against those projected. The project's consolidated AWPB will be submitted by the CPMU annually for IFAD's no-objection.

If necessary, the LF will be revised at the beginning of the project implementation to ensure that expected results and goals will be consistent with its purpose, as well as checking the validity of assumptions and adjusting the verification means.

10.4. Monitoring

It will ensure the efficient Project performance and the coherence of its physical and financial progress to achieve the planned results. To this end, specific tools will be designed to aggregate data from subprojects and participatory community exercises. These tools will be applied consistently for all the participating

states, for which their development and changes throughout the project life must be carried out with leadership by and in agreement with the CPMU. Complementary, a georeferenced GIS-based monitoring system will be implemented, which will be managed by each state-level SIU, to determine the degree of recovery of the project's intervention areas through GIS-based monitoring studies of vegetation cover and ecological quality in addition to the monitoring of rainfall and temperatures. The adoption of this methodology will make it possible to assess resilience improvements during project implementation and to calculate carbon mitigation. The GIS-based monitoring can also improve the understanding of factors contributing to resilience by overlapping the recovery data, climate data (rainfall and temperatures) with the index for resilience capacities of farming families.

In order to monitor changes in the resilience capacities of farming families, a particular feature of the monitoring of the Project impacts, a resilience scorecard and index have been developed tailored to the project's theory of change. This methodology has a pragmatic approach to dealing with multi-factor complexity. It only focuses on monitoring the resilience capacities the project seeks to address or is likely to influence. It does not monitor absolute resilience, but changes in resilience of the beneficiaries compared to the baseline or control group families. The resilience questionnaire and scorecard may be adjusted in consultation with project stakeholders at project start-up and will be completed as part of the baseline survey, at mid-term and at the end of the project. It should be used for knowledge generation and improved analysis of resilience dynamics by combining it with the GIS-based monitoring studies of vegetation cover and ecological quality and climate data showing if stresses or extreme weather events have occurred during the implementation of the project.

In addition, based on the positive experience of IFAD-supported projects in Brazil, the use of “cadernetas agroecológicas” or agroecological logbooks will be expanded and promoted. This will help to capture the (economic and financial) contribution women make to their households and to identify and address gender inequalities that play out at the household level.

The monitoring must provide timely and reliable information, both at central and state level, on the fulfilment of projected activities in the AWPB, the obtained achievements and the use of the financial resources, with the aim to take decisions at the community, state and project levels and make possible the needed corrections and reorientations during its implementation. For the monitoring of TRIPs, tools that have already been proved in other states with other IFAD projects in Brazil will be adapted to be applied to the PCRPs activities. The project monitoring system will be consistent with the LF.

To carry out the monitoring throughout the project cycle, the state-level SIUs will collect information on the activity and output levels from the beginning of the implementation period, and on outcomes in the form of short questionnaires with a randomly selected subgroup of beneficiaries annually as of the Mid-term Review. These data will be entered into the DATA-FIDA system in a decentralized manner, and checked for consistency by the CPMU. The decentralized data entry is expected to engender local ownership of the data and local progress stocktaking relative to the AWPB and to the TRIPs. In addition, specialized thematic studies will be contracted as part of Component 3 under the PMEL Unit. The CPMU will have an advisory function to guide these services. The CPMU will also be responsible for the development and implementation of new (planning, monitoring, and evaluation) complementing tools deemed necessary along the project life, in coordination with the responsables for the M&E areas of the SIUs.

On the SIU side, it is expected that the development and implementation of the monitoring subsystem will be carried out through the M&E specialists and analysts designated for the project in each participating state. They will require specific training in activities related to DATA-FIDA, the GIS information system management and maintenance, the use of satellite information, georeferencing, etc.

10.5. Evaluation

Evaluation implies an analysis carried out at different moments with diverse scopes and depths, mainly focused on the effects and outcomes of the project, with less emphasis on the implementation of activities or immediate outputs. The project must have a clear evaluation strategy that allows evaluating its contribution to the achievement of the results and impacts defined in the LF. This strategy will be defined at the project's start-up to ensure that the needed information will be collected through the execution. In this sense, the evaluation subsystem will be closely linked to and partly fed by the monitoring subsystem. The evaluation strategy will be developed around three key moments and studies: the baseline study, the mid-term review and the final report (including the results of the impact evaluation study).

Baseline study. Its objective is to describe and analyse the initial situation of the project's target group based on selected indicators of impact and effect related to the Project's expected outcomes in its LF. It will serve as a benchmark for comparison for future evaluations. To this effect, specialized services will be hired to collect needed information for the project activities and in line with the objectives and results to be achieved and that are found in the LF. The baseline survey will be conducted under Component 3 in a consolidated manner for each specific state. The terms of reference for this contracting, as well as the sampling, shall be elaborated jointly and agreed with the CPMU. Previous experience with the grant Adapting Knowledge for Sustainable Agriculture and Access to Market (AKSAAM) with the Federal University of Viçosa (UFV), the Programa Semear Internacional (PSI) grant and other experiences such as with the International Policy Centre for Inclusive Growth (IPC-IG) will be taken into account. The data survey in each one of the states must follow the same methodology. The proposed methodology and the sample must have the IFAD's no-objection. The CPMU will be responsible for overseeing the implementation of the baseline study.

Mid-term Review (MTR). BNDES and IFAD will carry out an MTR by the end of the fifth year of project execution (the date will depend on the state-level of execution of the Project and its total duration). The MTR will be carried out once a contracted survey on the results of the project is finalized, which will present the first advances in terms of outcome indicators. This survey will be carried out with information collected from each of the participating states. The minimum content of the aspects to be considered in the document will be jointly defined by the CPMU and IFAD. This review will also analyze the implementation process and the relevance of the intervention strategies and methodology. The mid-term review report will serve to adjust the orientation of the project.

Impact Evaluation. The final evaluation will be carried out during the last year (year 8) of project execution, by contracting specialized services in the same way as the baseline and the MTR surveys. For the survey, a methodology will be defined (including the sample design) to be consistent with that applied for the baseline of the Project, in order to make an objective comparison of the progress of

implementation and adequate measurement of its impact and results. The proposed methodology and sample must have the IFAD's no-objection. The results of this study will provide inputs for the Project Completion Report (PCR). Previous experiences of collaboration in the area of evaluation, especially of previous evaluation carried out by IFAD projects and methodologies developed through the AKSAAM grant with the UFV, PSI and IPC-IG will be taken into account.

Project Completion Report (PCR). This report will describe the situation at the end of the intervention and will include a description of it, the results achieved in relation to the goals set in the LF and the lessons learned. The report will be prepared based on the results and impact study described above, between the completion date and before the closing date of the loan. The report is a project responsibility and will therefore be prepared by CPMU/BNDES following IFAD's guidelines. IFAD will be responsible for sending the PCR to the GCF, which will be carried out in collaboration with BNDES.

Thematic evaluations on issues such as gender, youth and nutrition and economic results surveys and studies will also be carried out throughout the project execution period, which will serve to analyze the progress of the project and to review its activities. By their nature, these evaluations will be part of the Learning and Knowledge Management subsystem. The Pro-WEAI will be included in the baseline, mid-term and endline surveys.

udies and nevaluations will be part of the Learning and Knowledge Management subsystem.

10.6. Learning and knowledge management

Learning and knowledge management (KM) will be carried out throughout the execution, based on the results of the M&E subsystems, where the lessons learned become inputs to adapt planning and monitoring. Due to the importance of these activities, which are more fully described in component 3, each state will have two specialists in communication and KM.

The Project will also have specific learning and KM activities. The learning products that will be developed as a basis for these activities may be identified in events related to M&E or others, these could be: thematic and methodological systematizations; technical learning notes; technical training; case studies, good practices, horizontal exchanges and exchanges between institutions and communities

The promotion of learning will be done at the community, territory, state, and regional (Northeast) levels, as well as internationally for the benefit of the implementation of PCR in the targeted area. To this end, the CPMU together with the SIUs will develop a communication strategy that considers the different audiences to which the information will be directed and the various communication objectives. It will be crucial to exchange information and experiences with initiatives of a similar nature in other countries, for which reason the Project will place great emphasis on South-South and Triangular Cooperation (SSTC) activities.

Experiences and best practices of previous and ongoing projects in Brazil will be fully considered in order to enhance learning and KM. In this regard, the Dryland Adaptation Knowledge Initiative (DAKI) grant

approved in December 2019 and effective since July 2020 will pave the way for cross-cutting activities in learning and KM, SSTC, policy dialogue and M&E. The experiences developed through AKSAAM and PSI grant will also be considered under Component 3 of the PCR.

11. IFAD MISSIONS

IFAD can deploy different missions, which have different modalities:

- i) **full supervision mission** that assess the performance of all project's aspects;
- ii) **partial supervision mission**, only assessing some selected aspects of project's performance (e.g. partial supervision mission can be conducted as the second mission for actual or chronic problem projects);
- iii) **implementation support mission** which are less formal and may be more technical in nature
- iv) **mid-term review** mission;
- v) **completion** mission;

One mid-term review (MTR) will be carried out during year fifth year of the PCR. The MTR will recommend a scaling-up or reorientation as may be required to achieve project objectives.

One completion review will be conducted jointly by IFAD and BNDES and will evaluate, among other things, the results and impact of the program, review sustainability and exit arrangement, and draw experiences and lessons for later IFAD and BNDES and state and federal level government supported projects.

IFADs missions will be accompanied by specialized consultants hired by IFAD, as necessary.

11.1. Supervision Missions

The PCR will be directly supervised by IFAD. For this, IFAD's Salvador Office will play a major role. In order to facilitate the project's implementation and ensure the achievement of project objectives considering the complexity of the operation, IFAD in collaboration with BNDES will conduct at least one supervisory mission per year. Each state level subproject will receive at least one partial supervision mission per year with a resulting aide memoire (Memorandum) signed by IFAD, BNDES and the state. The subproject partial supervision will contain field visits and dialogue with state level authorities and local stakeholders such as civil society, research organizations, private sector, and farmers' organizations, amongst others. These Memoranda will then form the basis of a consolidated supervision report, which will be produced during the annual supervision to the CPMU, which will also comprise of Component 3 and its PMEL Unit. This project-wide supervision mission will also result in a Memorandum signed between IFAD and BNDES.

Supervision missions should focus on identifying implementation bottlenecks and propose concrete solutions, rather than only assessing project performance. In the context of decentralization, which fosters the principle of continuous supervision, IFAD requires at least one full supervision mission every

12 months. Actual problem projects and chronic problem projects are required to have at least two supervision missions every 12 months, of which one must be a full supervision mission; the other can be a partial supervision mission focusing on under-performing aspects. The results of the supervision mission are captured in a Supervision Report generated online in ORMS. Financial management (FM) reviews, procurement reviews and general project management issues are integral to every full supervision mission. Exceptional circumstances may warrant an ad hoc FM and/or procurement supervision, as agreed with IFAD.

The supervision mission, including the partial supervisions to each subproject, will consist, among other, of the following:

- (i) revision of implementation progress, in view of agreed goals and results targets;
- (ii) dialogue about problems identified in the management of the project;
- (iii) field visits to beneficiary families and communities, and meetings with project partners;
- (iv) review of the project's International Finance Reports (IFIs);
- (v) review GCF's Annual Performance Reports (APR)
- (vi) review of the projects Progress Report
- (vii) revision of the issues raised in the audit reports;
- (viii) revision other financial and disbursement reports;
- (ix) dialogue about problems identified in the financial management of the Project;
- (x) Update the financial risk including performance evaluation;
- (xi) revision of the bidding and contract management processes carried out under the Project;
- (xii) Agreements with the project implementers on measures to improve operational, FM and procurement performance of the project.

11.2. Implementation Support Missions

Specific project implementation support missions (ISMs) to deal with specific implementation issues that may emerge during implementation will be critical to ensure targeted support by IFAD and removal of obstacles. ISMs may be organized at a state level subproject or at the CPMU level, when necessary and according to demand. It is expected that about one ISM will visit each state subproject and the CPMU per year.

ISMs provide technical advice (and sometimes training) to implementing agencies. Reporting of these missions is done in the form of Memoranda, and does not include performance ratings, and is not disclosed. However, it is shared with the implementing agencies and partners, and basic information about the nature and objective of the ISM and the Memorandum are captured in ORMS.

IFAD provides implementation support for a wide range of activities, depending on the needs and circumstances of the particular project or country programme. The delivery of implementation support may be reactive (responding to requests by the project implementer) or proactive (initiated at the

suggestion of IFAD), and it may be provided in response to actual or emerging problems and constraints or to prevent identified potential problems from materializing. Implementation support should not replace regular project implementation activities.

Implementation support can be mobilized for individual projects to address project-specific issues, for country programmes to address crosscutting issues in the country portfolio, and for multi-country/regional initiatives to facilitate learning and knowledge sharing. The support may range from assistance in solving complex issues to more hands-on advice or process facilitation, such as refocusing the strategic direction of the project; modifying components or implementation arrangements; and resolving fiduciary issues (FM, procurement) throughout project implementation. It may also support the introduction of innovative approaches and the promotion of good practices and new partnerships.

It is important that implementation support inputs be agreed in advance with implementing agencies, partners and stakeholders.

11.3. Midterm Review (MTR) Mission

BNDES and IFAD will agree to carry out a MTR by the end of the fifth year of the Project execution. The MTR will be carried out once a study on the progress and results of the Project is finalized, which will present the first advances in terms of effect indicators. This mission will be carried out with information collected from each of the participating states. The minimum content of the aspects to be considered in the document will be jointly defined by the CPMU and IFAD. This review will also analyze the implementation process and the relevance of the intervention strategies and methodology. The mid-term review report will serve to adjust the orientation of the Project.

The MTR Mission should be preceded by preparation and delivery of a report specifically designed for this purpose, which is prepared under the guidance of the CPMU. The mission may trigger some contractual modifications of technical content and possibly the term of the Financing Agreement.

12. PROJECT CONCLUSION AND COMPLETION

Project Completion Report (PCR)

This report will describe the situation at the end of the intervention, focussing on the results achieved in relation to the goals set in the LF and the lessons learned. The report will be prepared based on the baseline and impact evaluation surveys described above, between the completion date and before the Financing closing date. The report is a Borrower's responsibility, and will be prepared by CPMU following IFAD's guidelines. Once finalised, IFAD will send the PCR to the GCF, in collaboration with BNDES.

While PCRs remain the ultimately responsibility of the Recipient, IFAD through the Project Development Team (PDT) will facilitate the process, ensuring timeliness and quality of reports, and distilling knowledge. Completion reporting represents the last step in the IFAD-country partnership for the achievement of agreed development outcomes, and therefore it is formally the last step of supervision and implementation support.

The Recipient then prepares the PCR, which: (a) assesses the extent to which the project achieved its objectives and assesses the overall performance of both the Recipient and the Fund; and (b) draws lessons

from this experience to improve the design of future projects, country programmes/strategies, and policies.

IFAD usually starts discussing plans for closing the project with the Borrower during the penultimate supervision mission to allow to discuss those activities needed for the completion which are then included in the last AWPB. The following are the key areas related to project completion to cover during the penultimate and final supervision mission:

- Status of all contracts or activities under implementation and the timing of their completion, so as to align those dates with the project completion date and enable timely payment to all contractors, consultants, and vendors.
- Status of closure activities – finalization of withdrawal applications, recovery and/or refund of advances, refund of any ineligible expenditure.
- Project data collection processes to facilitate the evaluation of project achievements.
- Organization of any impact evaluations.
- The need to inform cofinanciers, stakeholders, and development partners of the financing closing date and make arrangements for closing activities.
- The Borrower's obligation to prepare the PCR, and the timing of the PCR.
- The possible organization of a final mission to assist in gathering relevant data as input to the PCR.
- Arrangements for and timing of the final audit report.

12.1. Timeliness of Project Completion

The Project Completion date is defined as the end of project activities, “on which the implementation of the Project is to be completed.” It marks the end of the project implementation period, and eligible expenditures must be incurred before that date. After that date, only expenditure for winding-down activities will be eligible. The Financing Closing date is defined as the date on which the right of the Recipient to request withdrawals from the Loan and Grant Accounts ends, which is six (6) months after the Project Completion Date or on a later date as IFAD may designate by notice to the Recipient.

The project will have the completion period (the six months after concluding its activities) to document expenditures incurred before the completion date. During this period, the last (independent) external audit will be conducted and paid. Contract expenditures should be planned to be completed by end of project in order to proceed with financial closure

12.2. Final report

Each SIU will prepare, or oversee preparation, and submit to the CPMU, three months after completion, the project's final report, with a detailed set of information and evaluations of all actions undertaken, financial implementation, targets met, project efficiency and effectiveness, evolution of selected indicators and the lessons learned.

The final overall report will be prepared at end of project and will aim to analyse whether or not there are changes in its objectives, structure and goals, whether actual results accomplish the planned results, factors affecting project implementation, the performance of agents involved in project execution, sustainability of results and lessons learned for new projects or operations.

In the project's final evaluation, the following documents, among others, will be analysed:

- a) Project's initial logical framework;
- b) Set of monitoring and evaluation indicators.

13. DISCLOSURE

The project will disclose the relevant documentation developed through GCF design process (including the SECAP and the Gender Assessment and Action Plan) in a timely manner. Category B projects will be disclosed as minimum 30 days before expected date of GCF approval pursuant to the requirements of the GCF Information Disclosure Policy. State-level subprojects will disclose all relevant documentation as minimum 30 days before expected date of BNDES approval.

Disclosed documents must be presented in a way that is accessible and culturally appropriate, placing due attention to the specific needs of community groups which may be affected by project implementation (such as literacy, gender, differences in language or accessibility of technical information or connectivity).

IFAD and the project will ensure the widest dissemination and disclosure of project information possible. Taking into account special needs and limited access to web content; in this regard, special attention will be placed on potential project participants: farmers, illiterate or technological illiterate people, people with hearing or visual disabilities, people with limited or no access to internet and other groups with special needs. The dissemination of information among these groups will be carried out by BNDES and the State partners. All accessible and locally available tools for disclosure will be utilized, including social media, local newspapers, flyers, brochures, radio, and television. Special attention will be placed on dissemination of project environmental and social safeguards, including the Grievance Redress Mechanism.

14. GRIEVANCE AND REDRESS MECHANISM

IFAD's Grievance Redress Mechanism can be accessed when necessary to manage project-related grievances that cannot be resolved by the project's Executing Entity. IFAD's has a Complaints Procedure for alleged non-compliance with its social and environmental policies and mandatory aspects of its Social, Environmental and Climate Assessment Procedures (SECAP).

IFAD-funded projects and programmes are designed in a participatory manner, taking into account the concerns of all stakeholders. IFAD requires that projects are carried out in compliance with its policies, standards and safeguards. Moreover, IFAD's Strategic Framework calls for ensuring that projects and programmes promote the sustainable use of natural resources, build resilience to climate change and are based upon ownership by rural women and men themselves in order to achieve sustainability.

The objective of the IFAD Complaints Procedure is to ensure that appropriate mechanisms are in place to allow individuals and communities to contact IFAD directly and file a complaint if they believe they are or might be adversely affected by an IFAD-funded project or programme not complying with IFAD's Social and Environmental Policies and mandatory aspects of SECAP.

Complaints must concern environmental, social and climate issues only and should not be accusations of fraudulent or corrupt activities in relation to project implementation – these are dealt with by IFAD's Office of Audit and Oversight.

Principles of engagement

The channels of engagement adhere to the process of communication with the different stakeholders, which rely on:

- Quality of service: handling the requests and complaints from respondents with proper quality of service.
- Free and Impartial service: respect for the diversity of different publics, with the commitment to exercise activities impartially, without favour of any order, free of prejudice and any fraud, corruption or practice of actions harmful to national and international public administrations.
- Right to Information: guaranteed right to access information, in transparent, clear and accessible language, in accordance with the law.
- Channel of dialogue: maintain an open channel of dialogue with the news media, social networks, and various other social sectors.
- Good faith and willingness to resolve the conflict, grievance, complaint or dispute should be considered as an essential pre-requisite to the process;
- A mediator may be mutually agreed to assist with resolving the conflict and/or grievance;
- The decision/resolution arrived through mutual agreement should be considered as final;
- Such decision would be signed by both parties and witnessed and communicated as the final and binding decision – at whichever level a decision or resolution of conflict or grievance is agreed.

Eligibility criteria

To file a complaint for alleged non-compliance with IFAD's social and environmental policies and mandatory aspects of its SECAP, IFAD will consider only complaints meeting the following criteria:

- The complainants claim that IFAD has failed to apply its social and environmental policies and/or the mandatory provisions set out in SECAP.
- The complainants claim that they have been or will be adversely affected by IFAD's failure to apply these policies.
- Complaints must be put forward by at least two people who are both nationals of the country concerned and/or living in the project area. Complaints from foreign locations or anonymous complaints will not be taken into account.
- Complaints must concern projects/programmes currently under design or implementation. Complaints concerning closed projects, or those that are more than 95 per cent disbursed, will not be considered.

The process

The complainants should first bring the matter to the attention of the State-level Implementing Unit responsible for implementing the project at state level, or to any governmental body with the responsibility for overseeing the Lead Agency. Each SIU will designate a person responsible for follow-up of complaints and resolution and make case-by-case referrals to local / regional teams to meet each specific demand.

If the SIU does not adequately respond, then the matter may be brought to the attention of IFAD. The issue may be brought straight to IFAD if the complainants feel they might be subject to retaliation if they went to the SIU directly.

The Regional Division will examine the complaint and, if necessary, will contact the SIU, or the governmental body with the responsibility for overseeing the SIU, to decide if the complaints are justified.

If the complainants request that their identities be protected, IFAD will not disclose this information to the SIU or anyone else in government.

If the complaint is not justified, the Regional Division will inform the complainants in writing.

If the Regional Division finds the complaint is justified and there is proof of actual or likely harm through IFAD's failure to follow its policies and procedures, IFAD will take action. This may consist of making changes to the project/programme, or requiring that the EE observes its obligations under the Financing Agreement. IFAD's response will focus bringing the project/programme into compliance and no monetary damages will be available or paid in response to such complaints. The complainants will be informed of the outcome of the issue by the Regional Division.

In all cases, if the complainants disagree with IFAD's response, they may submit a request to SECAPcomplaints@ifad.org and request that an impartial review be carried out by the Office of the Vice-President.

The Office of the Vice-President will decide on the steps to be taken to examine such complaints, including, if necessary, contracting external experts to review the matter. The complainants will be informed of the results of the review.

IFAD will include in its Annual Report a list of received complaints and a summary of actions taken to address them.

How to submit a complaint

A complaint relating to non-compliance with IFAD's Social and Environmental Policies and mandatory aspects of its SECAP can be submitted in any of the following ways:

- Download the complaints form (Word).
- Send an email to SECAPcomplaints@ifad.org or mail to:

IFAD
SECAP Complaints (PMD)
Via Paolo di Dono 44
00142 Rome, Italy

Complaints must include the following information:

- Name, address, telephone number and other contact information
- Whether the complainants wish to keep their identity confidential, and if so, why
- Name, location, and nature of the IFAD project/programme (if known)
- How the Complainants believe they have been, or are likely to be, adversely affected by the IFAD-supported project or programme

The project-level Grievance Redress Mechanism (GRM)

The project will establish one or more grievance mechanisms at field level to file complaints. Contact information and information on the process to file a complaint will be disclosed in all meetings, workshops and other related events throughout the life of the project. The project will include in the capacity building program information on the GRM and will organize consultations to determine the most suitable way for beneficiaries and stakeholders to communicate their concerns and ideas.

The GRM and guidelines will be developed for the project taking into account IFADs corporate Complaints Procedure to receive and facilitate resolution of concerns and complaints with respect to alleged non-compliance of its environmental and social policies and the mandatory aspects of its Social, Environmental and Climate Assessment Procedures.

The project will also be responsible for documenting and reporting as part of the safeguards performance monitoring on any grievances received and how they were addressed.

How to submit a complaint at project level

Complaints can be raised either orally or in writing, directly to the SIU or CPMU, which will be responsible for creating and notifying of a digital and physical address to which complaints can be addressed.

Complaints must include the following information:

- Name, address, telephone number and other contact information
- Whether the complainants wish to keep their identity confidential, and if so, why
 - All necessary provisions will be taken to keep complainants' identities confidential in the complaints procedure when so requested.
- Name, location, and nature of the IFAD project/programme (if known)
- How the Complainants believe they have been, or are likely to be, adversely affected by the IFAD-supported project or programme

The process at local level

Submitted complaints will be sent to the Project Manager and M&E officer to assess whether the complaint is eligible. Project Manager will inform and incorporate the relevant Senior Safeguards specialist, social and/or environmental, as required.

Eligible complaints will be addressed by the SIU. The PM and relevant Senior Safeguards Specialist, with support from the M&E Officer will be responsible for recording the grievance and how it has been addressed if a resolution was agreed.

If the situation is too complex, or the complainer does not accept the resolution, the complaint must be sent to a higher level, until a solution or acceptance is reached:

- 1st level: At this level, received complaints will be registered, investigated and solved by the SIU.
- 2nd level: If the complaint has not been solved and could not be solved in level 1, the SIU must report it to the CPMU. Received complaints will be registered, investigated and solved by the CPMU.
- 3rd level: If the complaint has not been solved and could not be solved in level 2, the complaint must be submitted to IFAD following the procedure stipulated above.

Notwithstanding the above, all complaints may be directly submitted to BNDES (2nd level) where applicable stipulations in the Brazilian norms and in the BNDES ombudsman's office will prevail. The GCF

independent Redress Mechanism and the Secretariat's indigenous peoples focal point will be available for assistance at any stage, including before a claim has been made.²⁰

For every complaint received, a written proof will be sent within ten (10) working days; afterwards, a resolution proposal will be made within thirty (30) working days.

The SIU will monitor the progress of responses to the claimants through resolution of the demand.

The SIU will include in its progress reports a summary of the responses to grievances and complaints during the corresponding period. The reports should contain the complaints presented, the procedures used for handling the complaints, the targets of each project's actions, within the framework of the steps described below:

Step	Procedures
1. Receive the demand	Demands may be received through different communication channels and should be directed to the respective SIU.
2. Analyse the demand	The recipient of the demand should analyse its content, verify if there is a need for referral to specific areas of the project or to the executing entity (for example, technicians responsible for a specific component or local teams). The recipient should also determine whether the demand can be solved without the need for referral, that is, in the cases of a simple doubt that can be clarified and resolved by the recipient.
3. Referral	After the analysis, depending on the subject, any demand with sufficient specific data should be sent to the SIU, which will forward it to the area responsible for its resolution. It is important that feedback be given to the claimant with information about the referral.
4. Follow-up	The SIU should monitor the processing of the specific demand (those with a greater degree of severity) to streamline and intermediate the actions and also evaluate the response from the area responsible areas and, if unsatisfactory, seek to mediate and find new path of resolution.
5. Response to claimant/complainant	The plaintiff/claimant should be informed about the processing of his claim. This response shall not exceed 15 days, except in cases of out-of-court or judicial litigation that depend on case-by-case time limits.
6. Resolution	Complaints can only be closed by the response to the complainant and, in the case of grievances; the answer must contain the resolution adopted.

In compliance with the resolution, the person in charge of dealing with the complaint, may interact with the complainant, or may call for interviews and meetings, to better understand the reasons.

All complaint received, its response and resolutions, must be duly registered.

Upon acceptance a solution by the complainer, a document with the agreement should be signed with the agreement.

²⁰ Information available at: <https://irm.greenclimate.fund/home>

Resolution

Upon acceptance of a solution by the complainer, a document with the agreement should be signed.

Other Considerations

Certain measures will most definitely favor the efficiency of the Grievance Redress Process within the context of PCRP. The first of these measures is the creation of mechanisms and procedures that promote Stakeholder groups' engagement in the Project's strategic actions, such as the implementation of management bodies that incorporate multiple stakeholders at both the CPMU and State-level Implementing Units (SIUs) levels. At the SIU level, consultative councils will be created to ensure that PCRP's objectives and strategies are met, with a deep commitment to principles of transparency and equity, through the full participation of the beneficiaries, state secretaries and representatives from civil society partner organizations. In order to guarantee that the most vulnerable stakeholder groups will be well represented in these representative spaces and bodies, rigorous selection criteria will be strictly followed. Their active participation will also be stimulated through the following measures: (i) Inputs of stakeholders will be considered in the construction of Baseline studies during the first year of the Project's implementation cycle; (ii) A crosscutting approach to gender, race and ethnic aspects will be incorporated in Territorial Resilience Investment Plans, as well as in other strategies and methodological instruments, with the guidance and orientation of Youth, Gender and Traditional Communities Specialists; (iii) Consultations with traditional communities will take place so as to guarantee free, prior, and informed consent; and (iii) periodic evaluations will be prioritized, based on a review of potential social and environmental risks and strategy-planning for overcoming such obstacles.

All Professionals that act on local and regional levels within the scope of PCRP must be aware of the principles contained in the SECAP and IPPF – Indigenous Peoples Planning Framework and how they influence their intervention strategies. For instance, all technical assistance professionals that act directly in the field should be aware of project ESMP and specifically that a consultation process should be undertaken to solicit and obtain indigenous peoples' free, prior and informed consent (FPIC) before any action is taken in indigenous peoples' communities and /or if there exists the possibility that proposed interventions might directly affect indigenous peoples' communities and their rights. The principles of this IPPF, which is line with the Green Climate Fund's Indigenous People Policy and the IFAD Policy of Engagement with Indigenous People, should be clearly laid out in Training sessions in the first 6 months of PCR's implementation cycle. Measures such as these represent forms of assuring good performance standards within the Project, in such a way that complaints and grievances, although they are inherent to any social process, are dealt with in due time and do not necessarily need to be taken forward within formal mechanisms and procedures.

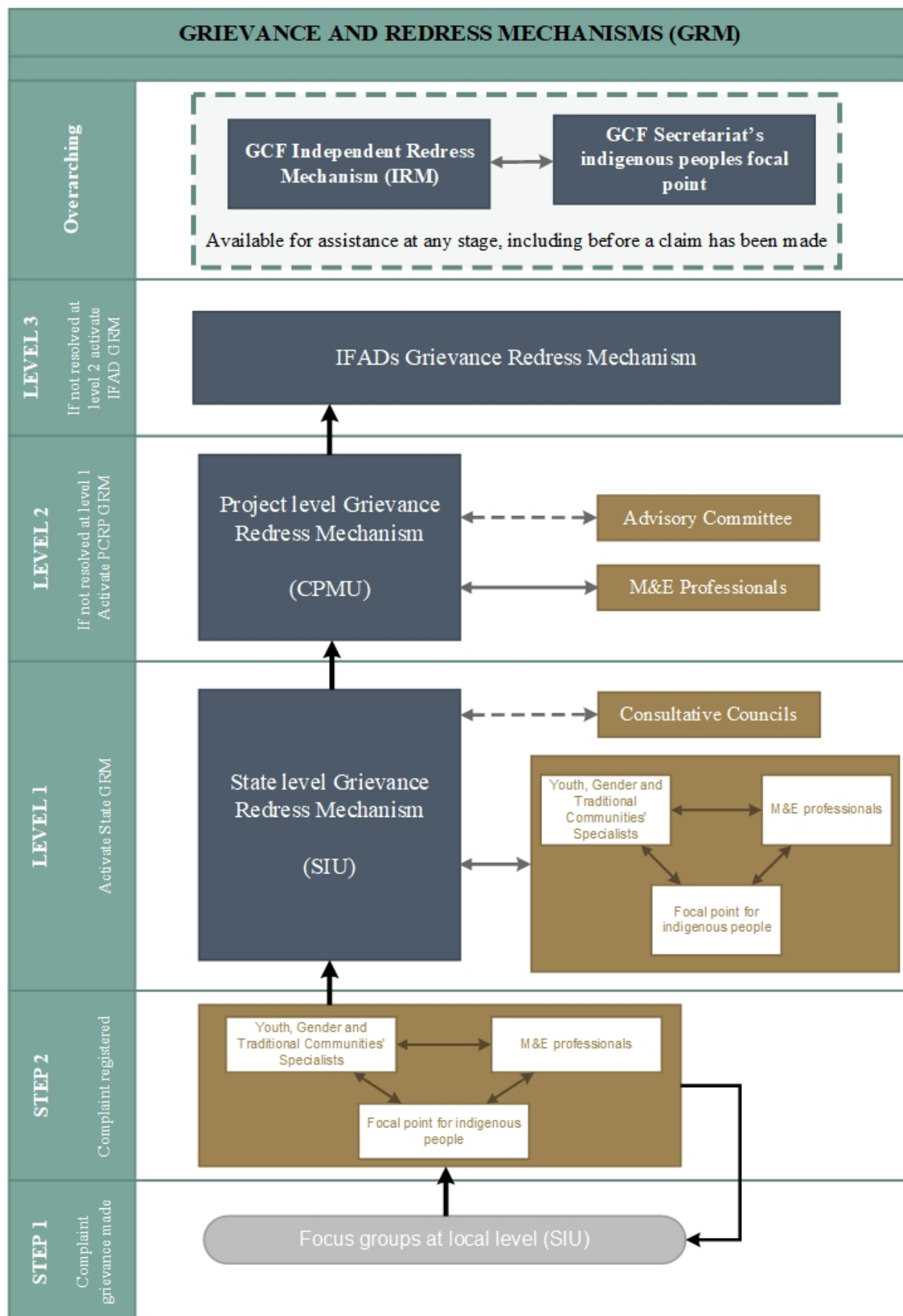
In evaluation and monitoring sessions, that will take place every 6 months, focus groups will be formed so as to facilitate the expression of opinions by specific segments (ex: women x men; youth x elders) about different aspects of the Project's implementation process (activities planned, environmental and social risks, etc.) The evaluation and monitoring of Project strategies and actions should take place on an ongoing basis, as risks and impacts arise, and should be free from any sort of interference, coercion or intimidation on the part of Project team members or other third parties. Creating designated spaces for evaluation processes that allows for the voices of disadvantaged groups to be heard is a necessary

measure for safeguarding their possible concerns, in such a way that they do not necessarily become formal complaints and grievances. In the case of rural women, for instance, who tend to suffer from situations of violence or other forms of violations in the family units or in community instances, such focus groups are an efficient strategy for creating a safe space in which such issues can be raised and dealt with in a proper manner. Gender specialists, who act on all levels of the Project, will also be important mediators of such complex situations, guaranteeing at all times the upmost confidentiality and protection of possible victims.

It is important to clarify that accessing a grievance mechanism should represent the last resort, given that constant dialogue between these most vulnerable social groups and Professionals trained to consider such demands and mediate conflicts, such as the Youth, Gender and traditional communities Specialists, will be cultivated through the Stakeholder Engagement strategy (see Annex 7 for greater details). This strategy can be seen to be an act of prevention – so that concerns can be channeled and expressed in due time and don't necessarily need to move on to the next level, becoming full-fledged grievances.

Once an identified problem turns into a formal grievance and is taken to the Project-level mechanism, it is important that vulnerable stakeholders understand that their legal rights will be protected under a national judicial process. Also, it should be made clear to them that, if they are not satisfied with the resolution that has been provided by the Project-level local mechanisms, another option involving mediation through conflict resolution exists. This possibility should be widely disseminated in all explanations given about the GRM and its forms and stages of operation during the process of fortifying Stakeholders and their engagement in the Project as a whole, as well as once any complaints are registered. In the case of indigenous people, this option may be considered to be more culturally appropriate, given their different conceptions of adequate processes for mediating conflicts and finding collective solutions within the context of PCRPs' interventions. The mediator to be chosen in such cases should be a person who has credibility in the context of indigenous communities and who displays understanding of their cultural specificities. Strict criteria concerning the profile and experience of this professional should be reviewed and validated by Management Councils at the PMU level, as well as other governing instances.

Figure 4. Grievance Mechanisms and process



APPENDIX 01 – FINANCIAL ADMINISTRATION AND ACCOUNTING PROCEDURES

Financial administration and accounting procedures

PCRP / GCF-FIDA-BNDES

I. Introduction

BNDES has proven capacity in financial management (FM) systems to provide internal controls so that project resources are appropriately used for intended purposes, with due regard to the principles of economy, efficiency, effectiveness, and transparency. The main challenges for FM are: (a) the project's innovative design with sub-executors and multiple financial instruments, which could cause risk of delays in implementation; (b) BNDES action through its organizational structure as management supervisor of the sub-borrowers. Although BNDES has already implemented projects financed by international organizations with similar operations (including World Bank and Inter-American Development Bank), additional internal training will be necessary to reduce the risk of delays in implementation of processes and disbursements, particularly during initial project implementation.

II. Financial management arrangements

1. Project management: The Central Project Management Unit (CPMU) will be set up in BNDES' productive inclusion management department, which will carry out the project's technical and financial coordination with the postulating states that will act as project co-executor. Each co-executor will set up a SIU with the required staffing structure that will be responsible for resource management and preparation of technical, physical and financial reports to the CPMU, which will in turn submit the reports to the Consultative Council (MC) and IFAD, which will report to the GCF. The SIU may select a nongovernmental organization that will support implementation of knowledge management and South-South cooperation. Part of GCF grant funding will be allocated to implementation of Component 3 activities. As part of the CPMU, BNDES financial sector will act with overall fiduciary responsibility to execute the financial arrangements established in IFAD manuals (disbursement, reporting and audit manuals) in order to ensure satisfactory financial management and implementation.
2. State financial management: In each state-level SIU, a financial management sub-unit will be established with capacity and experience in executing projects of this nature, which will report to the SIU coordinator in order to meet the demand for administrative, budgetary and financial execution and to carry out the procedures necessary for project implementation. It will be responsible for interacting with the CPMU / BNDES and IFAD, managing financial reports and monitoring implementation of the AWPB. Budget and financial execution will be conducted by the state using its installed capacity. The SIUs will receive support from the SIU's exclusive financial management unit (including a financial manager, technical professional in financial management, and budget / planning specialist able to operate under IFAD standards). This SIU unit will be responsible for direct management. Responsibilities include: i) request budget for activities to be performed; ii) record financial information; iii) request financial expenses from state and BNDES; and v) conduct effective management of rural producers organizations (RPOs) agreements and their respective accountability. The financial management (FM) should establish a management and accountability agreement to

support the RPOs in management of their agreements, and in particular in proper application of resources and accountability.

3. Implementation steps: For project implementation, BNDES will work in partnership with state governments that will execute projects in their geographical area. Submission of projects must follow BNDES rules applying at that moment as per item 5 of PIM.
4. Governance: The project will set up an advisory committee, in addition to the internal BNDES units. BNDES will maintain continuous communications with these units and committee for appropriate implementation of the project results through the established governance structure informed by item 3 of PIM.
5. Geographical scope: The target area is the Semiarid Region of Brazil's Northeast, which is home to the population with the highest indices of extreme rural poverty and rural poverty in the country. The area presents a high potential for development of specific productive activities. Project actions will be carried out by state governments through their SIUs to assist rural producers organizations and lower the risks involved in implementation and strengthen controls.

III. Project financial profile

6. Eligible disbursement categories: The table below presents the Eligible Disbursement Categories to be financed by the IFAD/GCF Loan and grant, the allocation of IFAD amounts to each category, and the percentages of expenditures for each Category item:

Table 1. Allocation of IFAD funding by disbursement category

Expenditure category	IFAD		GCF loan		GCF Grant		Government /BNDES		Beneficiaries		Total	
	Amount		Amount		Amount		Amount		Amount		Amount	
	U\$S MM	%	U\$S MM	%	U\$S MM	%	Cash/ In kind	%	In-kind	%	U\$S MM	%
Goods, Services, Works, and Grants	30,000	14.7	65,000	31.8	34,500	17	59,282	29	15,333	7.5	204,115	93.7
Management and Administrative Provision	-	-	-	-	-	-	13,718	100	-	-	13,718	6.3
Total	30,000	13.7	65,000	29.8	34,500	16	73,000	33.5	15,333	7	217,833	100

7. Disbursement categories are:

Goods, Services, Works and Grants, include:

- Consulting, technical assistance, seminars and trainings: Consulting expenses, technical and administrative studies, updates of management information system (MIS) for use in project monitoring and baseline studies and evaluations including audits and technical assistance to beneficiaries, rural schools and rural producer organizations; seminars, and training, which will include reasonable expenses incurred by the project to cover transportation and per diems for instructors and participants, lodging, meals, space and equipment rental, as well as materials to be used in the project;
- Fund for productive development plans: Subsidies to climate resilient investment plans with productive investments: direct investments or by contracting service providers or transferring

resources to rural producer organizations for access to water through implementation of productive investment plans; for other social technologies and black / gray water reuse systems, bio-saline farming system, procurement of goods and contracting of works and services;

- Civil works, goods, services, and inputs: Equipment and goods procured for project implementation will include, among other things, computer hardware, audiovisual equipment, and office equipment; Regular non-consulting services contracted by SIUs; and, Minor civil works and remodeling of physical installations carried out by SIUs, including regional offices; and for water resources.

Management and administrative provision, include:

- Management and administrative provision: Administrative costs related to SIUs and regional offices with temporary staff, wages and social security payments; and, Operating costs including incremental operating expenses of reasonable value related to monitoring and supervision, supplies, maintenance, printing services, communication costs, travel costs, including air travel, lodging, ground transportation, and per diem allowances, office rental, monthly utilities, office maintenance; rental of vehicles as well as logistics services.
8. Retroactive financing: not allowed according to GCF rules.
 9. BNDES and state counterpart contributions: BNDES will make available counterpart financial funds as a financing line in the form of a sub-loan to States to finance the Project's investment activities. States may choose to take these loans from BNDES or make their own financial funds available. For the management expenses of SIUs, States may provide economically measurable consideration (in kind) to be recorded and presented together with their accountability.
 10. Beneficiaries' counterpart contributions: These will be itemized in Disbursement Category 2 - Productive Investment Fund / SAF and may be economically measurable (in-kind) registered and presented together with their accountability to SIUs and should observe the IFAD's Technical Note on In-kind Contributions.
 11. Disbursement preconditions: Some preliminary steps will be necessary before the project can request a disbursement (withdrawal application): i) opening of a designated account in US dollars; ii) appointment / selection of CPMU financial team; and (iii) IFAD-approved and updated financial management manual.

IV. Implementation organizations and their fiduciary responsibilities

12. **Main project agency (Executing Entity - EE)**: The BNDES as EE will have overall responsibility for project implementation. BNDES has accumulated experiences in the area of the project, namely: i) issues related to development of family agriculture, especially access to water in the semi-arid region of Northeast Brazil; ii) fundraising with multilateral organizations; iii) financing state government development projects; and iv) partnerships with NGOs on project-related issues.
13. Other organizations involved - implementing states: State governments, legal bodies under domestic public law, will be underwritten by the project, whose implementation will be carried out by the state secretariat responsible for family agriculture policies and the Secretariat of Finance (SEFAZ) will control the availability of resources related to the counterpart and the payment of financial charges arising from the financing. For the budget action, the Planning Secretariat will act in the preparation of the government proposal for each year of the project. In addition, the state Comptroller's Office will work on internal controls and audit.

V. Financial management and organizational aspects

1. Organization and personnel: BNDES financial team is composed of qualified staff who have the training, experience and knowledge required for proper execution of management procedures and policies. The SIU will carry out the administrative and financial coordination in association with the existing BNDES administrative and financial structure. The training plan should include the strengthening of BNDES for appropriation of IFAD's current standards. For implementation by states, financial managers should be designated in the SIU so that they are fully aware of the modus operandi of the state project as part of the general project.

2. Budget process: During execution of the state projects, the CPMU will be responsible for ensuring sufficient resources in the investment budget with BNDES and the counterpart funding through the state budget cycle, which includes planning of all project activities, which should reflect the PPA, LDO and LOA. The state project budgets will take place within the scope of the BNDES, which will consolidate them in the project's general AWPB. Use and appropriation of budgets will follow the normal routines of expenditure execution (commitment of budget, settlement of expenditure, and payments to creditors), segregated in terms of IFAD's funding sources and the counterpart that cannot be contingent. These procedures will be carried out by the BNDES financial unit instructed by the CPMU and in the state SIUs.

3. Disbursement arrangements and flow of funds: IFAD will be the fiduciary agent for the GCF loan and grant funds and will operate under the IFAD general conditions for agricultural development financing and its disbursement, financial reporting and audit manuals available on its website and additionally under BNDES regulations.

GCF funds managed by IFAD and its funds will be deposited in a designated account (in USD), opened and maintained by BNDES exclusively for financing this project. There will be an operating account in Brazil opened and maintained by BNDES for processing on-lending to state operating accounts and for paying project activities directly executed by BNDES.

According to BNES rules and procedures, the CPMU will send requests to the BNDES finance department (FD/BNDES) for transfer of IFAD funds from the designated account to the operating subproject account(s). BNDES counterpart funds will also be deposited in the subproject operating account(s). Implementation of the financial resources will be in accordance with the approved AWPB.

There will be an initial advanced payment from IFAD/GCF loan/grant accounts to the account designated at the BNDES. Subsequent disbursements will be based on submission of disbursement requests accompanied by declarations of expenditure for at least 30% of the amount advanced.

Further details and disbursement procedures will be included in the Letter to the Borrower (LTB), to be prepared by IFAD and sent to the Borrower once the Financing Agreement enters into effect. The procedures and disbursement requirements associated with the GCF will also be addressed in the LTB. The project is expected to benefit from use of the IFAD Customer Portal (ICP) platform for BNDES to submit electronic disbursement requests to IFAD and contract follow-up. For subprojects, BNDES will act similarly in partial disbursement of funds and successive releases through presentation of statements of expenditures in accordance with its institutional financing procedures and the financial

procedures manual to be approved by the project.

Disbursement flow

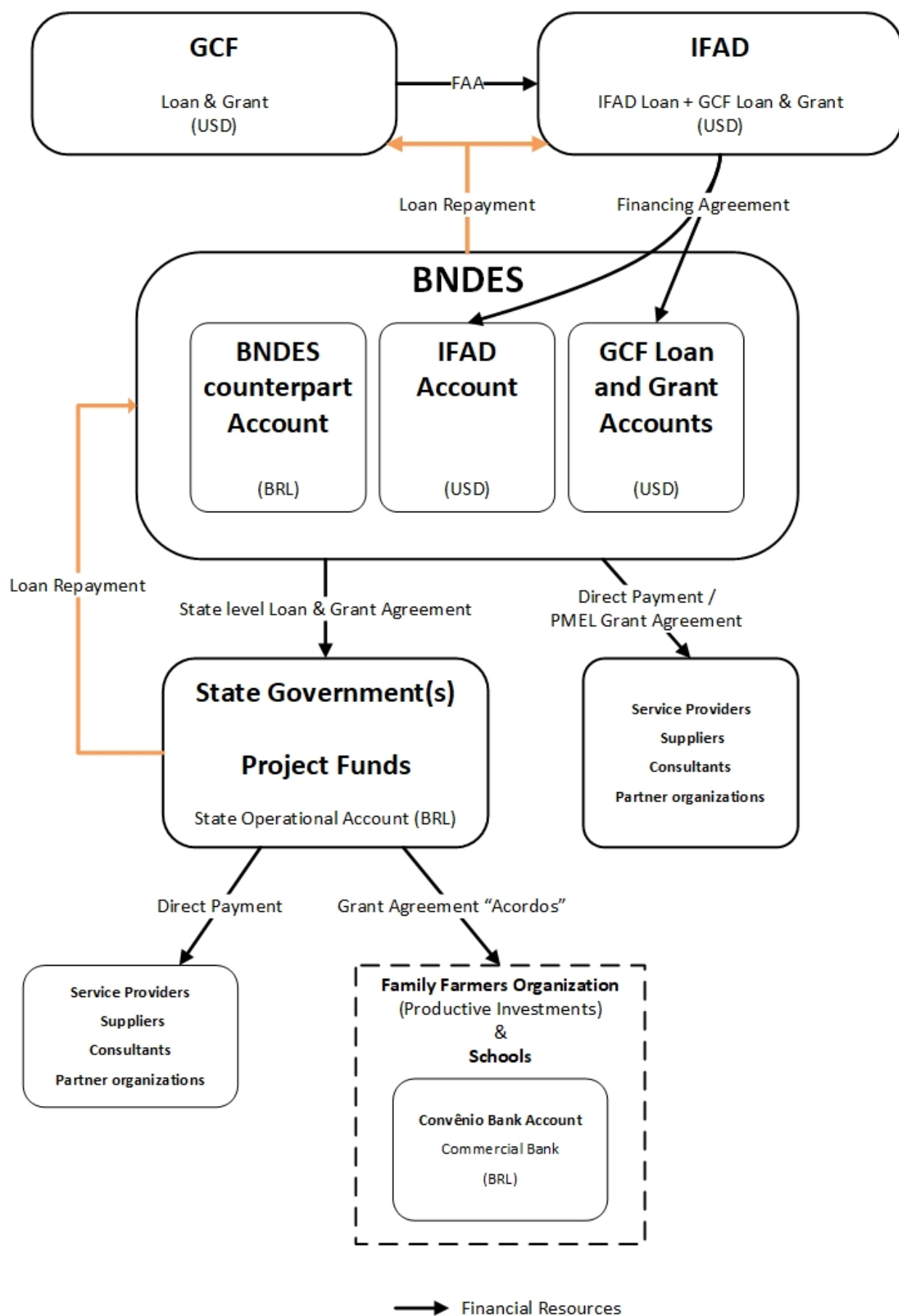
Funds will be disbursed in the currency specified in the financing agreement transacted through at least three accounts, as described below:

- GCF loan and donor accounts in the currencies defined in the contract, opened and handled by IFAD in accordance with requests for disbursements sent by the CPMU. Withdrawals will be linked to Financial Agreement 2000002253;
- Designated accounts linked to Financial Agreement 2000002253, opened and maintained by the Borrower, in its name, for receiving IFAD deposits (disbursements or repayments) directly debited from the loan account and from revenues, which become the Borrower's resources in the currencies of respective contracts;
- Operating account in Reais (R\$), managed by the Borrower, for depositing the closing credits of the foreign exchange contracts of the designated accounts;
- State operating accounts in Reais (R\$), managed by the state governments (via the Treasury Department) opened in a commercial bank to receive deposits of the BNDES funds linked to the project and possibly the state counterparts.

From the operating accounts, the CPMU will make transfers to the state operating accounts, which in turn will make payments to consultants, suppliers of goods and services, transfers to producer organizations or other entities, according to the project's AWPB. These procedures will be recorded and processed in the MIS, from the BNDES on its on-lending and in the states, as well as its expenses, appropriately disaggregated by categories of expenses, project components, and financing sources. Expenditures must be applied to the project's objectives duly justified and supported in a timely manner in a specific form, through expenditure declarations.

The CPMU shall justify the on-lending to IFAD. These transfers should be tracked by the CPMU and the monitoring and reporting arrangements will be detailed in this manual. The project arrangement still provides for BNDES to hire an entity (or entities) for execution of activities in Component 3.

The conditions and instructions for repaying the financing of the IFAD and GCF loan funds are expressed in the Financing Agreement.



Disbursement methods

As stipulated in the Letter to the Borrower, the project can use four methods of disbursement: 1) withdrawal of funds by advance; 2) direct payment; 3) special commitment; and 4) refund.

1. Withdrawal of funds by advance / replenishment of designated account: This method is used to advance and/or replenish funds in a bank account indicated by the borrower. IFAD can set the maximum amount it can advance. The specific conditions of this type of disbursement are agreed upon by the Borrower and the Fund, and are detailed in the LTB.

2. Direct payment: This method is used for eligible project costs that are paid directly by IFAD, usually in large contracts, suppliers, contractors, consultants or third parties, with the Borrower's authorization.

3. Special commitment: This method is used for project-allowable expenses related to items imported by project-implementing agencies by virtue of a letter of credit requiring repayment guarantees from IFAD's negotiating banks.

4. Refund: Applied when the eligible project costs have been pre-funded by the Borrower. This refund must be requested within 90 days from payment date by the Borrower and will be received in the currency of the expense.

Forms, instructions, information and explanatory notes for preparing and handling disbursements²¹

The project may request disbursements through advance / replenishment of the designated account with presentation of the statement of expenses (SOE). In this case, the initial allocation to the designated account shall be in advance and shall reach the ceiling set in the LTB. The other disbursements will occur through an advance/replenishment always respecting the ceiling limit and minimum of 30% of this amount.

Supporting documentation required for the advance / replenishment method includes:

- Summary Sheet-SS (Form 101) with supporting documentation itemizing eligible expenses (copies of invoices, receipts and/or vendor invoices and contracts) for contract payments over USD 100,000, if any;
- Statement of Expenses - SOE (Form 102/A) for all other expenses/contracts for expenses below USD 100,000. Submission of supporting documentation is waived, and it should remain in SIU files for audits and surveys;
- Summary by categories of expenditure (Form 103);
- Request for withdrawal checklist (Form 105);

²¹

These procedures are presented in section 3 and Annexes 2 and 3 of the IFAD Disbursement Handbook.

- Record of Contracts (Form C-10) for contracts subject to prior review in effect in the period;
- Contract Payment Tracking Sheets (Form C-11) for each contract, updated for contracts subject to prior review whose payments occurred in the period, accompanied by a copy of non-objection;
- Reconciliation of the Designated Account (Form 104 / A);
- Copies of bank statements of the designated and operating accounts for the corresponding period.

The steps for effecting a disbursement using the advance / reset procedure are:

- The CPMU requests IFAD to make the initial deposit, through the Request for Withdrawal, in accordance with the instructions contained in the Letter to the Borrower;
- IFAD makes initial deposit in the designated account;
- The CPMU requests internalization of resources in the operating account;
- Based on the financial sub-contract signed with sub-contractors, BNDES makes the necessary payments;
- For replenishment, the CPMU prepares the accounts through the Statement of Expenses (SOEs) and/or summary sheets (SS), supporting documents, summary by expense categories, reconciliation of the designated account and statement of the designated account, and requests IFAD to recompose the designated account to the ceiling established; and
- After review, IFAD recomposes the designated account. SOE/SS will be prepared in the BNDES financial management system. Until the financial system is adequate to the SOE / SS, electronic spreadsheets will be prepared with data extracted from the existing system, for a maximum period of six months. BNDES financial unit will be responsible for the commitment and payments; the SIU will be responsible for registering in the systems, monitoring and providing management information.

Exchange rates

To reimburse the amount actually withdrawn from the designated account(s), local currency expenditures (Brazilian Reals - BRL) financed from IFAD resources (made directly through these accounts or through the project) will be converted using the exchange rate applied by the Bank when it transferred the funds from the designated account(s) to the project's operating account in local currency.

To avoid discrepancies, on the date of transfer, the project must closely monitor the exchange rate of the currency in which the disbursement from the designated account to the project's operational account (local currency) is requested. The amount of the withdrawal request submitted to replenish the Designated Account should be consistent with the sum of the amounts withdrawn and transferred to the project's local currency account.

The amounts withdrawn from the project's operating account to finance 100% expenses with funds from BNDES (counterpart) should be converted by the Brazilian Central Bank (BCB) exchange rate - USD Ptax / USD - <http://www4.bcb.gov.br/pec/taxas/port/ptaxnpesq.asp?id=txcotacao>; or (i) on the last day of the month in which such expenses are incurred; or the rate on the day of expenditure - (DEFINE

AND ADOPT A PROCEDURE FOR THE LIFE OF THE PROJECT)

Internal control: Internal control will be ensured by specific assignment of duties, reconciliation of accounts, and expenses approved by experts. Process flows should be clear and well understood by CPMU and SIU personnel. All budget and accounting transactions in the project will be conducted through the accounting management system (AMS) of each entity. All payments will follow each step of the the commitment, settlement and payment routine. All project costs are accounted for in accordance with each entity's annual work plan and budget (AWPB) and linked to one of the project's specific accounts, allowing comparison and reconciliation with project records compiled in the AMS. To strengthen internal control, the CPMU will provide details of the conditions, responsibilities and procedures in a financial procedures manual. For execution of expenses of the resources transferred by contract to state and NGO co-executors, a project financial procedures manual will describe the processes to be carried out. The manual will contain detailed procedures and guidelines for disbursements, approvals, commitments, payments, and reports.

Accounting systems, policies and procedures: BNDES uses its financial management system for planning, execution, and monitoring of projects and activities. The system will provide information for monitoring the Annual Work Plan and Budget (AWPB), use of resources, project accounts, counterpart contributions, contracts and agreements by category of expenditures or project component, and sources in Brazilian Reais (BRL) and US dollars (USD). The system will also generate timely financial statements, financial reports, statements of expenses and other forms of accountability to IFAD, as well as monitor the AWPB. It must be reconciled monthly with the designated account (USD) and operating account (BRL) and should capture all counterpart contributions from other government sources and beneficiaries. The project may use the IFAD Client Portal to submit withdrawal and accounting requests and IFAD can monitor project financial information.

State governments follow the Brazilian Accounting Standards Applied to the Public Sector (NBCASP), Law No. 4,320 / 64, which, according to the latest Country Financial Accountability Assessment (CFAA) conducted by the World Bank for Brazil, indicated that the law complies with international accounting standards since they provide for certain high-level accounting principles; and also follows the Manual of Accounting Applicable to the Public Sector (MCASP), published under the terms of Law 10,180 of 6 February 2001 and Decree 3,589 of 6 September 2001.

Using the system, each SIU will keep exclusive financial accounting and management records of the Project, which shall contain all records and related expenses by expense categories, in chronological order.

Financial reports: Both the CPMU and SIUs will generate financial information, identifying funding sources and expenses by budget item line, category, and component, following the national format. Existing systems must be adapted or an auxiliary accounting system developed in order to generate all necessary reports by category of disbursement and component in the annual and cumulative period of the project, in relation to AWPBs, including beneficiaries' counterpart contributions, and for the generation of IFAD-acceptable forms according to their disbursement and financial reporting manuals.

The CPMU will submit semi-annual interim financial reports (IFR) and annual financial statements to IFAD in accordance with IFAD's financial reporting and audit guidelines. The IFR's format and content should include: (i) sources and application of resources, by disbursement category, indicating IFAD's participation in expenditure financing as expenses accrued (from project start to date, from start of the year to the present and for the period) vs. budget costs, including analysis of variance; ii) use of resources by project activity or component, as accumulated expenses (from start of project to the present, from beginning of year to the present and for the period) vs. budget costs, including analysis of variance; and iii) reconciliation of the designated account, in the contract currency and in Brazilian Reais (BRL). SIUs will report to BNDES, supporting the CPMU in consolidation of information submitted to IFAD.

IFAD policy requires project monitoring to ensure that resources are used for the purposes indicated in the loan agreement and that due consideration is given to economy, efficiency, transparency and sustainability.

Financial monitoring will be conducted through the Interim Financial Reports (IFRs), which will complement the annual financial statements.

The CPMU / BNDES will present the semiannual IFRs (composed of the IFRs sent by each SIU in the course of project execution) no later than 45 days after the end of each semester. The IFRs will be prepared in the format provided by IFAD in accordance with the IFAD financial reporting and audit manual. The principles on which IFRs are based include:

- IFRs will provide useful information to the Borrower and at the same time provide sufficient information to enable IFAD to verify whether: (i) the disbursed funds are used for the intended purpose; (ii) implementation of the project is in progress; and (iii) expected costs will not be exceeded.
- Financial information should match information about the project's actual progress and procurement. Comparison of financial expenses with physical progress is essential to ensure satisfactory financial control of the project.
- Project oversight by CPMU / BNDES and IFAD should be effective, so IFRs should contain reliable financial information.

It shall be incumbent upon the CPMU and the SIUs to observe:

- Differences between expenses reported in the IFRs and those reported in the audit reports will be declared ineligible, with the amounts returned.
- Any change in the IFR model originally agreed upon should be discussed between the parties and approved by IFAD.

Internal and external auditing: The CPMU will request that the project be inserted into BNDES' internal audit routine. For the external audit, project accounts at BNDES and co-executors' accounts will be audited annually in accordance with the financial agreement in effect by independent auditors acceptable to IFAD in accordance with the TOR presented in Appendix 7 of the IFAD guidelines on project audits and may be financed with project resources. BNDES will promote this audit. The TOR will be reviewed by IFAD. The audit report should present a single opinion on the financial statements, statements of expenses and project accounts, and a management letter on the gaps in internal control. The report will be submitted to IFAD within six months after end of the fiscal year. The audit should be conducted in accordance with international auditing standards and INTOSAI. The Audit should include all State Projects and partner

entities that run IFAD funds.

VI. Preparation for project implementation:

- BNDES should provide professional personnel for financial management or contract additional consultants before the project enters into effect and during project execution maintain these trained personnel working in accordance with IFAD's FM, Audit and Anti-Corruption Guidelines and with the Project Operational Manual, in order to interact with SIUs under their respective funding to ensure that States have the capacity to manage the flow of resources and the funds use and accountability procedures, in line with the financial management guidelines.
- Supervision of the project's financial management provisions will be carried out annually by the CPMU and SIUs.

Table 4. Main actions to mitigate financial management risks

	Action to mitigate risk	Responsible	Timeline
1	Finalization of financial management section in project implementation manual	BNDES	Before entering into effect
2	Designate key personnel for CPMU financial management	CPMU	Before entering into effect
2	Conduct training on "An overview of IFAD's financial management practices and procedures" available at https://www.ifad.org/topic/resource/tags/financial_management/1957778	BNDES/CPMU States/SIU	Before entering into effect and then every two years
3	Support financial management with IFAD resources	ICO / Brazil IFAD financial management services unit	At start of project and each co-executor
4	Designate/hire staff for SIU financial management	SIU	Before funds are used
5	Assessment of CPMU's and SIUs' financial management performance through supervision	IFAD	From second year on

VII. Financial management supervision plan

Financial supervision of the project will be conducted directly by IFAD, without prejudice to other national control and oversight bodies, and will consist of evaluating execution of financial management and performance mechanisms, identifying corrective actions (when applicable), and monitoring fiduciary risks. Supervision will be conducted via semiannual financial and audit reports, and annual onsite visits, including: 1) evaluation of semiannual financial reports; (ii) evaluation of auditors' reports and follow-up of any questions raised by the auditors in their letter of recommendations; and 2) participation in on-site supervision of the Project (including visits to co-executors). There will be a Midterm Review of the Project evaluating: 1) progress regarding the achievement of Project results and the disbursement schedule; 2) effectiveness of institutional arrangements and financial management of project implementation; (iii) the financial procedures manual, with recommendations of indicated reviews and updates; (iv) the results of co-executors' financial management and implementation; (v) accomplishment of annual operational plans; and (vii) evaluation of the appropriateness of project expenditure categories. From the office, IFAD will conduct prior reviews of the initial bidding process of each planned method and those that exceed the resource margin set forth in the procurement plan and/or project project implementation manual. During supervisory, supporting and midterm review missions, IFAD will use sampling to analyze subsequent bidding processes. Annual audits will examine a sampling of bidding processes not verified by IFAD in its missions in order to more fully verify execution. All IFAD reviews and audits should adhere to IFAD's procurement guidelines, eligibility criteria and anti-fraud/corruption policies.

VIII. Project-related links and documents

IFAD website: www.ifad.org

IFAD Brazil website: www.fida.org.br

BNDES website: www.bndes.gov.br

Online course on IFAD's financial practices and procedures (available in Portuguese):
www.ifad.org/elearning_cfs_p/index.html

Loan disbursement handbook for IFAD-supervised projects (available in English and Spanish):

- English: www.fida.org.br/assets/downloads/Manual%20de%20Desembolso_Ingl%C3%AAs.pdf
- Spanish: www.fida.org.br/assets/downloads/Manual%20de%20Desembolso_Espanhol.pdf

Handbook for Financial Reporting and Auditing of IFAD-financed projects (available in English and Spanish):

- English: www.fida.org.br/assets/downloads/Manual%20Operacional_Ingl%C3%AAs.pdf
- Spanish: www.fida.org.br/assets/downloads/Manual%20Operacional_Espanhol.pdf

APPENDIX 02 – STATE PROJECTS FINANCIAL PROCEDURES MANUAL

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INTRODUCTION

This document presents a set of rules and procedures on financial and accounting management for the PCR project with respect to national legislation and IFAD policies. States will use the country's systems to manage: record management, petty cash, processes of payments, travel arrangement and related expenditures and fixed asset management and other operational procedures.

FINANCIAL AND ACCOUNTING MANAGEMENT

Responsibilities for financial administration and implementation

The State Secretariat (SES) indicated by the SIU is responsible for financial administration and implementation; general and administrative coordination; budgetary, financial and accounting management; and general project accountability to BNDES.

For this purpose, it relies not only on SIU specialists (financial and technical specialists) but also on support from all administrative sectors of the State Secretariat, which will play an important role in the project's financial management functions. SIU technicians should be able to provide relevant and reliable financial information, in addition to supporting project coordination in the areas of control, planning, implementation and monitoring. In case of transfer of funds for other public executing entities, the attributions of the parties will be established in the terms of commitment signed with each co-executor. Such instruments shall define the technical, safeguard and fiduciary obligations, including procurement regulations and mentioning (where appropriate) payment for technical services provided to the project and its beneficiaries.

Administrative and financial management (AFM):

The team that will develop the administrative and financial management activities should include a manager and public finances technician.

The responsibilities of the Administrative and Financial Management include:

- Manage AWPB information on project costs and expenses;
- Manage project budget resources;
- Execute the project's financial and accounting operations;
- Prepare progress reports for analysis and decisions by SIU coordination;
- Monitor and execute payments and receipts;
- Support management of people who are linked to the project, ensuring their rights and promoting their development;
- Look after the assets acquired especially by the project and those assigned by SES;
- Supervise and participate in the expenditure settlement phase: receipt of services, equipment, products and works; inspection and release; measurement report; certification of services

provision; equipment, products and works; contract consultant(s), when necessary, to implement project actions;

- Prepare, review and track all agreements signed between the PCR-GCF project and the farmers organizations benefited by the project;
- Advise general coordination of project and take necessary steps on issues related to adequacy of the LDO and state legislation to assure feasibility of agreements and disbursements to beneficiaries.

Professional profiles

Position	Profile	Professional qualifications	Experience
Financial manager	<ul style="list-style-type: none"> • Ability to coordinate a team and work in coordination with the SIU and SES; • Knowledge about public finance management, accounting and mathematics; • Knowledge about financial management procedures for international loans 	<ul style="list-style-type: none"> • Degree in economics, administration, accounting sciences; • Skills in information technology (IT) 	At least 5 years experience in financial management and execution
Public finance technician	<ul style="list-style-type: none"> • Knowledge about financial execution, accounting, and mathematics; • Knowledge about financial management procedures for international loans 	<ul style="list-style-type: none"> • Degree in economics, administration OR accounting sciences; • Skills in information technology (IT) 	At least 3 years experience in the profession and at least 2 years managing financial and public accounting operations

SES responsibilities

SES holds the central responsibility for the project's administrative and financial functions, with authorization to pay suppliers and service providers and transfer resources to other public co-executing entities. Co-executors' responsibilities will be set in terms of commitment signed with each collaborator. Such instruments will define the technical and fiduciary obligations and safeguards, and when applicable the payment for technical services provided to the project and its beneficiaries.

Counterpart contribution

State counterpart contribution

The state government will be responsible for the co-financing defined in the contract signed with BNDES. The state government's counterpart deposits will be subject to the following conditions: 1) the Secretary of Planning will allocate sufficient counterpart funds to cover financial liabilities in the state's annual budget, with amounts sufficient for the required contribution; 2) amounts requested for deposit must be in accordance with the payout schedule established in the AWPB of the contract.

Beneficiary counterpart contribution

Beneficiary counterpart contributions may be financial or made in the form of goods / services. Measurable resources from the community or other sources will be considered financial counterparts. Non-financial counterparts should be monetarily measurable and effectively proven.

Individual and collective preexisting investments by members of the beneficiary productive groups can be accepted if the investment is project-related, as evidenced by documents of ownership of the real-estate and non-real-estate properties, such as fiscal invoices for procurement and technical certificates of goods and services, public deeds, credit agreements, lease, among other things. The community's contribution should be expressed in the investment plan and verified in project monitoring reports.

It is the SIU's responsibility to monitor and request financial contributions and documentation of such counterparts, as well as to ensure the correct documentation of actions carried out.

Accountability

Procedures for use of financial resources

Project resources used will be accounted for to BNDES/IFAD and state offices by the following steps: (a) accountability of resources paid to beneficiaries; (b) results of accountability analysis (approved or not) uploaded into financial system; (c) accountability between SES and other project-associated entities; (d) accountability of contracts and agreements; requests from state agency auditors will be met; (e) prepare financial statements; and (f) collect overdue or unapproved accounts.

The SIU will use BNDES' financial information system to enter accountability data and will prepare specific financial reports to be sent to BNDES semiannually or upon request.

Accountability between project and beneficiaries

Project beneficiaries will provide partial and final accounts of all resources received, including the counterpart contribution, when pertinent. All bidding, contracting, assessment, procurement and payment processes carried out by the beneficiary entities will be analyzed by the SIU.

Reports to BNDES

The SIU will draft and send the BNDES several documents/reports during project implementation, containing management information on the project as part of the requirements set in the loan agreement. Most of them have a preset submission schedule, as presented in the table below:

REPORTS TO BE SUBMITTED TO BNDES				
N o	DOCUMENT	PREPARED BY	PERIOD	DELIVERY DEADLINE
1	Annual Operating Plan	SIU	Annual	75 days before start of each year
2	Procurement Plan	SIU	Annual	75 days before start of each year (along with AWPB)
3	Interim Financial Reports (IFR)	SIU / Financial and administrative management (FAM)	Semiannual	By 30th day of month following start of semester
4	Financial statements	SIU/FAM	Annual	Within 60 days of beginning of the year
5	Progress report	SIU/MA	Semiannual	By the 30th day of the month following start of semester
6	Project completion report	SIU	-	On closing date of financing

ACCOUNTING PROCEDURES

Accounting records

The accounting records of execution of project-related operations shall be registered apart from other records that do not involve loan proceeds through the state's accounting system, which can present reliable results of financial operations in accordance with generally accepted accounting principles and Federal Law 4,320 of 17 March 1964 and the International Accounting Standards issued by the International Federation of Accountants (IFAC).

Project accounting will present financial information in financial statements, identifying funding sources and expenses by disbursement category and component on a yearly cumulative basis.

The project's accounts plan will follow the unique state standard used for all Direct Administration Bodies, containing the project expenditure categories (capacity development, capacity and productive development, project management, and monitoring & evaluation). Project accounting will be done through MIS. However, to be accountable to BNDES, the BNDES system will be used in subsidiarity.

SES is responsible for managing, classifying, filing and storing all documentation generated as a project product. For this purpose, it will designate an area duly outfitted to ensure conservation of all documents collected.

Budget

The budget and accounting of the Project and SES are part of the state's general system, so all transactions will be processed by the Accounting Systems of the States. Payments will follow the official commitment routines (commitment and payments/settlement). These functions will be performed by the SES's Administrative and Financial Management and/or the SIU.

Internal control

Internal control is executed by the state's General Comptroller. SES annual financial reports are made available for internal state audit purposes.

AUDITING

Project accounts will be audited annually by independent auditors to be contracted by BNDES in accordance with the IFAD-approved TOR. Based on the analysis, an audit report will be generated presenting a single opinion on the financial statements, expense statements and project accounts, and a management letter on any gaps in internal control. The report will be submitted to IFAD within six months after end of the fiscal year. The audit should be conducted in accordance with International Standards on Auditing (ISAs) and INTOSAI.

ANNUAL OPERATING PLAN

The Annual Operating Plan (AWPB) is a key planning tool. The AWPB contains the project's development objectives, targets to be met, and activity feasibility mechanisms.

In operational terms, the AWPB includes all activities planned for the year as well as the actions and inputs required in order to obtain results and products. It serves as a basis for monitoring the project's physical and budgetary execution in a particular year/period. It also contains the procurement and contracts that must be carried out, as well as the methods to be used.

The SIU will coordinate preparation of the AWPB and its administrative/financial management unit will be responsible for ensuring the necessary provisions between the AWPB, Plurennial Plan (PP), budgetary guidelines law (LDO in Portuguese) and annual budget law (LOA in Portuguese).

After the initial AWPB, the SIU will prepare and send subsequent AWPBs to BNDES for non-objection by **October 15** each year.

Documentation records

The SIU, through its administrative / financial management unit, will keep all documentation of all contracts, correspondence and procurement on file, including:

- ✓ All invoices and other payment documents (notes of commitment, settlement, payment, etc.);
- ✓ All documentation related to contract performance;
- ✓ All additional clauses added to the contract; and
- ✓ All documents related to claims under the contract, including guarantees.

APPENDIX 03 – TERMS OF REFERENCE FOR SIU TEAMS

STATE LEVEL				
Function	Key Responsibilities	Profile	Educational Requirements	Professional Experience
Project Manager	<ul style="list-style-type: none"> - Direct the Project Management Unit technically, financially and administratively; - Coordinate and supervise the technical, bidding and contracting, monitoring and evaluation and administrative and financial areas for the execution of planned, on time and with quality; - Coordinate the preparation and execution of the Annual Operating Plan, the Procurement Plan, the budget and the annual reports; - Monitor, support and integrate the work of local managements and teams; - Articulate the Project with the other existing programs and projects; - Establish partnerships with public and private organizations of interest to the Project. 	<ul style="list-style-type: none"> - Ability to coordinate teams, leading them to work aiming to achieve the results of the Project; - Communication skills and institutional articulation; - Ability to negotiate and establish agreements of interest to the Project; - Knowledge of public policies on the theme Agroforestry and resilient rural production. 	<ul style="list-style-type: none"> - Higher education professional preferably in the areas of economics, agroecology, agronomy, public administration and sociology; - Desirable postgraduate studies in the area of work interest. 	<ul style="list-style-type: none"> - Experience of at least 10 years in management; - Relevant experience in managing development projects, preferably with external funding.

STATE LEVEL				
Function	Key Responsibilities	Profile	Educational Requirements	Professional Experience
Project Manager Assistant	<ul style="list-style-type: none"> - Support the General Coordination in the technical, financial and administrative direction of the Project Management, Procurement, Monitoring and Evaluation and Administrative and Financial Unit for the execution of planned actions, on time and with quality; - Support the General Coordination regarding the preparation and execution of the Annual Operative Plan, the Procurement Plan, the budget and the mandatory annual reports; - Monitor, support and integrate the work of project managers, supervisors and other teams; - Supervise the progress of the execution versus the planned and attendance of the expected results. - Report information to the General Coordination; 	<ul style="list-style-type: none"> - Ability to coordinate teams, leading them to work aiming to achieve the results of the Project; - Communication skills and institutional articulation; - Ability to negotiate and establish agreements of interest to the Project; - Knowledge of public policies on the Project's theme. 	<ul style="list-style-type: none"> - Higher level professional preferably in the areas of economics, agronomy, agroecology, public administration, sociology; - Desirable Postgraduate in the area of interest of the work. 	<p>Experience of at least 07 years in similar activities;</p> <ul style="list-style-type: none"> - Relevant experience in managing development projects, preferably with external funding.

STATE LEVEL				
Function	Key Responsibilities	Profile	Educational Requirements	Professional Experience
Procurement Specialist	<ul style="list-style-type: none"> - Guide the teams in the elaboration of the Terms of Reference and Estimation of Costs and Technical Specifications and Budgets; - Support the assembly of the Evaluation Evaluation Committee; - Guide the Evaluation Committee on the Technical and Financial Analysis of proposals / quotations, preparation of bidding reports, for the acquisition of goods, technical services and consultancy required by the Project; - Prepare the documentation for each acquisition process, as provided for in the legislation; - Follow up with the Bidding Centre the processes related to the Project; - Integrate the Commission and Analysis and Approval of Acquisition Plans and Annual Operating Plans within the scope of the SIU; - Manage contracts within the scope of the Project; - Prepare follow-up reports. 	<ul style="list-style-type: none"> - Knowledge of public legislation for the acquisition of goods and services; - Knowledge of the guidelines for the acquisition of goods and services from international organizations. 	<ul style="list-style-type: none"> - Higher education professional preferably in the areas of public administration, accounting, economics and law; - Ability to use information technology. 	<ul style="list-style-type: none"> - 7 years experience in public procurement; experience in donor-funded-projects is desirable; .
Accountant Specialist	<ul style="list-style-type: none"> - Support the project's financial and accounting activities; - Support field actions related to the documentation of beneficiary associations; - Support and guide the activities of procurement and rendering of accounts of beneficiaries; - Support beneficiaries' banking activities related to project resources; - Act in close relationship with the bidding professionals of the Project Management Unit. 	<ul style="list-style-type: none"> - Knowledge of the legislation of community associations; - Knowledge of public procurement of goods and services and respective accountability; - Knowledge of banking legislation; - Knowledge of accounting 	<ul style="list-style-type: none"> - Higher education professional in the area of accounting sciences; - Ability to use information technology. 	<ul style="list-style-type: none"> - Experience of 3 years in the exercise of the profession and at least 1 year in activities with community associations.

STATE LEVEL				
Function	Key Responsibilities	Profile	Educational Requirements	Professional Experience
Technical Analysts	<ul style="list-style-type: none"> - Carry out the monitoring of field activities, related to the implementation of the respective components of the Project. - Provide guidance and technical support to local outsourced teams and associations of rural beneficiaries, in identifying potential economic activities and in preparing Resilient Productive Investment and Agroforestry Projects; - Prepare reports of execution of the actions of the Components and report to the Supervision. 	<ul style="list-style-type: none"> - Ability to work in a team; - Ability to communicate and negotiate with family farmers and their organizations; - Knowledge of public policies for rural development, markets and technologies adapted to the semiarid; - Knowledge in preparing proposals for rural productive investments. 	<ul style="list-style-type: none"> - Higher education professional, preferably in the areas of, agroecology, agronomy and related areas, with knowledge in agricultural and non-agricultural productive activities developed in the semiarid region of Brazil; - Ability to use information technology, including georeferencing. 	<ul style="list-style-type: none"> - 4 years experience in the profession. - Experience in developing family farming productive arrangements and in the formulation and execution of Rural Investment Projects.
Financial Management Specialist	<ul style="list-style-type: none"> - Monitor the POA information regarding the costs and expenses of the Project; - Perform financial and accounting operations; - Monitor and execute payments and receipts. - Guide the teams on the procedures for executing expenses; - Prepare monitoring reports for analysis and decisions by the UGP coordination. 	<ul style="list-style-type: none"> - Knowledge of management and execution of public finances, accounting and mathematics; - Knowledge of the financial management procedures for international loans. 	<ul style="list-style-type: none"> - Higher education professional preferably in economics, or administration or accounting sciences; - Ability to use information technology. 	<ul style="list-style-type: none"> - 5 years experience in the profession. - Experience with public financial and accounting operations; - Experience in management and financial execution of projects financed by external resources.
Agroforestry and Resilient Production Specialist	<ul style="list-style-type: none"> - Implement the actions of the respective component; - Guide the execution teams of the activities of this component; - Provide technical support to the preparation and execution of productive investment proposals; - Integrate the Commission and Analysis and Approval of Plans within the scope of the SIU; - Ensure the inclusion of women, young people and ethnic groups, as provided for in the Project; - Ensure compliance with ESS safeguards; - Support the management of contracts subordinated to the component. 	<ul style="list-style-type: none"> - Ability to work in an integrated manner with the SIU and other partners; - Knowledge of public policies for rural development, markets and productive arrangements for family farming; - Knowledge and practice in preparing proposals for rural productive investments and technologies adapted to the semiarid, aimed at agroforestry and resilient production. 	<ul style="list-style-type: none"> - Higher level professional preferably in the areas of agroecology, agronomy and the like, with knowledge in agricultural and non-agricultural productive activities developed in the semiarid region of Brazil; - Ability to use information technology, preferably georeferencing. 	<ul style="list-style-type: none"> - Experience of at least 5 years in the profession. - Experience in technical advisory activities in productive projects in the semiarid region, aimed at resilient and agroforestry production. - Experience in ESS compliance is desirable.

STATE LEVEL				
Function	Key Responsibilities	Profile	Educational Requirements	Professional Experience
Youth, Gender and traditional communities Specialist	<ul style="list-style-type: none"> - Develop a strategy and action plan for the inclusion of young people and gender equity and for serving traditional communities, in the actions and activities of the project; - Ensure the gender focus across the board in the development of the component's activities; - Ensure compliance with ESS safeguards; - Stimulate and guide the involvement of women and young people in the project activities; - Training of Project teams and technical advisory partner teams on the themes of gender, youth and traditional communities; - Strengthen an environment of debate in communities about the role of men and women in family and youth agriculture; - To elaborate didactic and pedagogical instruments based on the principles and methodology of the Project, to contribute in the processes of discussion and formation of the teams; - Establish a relationship with other projects and programs to enable mobilization actions, access to markets and public policies; - Prepare reports of implementation of actions. 	<ul style="list-style-type: none"> - Ability to work in a team; - Ability to communicate and negotiate with family farmers and their organizations and with Project teams; - Knowledge of public policies for rural and social development; - Knowledge in the formulation and execution of plans for the development of human and organizational capacities and in participatory methodologies. 	<ul style="list-style-type: none"> - Higher level professional preferably in the areas of humanities and social sciences; - With at least one specialization course in the areas of interest; - With technical courses in the areas of interest; - Ability to use information technology. 	<ul style="list-style-type: none"> - 5 years experience in the profession; - Experience with the formulation and execution of development plans and in strengthening human and institutional capacities; - Experience with activities focused on gender, youth participation and inclusion of traditional communities. - Experience in ESS compliance is desirable.

STATE LEVEL				
Function	Key Responsibilities	Profile	Educational Requirements	Professional Experience
Communication and Knowledge Management Specialist	<ul style="list-style-type: none"> - Develop project communication plan; - Develop project knowledge management plan; - Support local teams in mobilizing communities and their organizations to participate in actions related to their activities in the Project; - Provide technical guidance to local teams in supporting the preparation of Communication and Knowledge Management Plans; - Prepare reports of execution of actions for the SIU. 	<ul style="list-style-type: none"> - Ability to work in a team; - Ability to communicate and articulate with the project teams and with family farmers and their organizations; - Knowledge of public policies for rural and social development; - Knowledge in the formulation and execution of Communication Plans and Knowledge Management. 	<ul style="list-style-type: none"> - Higher level professional preferably in the areas of communication, humanities and social sciences; - Ability to use information technology. 	<ul style="list-style-type: none"> - 4 years experience in the profession; - Experience in the project communication area; - Experience with knowledge management; - Experience in formulating plans and implementing communication and knowledge management actions.
M&E Specialist	<ul style="list-style-type: none"> - Prepare a Term of Reference for contracting the design and implementation of the Project's computerized M&E system; - Monitor the elaboration and implementation of the system; - Provide technical support to the team in the use of the system; - Provide technical guidance to Project teams to systematically obtain information on monitoring planned and performed actions; - Integrate the Commission and Analysis and Approval of Plans within the scope of the SIU; - Interact with the Coordination and other areas for the effectiveness of Monitoring and Evaluation. 	<ul style="list-style-type: none"> - Ability to interact with the team providing the necessary technical guidance; - Knowledge in design, adaptation and implementation of M&E computer systems; - Knowledge of rural development projects. 	<ul style="list-style-type: none"> - Higher education professional preferably in the areas of humanities and social sciences, geography, administration, information technology and engineering, with knowledge in evaluating and monitoring rural and social development projects; - Domain in the use of management information systems technology. 	<ul style="list-style-type: none"> - 5 years experience in the profession; - Experience with project monitoring and evaluation. - Experience in designing and implementing a management information system.

STATE LEVEL				
Function	Key Responsibilities	Profile	Educational Requirements	Professional Experience
M&E Analyst	<ul style="list-style-type: none"> - Support the elaboration of a Term of Reference for contracting the design and implementation of the Project's computerized M&E system; - Support the monitoring of the elaboration and implementation of the system; - Provide technical support to the team in the use of the system; - Provide technical guidance to Project teams to systematically obtain information on monitoring planned and performed actions; - Integrate the Commission and Analysis and Approval of Plans within the scope of the SIU; - Interact with the Coordination and other areas for the effectiveness of Monitoring and Evaluation. 	<ul style="list-style-type: none"> - Ability to interact with the team providing the necessary technical guidance; - Knowledge in design, adaptation and implementation of M&E computer systems; - Knowledge of rural development projects. 	<ul style="list-style-type: none"> - Higher education professional preferably in the areas of humanities and social sciences, geography, administration, information technology and engineering, with knowledge in evaluating and monitoring rural and social development projects; - Domain in the use of management information systems technology. 	<ul style="list-style-type: none"> - 3 years experience in the profession; - Experience with project monitoring and evaluation. - Experience in designing and implementing a management information system.
FIELD TEAM				
Local SIU Supervisor	<ul style="list-style-type: none"> - Supervise the implementation of the respective component; - Guide and supervise the teams responsible for the execution of the component's activities; - Provide technical support to the preparation and execution of productive investment proposals; - Integrate the Commission and Analysis and Approval of Plans within the scope of the SIU; - Ensure the inclusion of women, young people and ethnic groups, as provided for in the Project; - Support the management of contracts subordinated to the component. 	<ul style="list-style-type: none"> - Ability to coordinate / supervise teams and to work in an integrated way with the SIU and other partners; - Knowledge of public policies for rural development, markets and productive arrangements for family farming; - Knowledge and practice in preparing proposals for rural productive investments and technologies adapted to the semiarid region. - Knowledge in agroforestry and resilient production activities. 	<ul style="list-style-type: none"> - Higher education professional preferably in the areas of agroecology, agronomy, economics and the like, with knowledge in agricultural and non-agricultural productive activities developed in the semiarid region of Brazil; - Desirable specialization course in the area of interest of the project; - Ability to use information technology, preferably georeferencing. 	<ul style="list-style-type: none"> - Experience of at least 5 years in the profession. - Experience in technical advisory activities in productive projects in the semiarid region; - Experience in agroforestry and resilience activities.

STATE LEVEL				
Function	Key Responsibilities	Profile	Educational Requirements	Professional Experience
Agroforestry and Resilient Production Specialist	<ul style="list-style-type: none"> - Implement the actions of the respective component; - Guide the execution teams of the activities of this component; - Provide technical support to the preparation and execution of productive investment proposals; - Integrate the Commission and Analysis and Approval of Plans within the scope of the SIU; - Ensure the inclusion of women, young people and ethnic groups, as provided for in the Project; - Ensure compliance with ESS safeguards; - Support the management of contracts subordinated to the component. 	<ul style="list-style-type: none"> - Ability to work in an integrated manner with the SIU and other partners; - Knowledge of public policies for rural development, markets and productive arrangements for family farming; - Knowledge and practice in preparing proposals for rural productive investments and technologies adapted to the semiarid, aimed at agroforestry and resilient production. 	<ul style="list-style-type: none"> - Higher level professional preferably in the areas of agroecology, agronomy and the like, with knowledge in agricultural and non-agricultural productive activities developed in the semiarid region of Brazil; - Ability to use information technology, preferably georeferencing. 	<ul style="list-style-type: none"> - Experience of at least 5 years in the profession. - Experience in technical advisory activities in productive projects in the semiarid region, aimed at resilient and agroforestry production. - Experience in ESS compliance is desirable.
M&E Specialist	<ul style="list-style-type: none"> - Prepare a Term of Reference for contracting the design and implementation of the Project's computerized M&E system; - Monitor the elaboration and implementation of the system; - Provide technical support to the team in the use of the system; - Provide technical guidance to Project teams to systematically obtain information on monitoring planned and performed actions; - Integrate the Commission and Analysis and Approval of Plans within the scope of the SIU; - Interact with the Coordination and other areas for the effectiveness of Monitoring and Evaluation. 	<ul style="list-style-type: none"> - Ability to interact with the team providing the necessary technical guidance; - Knowledge in design, adaptation and implementation of M&E computer systems; - Knowledge of rural development projects. 	<ul style="list-style-type: none"> - Higher education professional preferably in the areas of humanities and social sciences, geography, administration, information technology and engineering, with knowledge in evaluating and monitoring rural and social development projects; - Domain in the use of management information systems technology. 	<ul style="list-style-type: none"> - 5 years experience in the profession; - Experience with project monitoring and evaluation. - Experience in designing and implementing a management information system.

STATE LEVEL				
Function	Key Responsibilities	Profile	Educational Requirements	Professional Experience
Communication and KM Specialist	<ul style="list-style-type: none"> - Develop project communication plan; - Develop project knowledge management plan; - Support local teams in mobilizing communities and their organizations to participate in actions related to their activities in the Project; - Provide technical guidance to local teams in supporting the preparation of Communication and Knowledge Management Plans; - Prepare reports of execution of actions for the SIU. 	<ul style="list-style-type: none"> - Ability to work in a team; - Ability to communicate and articulate with the project teams and with family farmers and their organizations; - Knowledge of public policies for rural and social development; - Knowledge in the formulation and execution of Communication Plans and Knowledge Management. 	<ul style="list-style-type: none"> - Higher level professional preferably in the areas of communication, humanities and social sciences; - Ability to use information technology. 	<ul style="list-style-type: none"> - 4 years experience in the profession; - Experience in the project communication area; - Experience with knowledge management; - Experience in formulating plans and implementing communication and knowledge management actions.

STATE LEVEL				
Function	Key Responsibilities	Profile	Educational Requirements	Professional Experience
Youth, gender and traditional communities' specialist	<ul style="list-style-type: none"> - Develop a strategy and action plan for the inclusion of young people and gender equity and for serving traditional communities, in the actions and activities of the project; - Ensure the gender focus across the board in the development of the component's activities; - Stimulate and guide the involvement of women and young people in the project activities; - Ensure compliance with ESS safeguards; - Training of Project teams and technical advisory partner teams on the themes of gender, youth and traditional communities; - Strengthen an environment of debate in communities about the role of men and women in family and youth agriculture; - To elaborate didactic and pedagogical instruments based on the principles and methodology of the Project, to contribute in the processes of discussion and formation of the teams; - Establish a relationship with other projects and programs to enable mobilization actions, access to markets and public policies; - Prepare reports of implementation of actions. 	<ul style="list-style-type: none"> - Ability to work in a team; - Ability to communicate and negotiate with family farmers and their organizations and with Project teams; - Knowledge of public policies for rural and social development; - Knowledge in the formulation and execution of plans for the development of human and organizational capacities and in participatory methodologies. 	<ul style="list-style-type: none"> - Higher level professional preferably in the areas of humanities and social sciences; - With at least one specialization course in the areas of interest; - With technical courses in the areas of interest; - Ability to use information technology. 	<ul style="list-style-type: none"> - 5 years experience in the profession; - Experience with the formulation and execution of development plans and in strengthening human and institutional capacities; - Experience with activities focused on gender, youth participation and inclusion of traditional communities. - Experience in ESS compliance is desirable.

APPENDIX 04 – RESILIENCE INDEX AND SCORECARD (DRAFT)

To understand and monitor the progress in building resilience capacities of family farming households in the NEB a resilience scorecard and index has been developed in the below table, which will be adjusted at project start-up through discussions with project stakeholders. The table links risks and vulnerabilities existing in the baseline scenario that the project seeks to address (columns 1 and 2) with the project's interventions to address these (column 3), the expected effects in terms of resilience capacities of the families participating in and benefiting from the interventions (column 4), and monitoring questions and scores that will be used for the resilience index tailored to the project (column 5). The monitoring questions will allow for assessing if the families have adopted the outputs of the project and are acquiring the desired resilience capacities. This index and its variables represented in the questions will allow the PCR and its beneficiaries to monitor progress in creating family resilience capacities and take action to adjust, if some activities are not being adopted by the families or are not achieving the intended results. The questions will be fine-tuned and included in the questionnaire for the baseline study and repeated at midterm and at the end of the project. The questionnaire can also be applied as part of the TRIPS formulation process among the families in the involved communities as an input to the assessment of vulnerabilities and needs for resilience capacities to be addressed by the TRIPS.

Risk Type	Potential impacts and vulnerabilities	Project interventions	Expected resilience capacities	Monitoring questions and scores for the project's family resilience index
Social and institutional risks and resilience measures				
Low adaptation planning and action capacities	Even though most communities and family farmers in the NEB relate their suffering from water	Participatory formulation of TRIPs accompanied with capacity building in climate change risk management, adaptation and resilience building.	Participation in the TRIP formulation and implementation process will build participating families' capacities to understand current and future climate change risks, causes of	1. Has anyone from your household participated in discussions and meetings for the formulation of a TRIP (or a similar adaptation plan) for the area you

	scarcity to climate change, they are not taking part in joint processes to analyse their vulnerabilities and identify adaptation options and actions with a comprehensive territorial approach		vulnerabilities linked to management and use of their landscapes and productive resources, and adaptation and resilience building options. This will allow them to plan and take collective and individual actions to improve their resilience including in future iterations of the risk assessment and planning process.	live and farm in? (Yes=1 point, No=0 point) 2. Can you mention adaptation or climate resilience practices/activities priorities in this TRIP? (> 2 Practices/activities = 2 points, 1-2 practices/activities = 1 point, 0 practices/activities = 0 point) <i>A list of eligible practices to be developed as a support for the interviewer.</i>
Lack of land tenure security	Many family farmers and indigenous, quilombolas and Fundo Pasto communities do not have tenure security to their lands, which makes them vulnerable to encroachment from other actors	The participatory mapping and planning exercise, as part of the development of the TRIPs, will include conflict mediation and resolution over the use of resources if needed. The project will provide legal and notary support to project's beneficiary communities for the registration of their land.	The communities and family farmers have improved land tenure security providing them with a basic incentive to invest in resilience measures in their land and farming systems.	3. Do you or your community have a registered land title? (Yes=1 point, No=0 point)

	and reduce their incentives to invest in CRPS and conservation measures	Interested communities or individual beneficiaries will be supported in obtaining a CAR.		
Gender based discrimination	Women are not participating in project activities and do not receive the benefits. The exclusion of half of the adult population and important users and potential protectors of agroecosystems reduces the adaptation capacities of the families and the communities	<p>The project has a Gender Assessment and Action Plan that is mainstreamed in project activities and is an important complement to the ESMP. Some key actions are:</p> <p>All project personnel will have training in gender sensitive approaches and avoidance of gender biases and discrimination</p> <p>Direct targeting strategies will be applied and their effectiveness monitored for the inclusion of women</p> <p>40% of technical assistance team will be women.</p> <p>Specific training for women on CRPS technologies and practices and encourage and support to</p>	Both men and women (at least 40% of beneficiaries) from beneficiary families participate in implementing activities promoting resilience of their agroecosystems and their families.	<p>4. Who of the adults in your household participate in the implementation of practices and measures that can decrease the impacts from climate events on your access to food and income? (only men participate = 0 points, women and men or only women for women headed HHs = 1 point)</p> <p><i>The question will not apply for HH without women. A list of eligible practices and measures to be developed as a support for the interviewer.</i></p>

		<p>women in becoming farmers-trainers</p> <p>Implementation of productive activities with women focused on the cultivation of nutritionally-rich foods in backyard gardens and other productive spaces, including native, rustic edible plants that are more resilient in semiarid conditions</p> <p>Promotion of seed banks” operated by women as a mechanism for validating the native knowledge of heirloom seeds, involving women directly in such efforts.</p>		
Exclusion of youth	<p>Young people are not participating in project activities and do not receive the benefits, making them more prone to migration. The exclusion of youth</p>	<p>Specific strategies will be implemented to encourage youth participation in the development and implementation of the TRIPs such as the use of youth focus group discussions to capture their ideas and aspirations to be included in the TRIPs</p>	<p>Youth from beneficiary families (at least 50% of beneficiaries of which 50% are young women) from beneficiary families participate in activities supporting the implementation of CRPS.</p>	<p>5. Has the households’ children participated in activities experimenting with CRPS in their school? (Yes=1 point, No=0 point)</p> <p><i>The question will not apply for HH without children</i></p> <p>6. Do at least one of the households’ youth (15-29 years) participate in activities</p>

	<p>and the strength and innovativeness they potentially represent reduces the adaptation capacities of the families and the communities.</p>	<p>Youth rural educational institutions will be supported in developing and implementing curricula for teaching and experimenting with CRPS.</p> <p>Youth will be involved in young communicators networks being trained in and responsible for facilitating production of audio-visual and printed materials to support CRPS and development of a participatory audio-visual monitoring model all in close collaboration with TA teams an community-based partner organizations</p> <p>Youth will also be involved in short-term professional courses in CRPS and will subsequently be incorporated in TA teams and serve as liaisons with families</p> <p>Finally, youth will also be an important part of the target group for the small grant support for micro enterprises and entrepreneurship in businesses</p>	<p>supporting CRPS and what are these activities? (Yes=1 point, No=0 point)</p> <p>7. Does the youth's participation in these activities contribute to the households' access to food and/or income? (Yes=1 point, No=0 point)</p> <p><i>The questions will not apply for HH without youth. A list of eligible activities to be developed as a support for the interviewer.</i></p>
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		that support the upscaling of CRPS		
Lack of diversity in food and income sources	<p>Farming families, who only have one income source and/or a few food sources are at higher risk of deeper impacts from climate shocks and stresses and needs more time and support to recover. Limited access to food sources does not allow for diverse healthy diets making the families more vulnerable to impacts from diseases and less strong to cope with shocks.</p>	<p>The project recognizes that increasing the diversity in income and food sources is one of the more effective ways of building the resilience of rural families.</p> <p>Through the promotion of CRPS, the project will support family farmers and communities in diversifying their crop-livestock farming systems to increase food and income sources. At the same time, The diversification in the CRPS system is a main element in the resilience of these systems themselves. The integration of different crops and livestock allows for the recycling and optimization in the use of biomass, nutrients, water and energy.</p> <p>The project will also provide small grants to support the start-up of small micro enterprises and</p>	<p>The number of income and food sources has increased for beneficiary families allowing them to spread risks and experience more stability in income and access to a diversity of food.</p>	<p>Which of the following sources does the household have providing an important income for the family economy?</p> <p>8. - Selling of 1-2 agricultural produce (1 point)</p> <p>- Selling of 3 agricultural produce (2 points)</p> <p>- Selling of 4 or more agricultural produce (3 points)</p> <p>9. - salary from temporal jobs (0.5 points for each household member with temporal jobs providing an important contribution to the family economy, Max 2 points)</p> <p>10. - salary from full time job (1 point for each household member with full time job providing an important contribution to the family economy, max 2 points)</p>

		entrepreneurship in businesses that support the upscaling of CRPS and opens new income generating opportunities.		<p>11. - stable income from micro enterprise (yes = 1 point)</p> <p>12. How many types of food do your family consume regularly from your farm or local market during a normal week? (If all food groups are adequately covered = 2 points, if at least 70% of the food groups are adequately covered = 1 point, less than 70% = 0 point)</p> <p><i>A list of context adapted food groups to be covered for a healthy diversified diet will be developed with a nutritionist and the scores adapted. Alternatively, the Minimum Dietary Diversity for Women indicator may be used.</i></p>
Low capacity to cope and recover after stress and shocks from droughts	The hotter and dryer climate will lead to periodic droughts causing crisis in the family economy and access to food	All the project interventions are focused at building the families capacities to be less impacted from these crisis and be able to recover faster.	Families participating in the formulation of TRIPs for their territories, adopting CRPS at farm and landscape level, and participating in different income generating micro enterprises	If the next two years should be just as dry with minimum rainfall, as you experienced in 2018 and 2019, how would it affect your family in terms of:

			have better resilience capacities to cope with crisis.	<p>13. Impact on your family income worse or the same as in 2018/19? (Yes=0 point, No=1 point)</p> <p>14. Impact on your access to a diversity of food worse or the same as 2018/19? (Yes=0 point, No=1 Point)</p> <p>15. Has one or more family member a bank account with savings that can be used in drought crisis periods? (Yes=1 point, No=0 point)</p> <p>16. Does the family have a relative that can send money in times of crisis? (Yes=1 point, No=0 point)</p> <p>17. Is one or more family member a member of a social or economic group or network that supports its member families in times of crisis through a credit or a donation? (Yes=1 point, No=0 point)</p>
Climate risks, agroecosystem fragility and resilience measures				

Increasing temperatures and rainfall variability and overall reduction in annual average rainfall	Increased evapotranspiration and crop water needs, prolonged dry spells and droughts and increased scarcity of water resources for crop, livestock and human needs. Increasing vulnerability for family farmers primarily dependent on agriculture with adverse impacts on their food security and nutrition and income generation.	<p>The project will support increased access to water through rainwater harvesting and storage structures</p> <p>Water use efficiency in irrigation and through the use of less water demanding crops and planting schemes</p> <p>Treatment and reuse of household waste water for vegetable gardening (grey water) and fruit trees and non-eatable plants (black water).</p>	Sustainable access to water resources covering household, livestock and crop farming needs and minimizing yield losses during prolonged dry seasons and droughts.	<p>18. Do your household have access to a secure and quality water source (rainwater harvested and stored and irrigation equipment) for at least 0.2 hectares of land for production during the dry season? (yes=1 point, No=0 point)</p> <p>19. Do you use drip irrigation or other water-use efficient systems? (yes=1 point, No=0 point)</p> <p>20. Do you have an irrigated fruit and vegetable garden regularly providing food for the family? (Yes=1 point, No=0 point)</p>
Soil erosion and reduced drought	Hotter and dryer climate increases soil dryness and erosion risks.	The CRPS promoted by the project include a variety of practices to avoid soil erosion and improve the soils physical and	Family farmers adoption of CRPS practices on their farms will	21. Is your family adopting CRPS practices on at least 2/3 of your crop land and what are these practices? (> 2 Practices = 3

buffering capacity	Unsustainable cropping and grazing practices may further affect the soil health and its ability to store and filtrate water and sustain biomass productivity, leading to declining yields and ultimately desertification and adverse impacts on family farmers' and communities' food security and nutrition and income generation.	chemical characteristics on farmland: (i) avoid building water harvesting structures and other infrastructure in the wet season to avoid soil erosion; (ii) identification and containment and monitoring of existing and new erosive processes; (iii) reduced tillage, increased vegetation soil coverage, and reintegration of biomass, manure and use of green fertilizers in cropland; (iv) crop diversification, stratification; (v) integration of tree species as wind shields and provider of biomass in cropping systems; (vi) contour planting; etc.	stabilize and over time increase yields from a variety of crops.	points, 1-2 practices = 2 point, 1 practice = 1 point, 0 practices = 0 point) <i>A list of eligible practices to be developed as a support for the interviewer.</i> 22. Has the introduction of these practices supported your family in having more stable total harvest from your land? (Yes=1 point, No=0 point) 23. Has the introduction of these practices supported your family in having an increase in total harvest from your land? (Yes=1 point, No=0 point)
Reduced vegetation cover at landscape level	Reduction in vegetation cover increases soil dryness, its inability to sustain	In order to avoid the fragmentation of the remnants and eventual changes in the composition and structure of the Caatinga vegetation, the project	Family farming, indigenous and traditional communities' adoption of CRPS practices in their landscapes will sustain the regeneration of biomass,	24. Is any member participating in community activities and practices to manage the use and protection of the landscape in your area (protection of the

	<p>biomass production, and erosion and desertification risks. At landscape level it affects habitats and biodiversity, water availability and the resilience of the ecosystem services family farmers and communities are dependent on.</p>	<p>promote the adoption of CRPS at landscape level including a variety of practices: (i) facilitate community decisions and implementation of land use zoning and use-regulations (crop production, pasture, housing and urbanized area, water protection, among others); (ii) mapping, classification of natural vegetation coverage, and conservation of remaining forest fragments of the region avoiding conversion of any new areas for crop production, and when needed assists its natural regeneration; (iii) sustainable grazing practices</p>	<p>availability of animal feed, and the availability of water.</p>	<p>vegetation cover, forest areas, endangered species, sustainable grazing)? (Yes = 1 point, No = 0 point)</p> <p><i>A list of eligible practices to be developed as a support for the interviewer.</i></p> <p>25. Has the introduction of these practices supported your family in having more stable access to fodder for your animals? (Yes=1 point, No=0 point)</p> <p>26. In your opinion, has the introduction of these practices supported the availability of water resources in the landscape for animals, plants and for the water harvesting structures? (Yes=1 point, No=0 point)</p>
Total maximum score:				34 points (1point =2.94%)

APPENDIX 05 – GENERAL TEMPLATE OF THE ANNUAL PERFORMANCE REPORT (APR)

Reference Number (FP###): Funding Proposal Title

Accredited Entity Name

Annual Reporting Period Covered in this Report:

(From DD-MM-YYYY to DD-MM-YYYY)

Sections in this report:

- Section 1: General Information
- Section 2: Implementation Progress Report
- Section 3: Financial Information²² (Excel worksheet attached).
- Section 4: Report on Environmental and Social Safeguards & Gender
- Section 5: Annexes
- Section 6: Attachments

Please submit the APR to pmu@gcfund.org

²² Please refer to excel worksheet attached “APR Section 3 (Financial Information)”. Provide as attachments to this report detailed financial information per the established requirements in the Funded Activity Agreement.

SUBMITTED BY	
<i>Name and title</i>	<i>Date</i>

FOR GREEN CLIMATE FUND'S SECRETARIAT USE ONLY		
Received by:	<i>Signature</i>	<i>Date (DD-MM-YYYY)</i>

SECTION 1: GENERAL INFORMATION	
This section provides general information on the funded activity.	
1. Funded Activity Title:	<i>As per the approved Funding Proposal</i>
2. Funding Proposal Number:	<i>(FP###)</i>
3. Date of Board approval - Board Meeting Number:	<p>Click or tap to enter a date.Click or tap to enter a date.Click or tap to enter a date.</p> <p><i>B.XX</i></p>
4. Accredited Entity:	<i>(Full name of the Accredited Entity)</i>
5. Focal Point of the Accredited Entity for this Project:	<i>(Full name/email/telephone number)</i>
6. Executing Entity(ies):	<i>(Full name of the Executing Entity(ies))</i>
7. Implementation Period:	<p>From: Click or tap to enter a date.Click or tap to enter a date.Click or tap to enter a date.</p> <p>To: Click or tap to enter a date.</p>
8. Current year of Implementation:	<i>(e.g. year 2)</i>

9. Closing Date²³:	Click or tap to enter a date.Click or tap to enter a date.Click or tap to enter a date.
10. Investment Manager²⁴:	<i>(e.g. John Doe)</i>
11. Investment Period²⁵:	<p>From: Click or tap to enter a date.Click or tap to enter a date.</p> <p>To: Click or tap to enter a date.</p>
12. Date of Submission of the Report:	Click or tap to enter a date.Click or tap to enter a date.
13. Annual Reporting period covered in this report:	<p>From: Click or tap to enter a date.Click or tap to enter a date.</p> <p>To: Click or tap to enter a date.</p>
14. Total Project Budget²⁶:	<p><i>(e.g. Loan: USD 25,000,000</i></p> <p><i>Grant: USD 5,000,000)</i></p>
15. Total amount of GCF Proceeds Approved:	<p><i>(e.g. Loan: USD 20,000,000</i></p> <p><i>Grant: USD 2,500,000)</i></p>
16. Total amount of GCF Proceeds disbursed (cumulative) to the Accredited Entity:	<p><i>(e.g. Loan: USD 2,000,000</i></p> <p><i>Grant: USD 500,000)</i></p>

SECTION 2: IMPLEMENTATION PROGRESS REPORT

²³ Refers to the date on which the Accredited Entity's right to receive Disbursements in respect of the Funded Activity will terminate, as defined in the relevant Funded Activity Agreement.

²⁴ If applicable.

²⁵ If applicable.

²⁶ Total project budget including co-financing as approved by GCF.

2.1 OVERALL (SUMMARY) PROJECT PROGRESS REPORT (*less than one (1) page*²⁷).

Provide a narrative report describing the overall progress on the implementation of the funded activity, focusing on implementation achievements, delays and challenges according to the planned activities. The narrative should contain considerations on the performance of the Funded Activity against the [Fund's Investment and the Results Management frameworks](#). As relevant, include references to other sections of this report (including Annexes or Attachments).

Include a description of key milestones of the funded activity achieved during this reporting period. Also, describe actions undertaken, challenges encountered and lessons learned during the implementation, including issues related to non-compliance with GCF standards or conditions, if any. In parallel, include positive achievements and better-than-expected results.

In case of key issues that may result in a change of the scope of the project, please provide a description of such elements and considerations on the implementation period and final targets.

²⁷ Please remove text below to fit report to one page. Additional reports can be provided as other attachment to the APR.

2.2 PROJECT OUTPUTS IMPLEMENTATION STATUS					
Project Output	Project Activity	Status ²⁸	Deliverable/Milestone for the current reporting period ²⁹	Deliverable/Milestone for the next reporting period ³⁰	Remarks (as applicable) ³¹
Output 1 (e.g. 1 Wind power generation plant commissioned)	1.1 (e.g. Sign Power Purchase Agreement (PPA))	Choose an item.	(e.g. PPA on negotiation)	(e.g. PPA signed)	
	1.2 (e.g. Procurement of EPC contractor)	Choose an item.			
	1.3 (e.g. Execution of EPC contract)	Choose an item.			
	1.4 (e.g. Commissioning)	Choose an item.			
Output 2 (e.g.: Project management capacity is)	2.1 (e.g. Project Office support (contracting of key personnel))	Choose an item.			
	2.2 (e.g. Procurement of supervision consultants)	Choose an item.			

²⁸ Activity Not Yet Due; Activity Started -ahead of schedule; Activity started – progress on track; Activity started but progress delayed; Activity start is delayed.

²⁹ Please provide all relevant specific inputs, milestones and deliverables relevant to the reporting period.

³⁰ Please provide all relevant specific inputs, milestones and deliverables relevant to the next reporting period.

³¹ For Activities delayed, provide the respective explanation/justification.

<i>strengthened)</i>	<i>2.3 Etc.</i>	Choose an item.			
<i>Output 3 Etc.</i>	<i>3.1 Etc.</i>	Choose an item.			

2.3 PROGRESS UPDATE ON PROJECT INDICATORS OF THE LOGIC FRAMEWORK ³²						
2.3.1 PROGRESS UPDATE ON FUND-LEVEL IMPACT INDICATORS OF THE LOGIC FRAMEWORK ³³						
<i>Fund-level impact Core indicators (Mitigation)</i>	<i>Baseline</i>	<i>Current value³⁴</i>	<i>Target (mid-term)</i>	<i>Target (final)</i>	<i>Variances from target (if any)</i>	<i>Variance from proposed methodology³⁵ (if any)</i>
<u>Mitigation Core Indicator 1</u> <i>Tonnes of carbon dioxide equivalent (tCO2eq) reduced as a result of Fund-funded projects/programmes</i>	<i>Annual</i>	<i>Annual</i>	<i>Annual</i>	<i>Annual</i>		
	<i>Lifetime</i>	<i>Lifetime</i>	<i>Lifetime</i>	<i>Lifetime</i>		
<u>Mitigation Core Indicator 2</u> <i>Cost per tCO2eq decreased for all Fund-funded mitigation projects/programmes</i>						
<u>Mitigation Core Indicator 3</u>	<i>Public</i>	<i>Public</i>	<i>Public</i>	<i>Public</i>		
	<i>Private</i>	<i>Private</i>	<i>Private</i>	<i>Private</i>		

³² Per the approved Logic Framework of the Funding Proposal, please provide an update on the relevant indicators. Provide as Annex 2 an explanation of the methodology, including the main assumptions for each indicator.

³³ As per the relevant indicators following the Performance Measurement Framework established in the Funding Proposal and in relation to the indicators in Section 2.3.2, including relevant updates agreed with GCF, if applicable.

³⁴ As of 31 December of the relevant year.

³⁵ As applicable, in relation to the methodology described in the Funding Proposal.

<i>Volume of finance leveraged by Fund funding (Disaggregated by public/private source)</i>						
<u>Mitigation Impact Indicator 1</u> <i>(E.g. *Tonnes of carbon dioxide equivalent (tCO2eq) reduced or avoided emissions through increased low-emission energy access and power)</i>						
<u>Mitigation Impact Indicator 2</u> <i>Etc.</i>						

<i>Fund-level impact indicators (Adaptation)</i>	<i>Baseline</i>	<i>Current value³⁶</i>	<i>Target (mid-term)</i>	<i>Target (final)</i>	<i>Variances from target (if any)</i>	<i>Variance from proposed methodology³⁷ (if any)</i>
<u>Adaptation Core Indicator</u> <i>Direct Beneficiaries³⁸</i>	<i>Total direct beneficiaries (% of female)</i>	<i>Total direct beneficiaries (% of female)</i>	<i>Total direct beneficiaries (% of female)</i>	<i>Total direct beneficiaries (% of female)</i>		

³⁶ As of 31 December of the relevant year.

³⁷ As applicable, in relation to the methodology described in the Funding Proposal.

³⁸ As defined in the Funding Proposal for the project.

Fund-level impact indicators (Adaptation)	Baseline	Current value³⁶	Target (mid-term)	Target (final)	Variances from target (if any)	Variance from proposed methodology³⁷ (if any)
<u>Adaptation Core Indicator</u> <i>Indirect Beneficiaries³⁹</i>	<i>Total indirect beneficiaries (% of female)</i>	<i>Total indirect beneficiaries (% of female)</i>	<i>Total indirect beneficiaries (% of female)</i>	<i>Total indirect beneficiaries (% of female)</i>		
<i>Number of total beneficiaries relative to total population⁴⁰</i>	<i>Total beneficiaries</i> <i>Number of Total Population</i> <i>Year: YYYY</i>	<i>Total beneficiaries</i> <i>Number of Total Population</i> <i>Year: YYYY</i>	<i>Total beneficiaries</i> <i>Number of Total Population</i> <i>Year: YYYY</i>	<i>Total beneficiaries</i> <i>Number of Total Population</i> <i>Year: YYYY</i>		
<u>Adaptation Impact Indicator 1</u>						

³⁹ As defined in the Funding Proposal for the project.

⁴⁰ Relative to the total population of the country.

Fund-level impact indicators (Adaptation)	<i>Baseline</i>	<i>Current value³⁶</i>	<i>Target (mid-term)</i>	<i>Target (final)</i>	<i>Variances from target (if any)</i>	<i>Variance from proposed methodology³⁷ (if any)</i>
<i>(E.g. Number of males and females benefiting from introduced health measures)</i>						
<u>Adaptation Impact Indicator 2</u> <i>Etc.</i>						

2.3.2 PROGRESS UPDATE ON PROJECT/PROGRAMME LEVEL INDICATORS OF THE LOGIC FRAMEWORK⁴¹							
Project/Programme indicators (Mitigation/Adaptation)	<i>Baseline</i>	<i>Current value⁴²</i>	<i>Target (mid- term)</i>	<i>Target (final)</i>	<i>Implementation Status⁴³</i>	<i>Explanations if variances from target</i>	Remarks (as applicable)⁴⁴
Indicator 1 (Outcome level) (Mitigation/Adaptation)					Choose an item.		

⁴¹ As per the relevant indicators following the Performance Measurement Framework and other indicators as established in the Funding Proposal, including relevant updates agreed with GCF, if applicable.

⁴² As of 31 December of the relevant calendar year.

⁴³ Not Yet Due; Started -ahead of schedule; Started – progress on track; Started but progress delayed; Start is delayed.

⁴⁴ For Activities delayed, provide the respective explanation/justification.

<i>(e.g. 6.3 Mitigation: MWs of low-emission energy capacity installed, generated and/or rehabilitated as a result of GCF support)</i>							
Indicator 1 (Output level) <i>(e.g. Wind power generation plant commissioned)</i>					Choose an item.		
Indicator 1.1 <i>(e.g. Sign Power Purchase Agreement (PPA))</i>					Choose an item.		
Indicator 1.2					Choose an item.		
Indicator 1.3, etc.					Choose an item.		
Indicator 2 (Outcome level) <i>(Mitigation/Adaptation)</i>					Choose an item.		
Indicator 2 (Output level)					Choose an item.		
Indicator 2.1					Choose an item.		
Indicator 2.2, etc.					Choose an item.		

2.4 IMPLEMENTATION TIMETABLE/MILESTONES FOR THE NEXT REPORTING PERIOD

Provide a timetable including milestones to be delivered for the next annual reporting period. This should be aligned with Section 2.2 and the project Implementation Timetable in Annex 1. Kindly specify milestones. Note that milestones for the next reporting period should be defined in more detail than originally planned since project managers should have a better idea of what milestones are to be achieved in their annual work plans than they may have had when the original project implementation timetable was included in the funding proposal.

Table below included for illustrative purposes.

TASK	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Output 1.												
Activity 1.1.	x	x	x(1)									
Activity 1.2.			x	x	x	x	x	x(2)				
Activity 1.3.			x	x	x(3)	x	x	x(4)				
...												
Output 2.												
Activity 2.1.							x	x	x	x	x	x(5)
Activity 2.2.							x	x(6)	x	x	x	x(7)
Activity 2.3.							x	x	x	x	x	x(8)

List of Milestones:

- (1) Milestone 1 Description.
- (2) Milestone 2 Description.
- (3) Etc.

2.5 IMPLEMENTATION CHALLENGES AND LESSONS LEARNED⁴⁵

Describe implementation challenges faced during the last reporting period, including measures adopted and lessons learned. In case of challenges that may result in a change of the scope of the project, please provide a description of such elements and considerations on the implementation period and final targets.

<i>Challenge encountered</i>	<i>Type⁴⁶</i>	<i>Measures adopted</i>	<i>Impact on the project implementation⁴⁷</i>	<i>Lessons learned and Other Remarks</i>
	Choose an item.		Choose an item.	
	Choose an item.		Choose an item.	

2.6 REPORT ON CHANGES DURING IMPLEMENTATION

Describe changes to the project during the reporting period. In particular, the report should cover elements such as change of beneficial ownership structure, management changes of the Accredited Entity, policies and other elements relevant for the project, and any other material change that could influence the overall outcome of the project.

⁴⁵ If applicable, if there were challenges faced during implementation.

⁴⁶ Implementation; Legal; Financial; Environmental/Social; Political; Procurement; Other; AML/CFT; Sanctions; Prohibited Practices.

⁴⁷ Minor/Solved; Moderate; High.

SECTION 3. FINANCIAL INFORMATION		
OVERVIEW OF THE FUNDED ACTIVITY (Please complete Sections 3.1 to 3.6 in Excel file "APR Section 3 Financial Information")	For the Reporting Period (EUR/USD/JPY/GBP)	Cumulative (EUR/USD/JPY/GBP)
Total Project Cost ⁴⁸ :		
Total GCF financing to the Project:		
Total Amount of GCF Proceeds Disbursed to AE:		
Grant component:		
Loan Component:		
Equity Component:		
Guarantee Component:		
Total Amount:		
Total Amount of Funds used for the Funded Activity ⁴⁹ :		
By Executing Entity 1:		
By Executing Entity 2, etc.:		
Total amount:		
Total Amount of Expenditures on the Funded Activity:		
Total Amount of funds Committed to the Funded Activity ⁵⁰ :		
Amount of Other Inflows received by the AE ⁵¹		
Total Amount of Reflowed Funds to GCF from AE:		
Closing balance of the AE for the Funded Activity ⁵² :		
Closing balance of the Executing Entity(ies) for the Funded Activity ⁵³ :		
Absorption Capacity ⁵⁴		
Please provide a brief explanation in the case of variances between the executed budget (annual and cumulative) and the approved project cost/budget/approved amount absorption capacity		

COUNTRY SPECIFIC INFORMATION		
Total Amount of GCF Proceeds Disbursed by the AE for each Target Country of the Project:		
Country 1:		
Country 2, etc.:		
Date of First Cash Disbursement of GCF Proceeds by the Executing Entity:		

SECTION 4: REPORT PROJECT SPECIFIC ON ENVIRONMENTAL AND SOCIAL

SAFEGUARDS & GENDER

4.1 IMPLEMENTATION OF ENVIRONMENTAL AND SOCIAL SAFEGUARDS AND GENDER ELEMENTS

(max 1 page)

⁴⁸ Total project cost/budget including GCF proceeds and co-financing. In reference to the approved amount (for each relevant year and cumulative) as per the FAA.

⁴⁹ Including GCF Proceeds and co-financing.

⁵⁰ Including GCF and co-financing. Refers only to the items as of the reporting date where the AE/EE has signed a binding contract and the relevant expenses are not yet incurred.

⁵¹ In relation to the Funded Activity, including bank interest earned, revenue from income generating activities, reflowed funds to the Accredited Entity, Value Added Tax/other tax refunds, proceeds from disposal of assets, etc.

⁵² As of the end of the relevant period, the Closing Cash Balance resulting from the opening Cash Balance plus total Inflows, minus total Outflows in relation to the Funded Activity. Please refer to the Closing Balance expressed in section 3.1 (excel sheet attached).

⁵³ As of the end of the relevant period, the Closing Cash Balance resulting from the opening Cash Balance plus total Inflows, minus total Outflows in relation to the Funded Activity.

⁵⁴ The rate of utilization of the project cost/budget, i.e. total amount of funds used for the funded activity in the period expressed as a percentage of the total project cost/budget for the corresponding period.

Please provide information on the project or programme ESMP monitoring activities undertaken during the implementation of the funded activity.

Provide a report on the implementation of environmental and social management plans (ESMPs) and frameworks (ESMFs) describing achievements, and specifying (i) outputs and activities implemented during the reporting period; (ii) key environmental, social and gender issues addressed during implementation; (iii) pending key environmental, social and gender issues needing accredited entity's actions and GCF attention; (iv) changes of law/regulation, political environment and auditing standards and; (v) a list of planned activities for the next reporting period. For Category C or I-3 projects or programmes, describe the results of further environmental and social screening and the measures taken, if any, to manage environmental and social risks.

Additionally, include a description of the actions undertaken towards increasing the relevant stakeholders' engagement in the project environmental, social and gender elements, and a list on the grievances received due to breaches in environmental and social standards or gender standards in the reporting period that will include at least the description of the grievance, the date the grievance was received, and the resolution of the grievance. In case of a change in the E&S risk category for the project, please provide an explanation.

4.2 GENDER AND SOCIAL ACTION PLAN

Provide a progress report on the gender and social action plan developed during project preparation stage for the reporting period (if applicable). Provide updated indicators based on the gender assessment and gender and social inclusion action plan of the project.

Indicate primary challenges and actions addressing gender inequalities, gender-based needs, equal of access to resources, services, and capacity development, as well as equal participation and benefits in the scope of the project. If available, incorporate both quantitative data and a qualitative assessment of the performance of such actions, and on progress in the gender and social inclusion action plan.

4.3 PLANNED ACTIVITIES ON ENVIRONMENTAL AND SOCIAL SAFEGUARDS

Provide a list of activities in the ESMP to be implemented in the next reporting period. Include relevant deliverables such as reports or action plans, and other project specific products. Please include the monitoring schedule concerning ESS and gender activities for the next annual reporting period.

4.4 PLANNED ACTIVITIES ON GENDER ELEMENTS

Provide a list of activities to be implemented in the next reporting period. Include relevant deliverables such as reports or action plans, and other project specific products. Please include the monitoring schedule concerning gender activities for the next annual reporting period.

SECTION 5: ANNEXES

Annex 1. Updated implementation timetable for the Funded Activity.

Annex 2. Impact indicator assessment methodology⁵⁵, including the main assumptions for each indicator.

Annex 3⁵⁶. Accredited Entity compliance reports (self-assessment reports⁵⁷, report on actions pursuant to Clause 18.02, if applicable⁵⁸).

SECTION 6: ATTACHMENTS

Attachment 1. Unaudited/Audited financial statements (as required by FAA).

(If available. If not submitted, indicate date of submission.)

Attachment 2. Interim/Final evaluation report (as required by FAA).

(If available. If not submitted, indicate date of submission.)

Other Attachments. As applicable, such as detailed budget tables⁵⁹, loan repayment schedules to GCF (interest/principal), equity investment schedules, periodic portfolio reports⁶⁰, statements of capital account, valuation reports, credit guarantee agreements, investor reports, and others, as specified in the relevant legal agreements (e.g. Funded Activity Agreement, Shareholders Agreement)

⁵⁵ Provide an update on the methodology used for estimating impact indicators, including assumptions, values, and relevant changes from the Funding Proposal, if any.

⁵⁶ These reports can be provided as annexes to the APR or as separate reports for convenience of the Accredited Entity.

⁵⁷ In accordance with the Monitoring and Accountability Framework, a self-assessment of its compliance, in accordance with Clause 13.01 of the Accreditation Master Agreement, with the Fiduciary Principles and Standards, ESS and Gender Policy.

⁵⁸ Only applicable to International Accredited Entities. In accordance with the Monitoring and Accountability Framework, a report on its actions carried out or planned to be carried out pursuant to Clause 18.02 of the Accreditation Master Agreement.

⁵⁹ As included in the FAA.

⁶⁰ Summary information with respect to each Portfolio Company, in addition to a summary of Financial Results for the reported annual period.

APPENDIX 06: GENDER AND YOUTH STRATEGIES

Gender strategy

Context

Gender inequality is a deeply pervasive issue across all smallholder production in the Brazilian Northeast. Women and men have different roles in guaranteeing food security and income for their households and communities, resulting in significantly weakened economic empowerment and decision making capacity for women, and unequal workload distribution. Women are deeply involved in activities within the domestic sphere and subsistence crop production; approximately 46.7% of rural women are involved in subsistence agricultural activities in Brazil compared to 14.0% of rural men. According to the national household sample survey (PNAD, 2013), the majority of rural women (90.8%) devote 26.1 hours per week to domestic work, while 43.1% of men dedicate only 10.2 hours per week to this type of work (JALIL et al., 2017, p.64). Women's daily work is made invisible by the fact that most of their transactions and actions are not monetized or calculated, given that they are often not inserted in formal markets. According to census data (IBGE, 2014), 45.5% of rural women are inserted in the labor market, compared with 72.2% of rural men. Although women participate in work dynamics within the productive sphere, working in almost all tasks of the property, they are generally excluded from decision making about the use of financial and natural resources, jeopardizing their personal and financial autonomy (SILIPANDRI; CITRÃO, 2011).

Furthermore, approximately 30% of households are led by women, with the aggravating fact that 60% of these women do not receive any support from the fathers of their children. These households very often have a higher poverty incidence. The majority of farmers producing in areas smaller than 5 hectares are women, and 87.3% of women farmers in Brazil do not have access to technical assistance services (OXFAM, 2016). According to Terrenos da Desigualdade (2016), of the total number of rural farmers without land, there are almost twice as many women as men. Men presently control 87.3% of rural properties in Brazil and 94.5% of the country's total rural area (OXFAM, 2018). Finally, there is an alarming prevalence of gender-based violence in Brazil, which is the result of sexist values deeply rooted in society (IACHR, 2019). Young, indigenous and women from traditional communities are often more disadvantaged.

National policies, strategies and actors

Main rural development policies and strategies	
Name	Issues related to gender
Brasil Sem Miséria	

Brazilian National Policy on Climate Change	
Gender-specific policies and strategies	
Plano Nacional de Políticas para as Mulheres (2013)	
Actors engaging in gender-issues	
Federal - Secretaria de Políticas para as Mulheres	
Federal - Ministry of Agrarian Development - Program for the Promotion of Gender, Race, and Ethnicity (PPIGRE)	
Civil Society – Rural Women Workers Movement of the Northeast (MMTR-NE)	
Civil Society – Movement of Women Farmers (MMAs)	
Civil Society – Movement of Peasant Women (MMC)	
Civil Society – Babassu Coconut Breakers Interstate Movement (MIQCB)	
Civil Society – Espaço Feminista	

Pathways

PCRPP will take a holistic gender transformative approach that focuses on the economic, political, economic and cultural causes of vulnerability of different groups. It aims to transform power relations shaped by unequal patriarchal norms and practices, and to empower women so they have greater capacity to adapt. As such, the project will promote equal access to and control over resources and assets, address women's time poverty due to care and domestic work and open up spaces for discussion, collaboration, participation and decision-making.

Aim	To increase PCR's impact on gender equality and strengthen women's empowerment in the semiarid region of Northeast Brazil by transforming social and cultural norms regarding gender roles		
	At least 40 percent of the beneficiaries will be women		
Objectives	Economic empowerment	Decision-making and representation	Equitable workload balance
Activities	<ul style="list-style-type: none"> - Increasing women's access to and control over assets – natural resources, inputs, technologies and finance - and to economic services – such as extension, training and business development - through the promotion of climate-resilient productive systems in family farms, backyard gardens and bio-saline productive systems - New income opportunities for women emerging from seedbanks, the sustainable management of the Caatinga (seeds, nuts, fruits, forage, etc.) and support for micro-enterprises to supply small-scale equipment for CRPS - Creating new spaces/ opportunities/ markets and support for women's economic engagement - Sensitising men and boys as a strategy for supporting women's economic engagement 	<ul style="list-style-type: none"> - Ensure involvement of women in the development and implementation of Territorial Resilience Investment Plans - Ensure involvement of women in collective areas sustainable management - Leadership training for women - Encouraging and capacitating women to lead in non-traditional executive positions and to gain a voice through farmers' networks - Women will be encouraged to become farmer-trainers - Women-only groups will be promoted - Farmers' organisations will need to develop a gender strategy 	<ul style="list-style-type: none"> - Using "cadernetas agroecológicas" to engage household members in analysing and addressing gender inequalities in roles and stimulate discussions on redistributing household tasks among household members - Introduction of labour- and time-saving technologies (e.g. eco efficient stoves and biodigesters) - Increasing access to water - "Cirandas" initiative to allow for childcare during project activities - Engaging men in household nutrition
	Policy engagement on gender-based violence		
M&E	Project-level Women's Empowerment in Agriculture Index (pro-WEAI)		

Targeted sub-groups

Women in general constitute a main target group of PCR, with at least 40 percent of all beneficiaries being women. Nevertheless, there are a number of sub-groups that given their vulnerability will be specifically targeted:

- *Young women:* Rural girls are often left behind because of the triple challenges of age, location, and gender. Investing in rural girls—and ensuring their progress—will lead the Semi-Árido forward, thanks to the profound impact girls and women have on their communities and the multiplier effects. Of the activities targeting youth, at least 40 percent will target young women and girls. In addition, special attention will go to boosting their

self-esteem and self-confidence, strengthening their leadership skills and addressing issues of early pregnancy and gender-based violence.

- *Indigenous women and women from traditional communities:* Indigenous women and girls and those from traditional communities are amongst the most vulnerable within their communities, being victims of a triple discrimination based on gender, ethnicity and socioeconomic status. They are confronted with high levels of poverty; low levels of education and illiteracy; limitations in the access to health, basic sanitation, credit and employment; limited participation in political life; and the prevalence of domestic and sexual violence as some of the main issues confronting indigenous women. Still, indigenous women are the backbone of indigenous communities and play a crucial role in the preservation of food security. They also have a fundamental collective and community role as guardians of indigenous ancestral knowledge, having been traditionally carers of natural resources and managers of seeds and medicinal plants. In addition, they are often taking the lead in the defence of indigenous lands and territories and advocating for indigenous peoples' collective rights. PCR will support them in their role as guardians of knowledge, but also as "farmer-experimenter" or "agricultoras experimentadoras". Special measures will be taken to ensure their voices are heard in the development of the TRIPs and take up decision-making positions in the instances dealing with the management of natural resources, with a specific focus on Fundo de Pasto communities.
- *Female-headed households:* Female-headed households and farms lag their male counterpart in their access to and ownership of most inputs, assets and services that are relevant for productive activities in rural areas. The odds of food insecurity are reportedly higher among female-headed households compared to male-headed households in Brazil. PCR will therefore specifically target female-headed households confronted by poverty or food insecurity.

Disaggregated data will be collected to monitor their engagement in the project and take corrective measures if necessary.

Implementation arrangements

The following provisions have been taken to ensure the gender-responsiveness of project management:

- Development of a project gender strategy
- Setting of targets for women as a percentage of beneficiaries
- Allocation of budget for specific gender-related activities
- Recruitment of a full-time gender and social inclusion specialist in the project management team (to oversee the implementation of the gender strategy, provide staff capacity building, and support colleagues in

mainstreaming gender considerations into their operations, including knowledge management, M&E indicators and results measurement)

- Responsibility for mainstreaming gender will be included in the TORs of all key project staff
- Responsibility for mainstreaming gender will be included in TORs for service providers
- At least 40 percent of the officers providing technical support will be women
- Sex-disaggregated data will be collected and analysed
- Studies undertaken by the project will include a gender perspective
- A Pro-WEAI survey will be carried out at baseline, mid-term and endline
- Attention will be paid to ensuring the location, timing, materials, language and trainer of training events match women's availability and skills levels
- Gender- sensitive messages will be used in project communication, information campaigns and outreach events

Youth strategy

Context

The Brazilian semiarid northeast is undergoing a demographic transition. Comparing the 2000 and 2010 census date, the proportion of young people in the total population decreased from 33% to 26.5%, while the population over 60 increased from 8.4% to 10.3%. Youth exodus to urban areas intensifies the aging of the rural population as the largest migrant group is the population ranging from 16 to 35 years of age. Brazil's Youth Statute (2013) defines youth as individuals between 15-29 years. According to the Brazilian Institute of Geography and Statistics (IBGE), one in four Brazilians living in the countryside are considered to be extremely poor, i.e. 25.5% or 4.1 million people, of which 51% are young people (IBGE, 2010). In North and Northeast regions 1.5 million rural young people experience situations of extreme poverty, which is equivalent to 34.88% of all young people living in rural Brazil. In a survey conducted by UNICEF (2014), it was diagnosed that the majority of rural youth in Brazil (45.5%) had not completed elementary school, 37.8% were in high school and 1.6% had reached university.

The Northeast Semiarid concentrates the majority of Brazilian teenagers living in poverty - 67.4%. For children and youth, the living, educational, and employment conditions are dire. 21.4% of children and teenagers (5 - 17 years old) living in the Northeast region have poor or no access to quality water and sanitation, 25.7% have extreme deprivation of education rights (i.e. are out of school), and 7.3% of are subject to child labor. These conditions lead to the migration patterns described above. The Brazilian rural Northeast does not offer enticing employment opportunities, as it combines low income generation capacity, harsh working conditions, and lack of basic services. Specific youth groups that are even more disadvantaged, include young women, indigenous youth and those from traditional

communities. Nevertheless, there is a trend of young family farm members who have received a higher education and return as extension workers and engaged in other services, suggesting that a more technical approach to farming and more stable employment conditions may retain youth in the region. The region recently has also been the focus of major foreign investments in renewable energies such as wind and solar power opening an opportunity window.

National policies, strategies and actors

Main rural development policies and strategies	
Name	Issues related to youth
Brasil Sem Miséria	
Brazilian National Policy on Climate Change	
Youth-specific policies and strategies	
Statute of Youth (2013)	
Actors engaging in youth-issues	
Federal - Secretaria Nacional da Juventude	

Pathways

Youth play a key role in tackling climate change, PCRP will therefore take a youth inclusive approach that focuses on the economic, political, economic and cultural causes of vulnerability of different groups. It will support their early adoption of new technologies and approaches that can boost more sustainable agriculture, make sure their voices are heard and empower them as agents of change.

Aim	To increase PCR's impact on the social and economic empowerment of youth in the semiarid region of Northeast Brazil	
Outreach	At least 50 percent of the beneficiaries will be young people	
Objectives	Economic empowerment	Decision-making and representation
Activities	<ul style="list-style-type: none"> - Access to CRPS technologies and approaches that attract young people and finance and strengthened links with profitable markets - Creating new income opportunities for youth emerging from the sustainable management of the Caatinga (seeds, nuts, fruits, forage, etc.) and bio saline agriculture, and support for micro-enterprises to supply small-scale equipment for CRPS - Teaching and experimenting with CRSP in schools - Short-term professional courses with a focus on diversity of production systems and CRPS 	<ul style="list-style-type: none"> - Ensure involvement of youth in the development and implementation of Territorial Resilience Investment Plans - Ensure involvement of youth in collective areas sustainable management - Leadership training for youth - Development of a young communicators network
M&E	Age-disaggregated indicators	

Targeted sub-groups

Youth in general constitute a main target group of PCR, with at least 50 percent of all beneficiaries being between 15 and 29 years old. Nevertheless, there are a number of sub-groups that given their vulnerability will be specifically targeted:

- *Young people living in rural areas who have no education or only basic education:* These young women and men will be trained in CRPS principles and practices. They will also be targeted to benefit from productive investments in CRPS.
- *Young entrepreneurs:* They will be supported technically and financially in setting up or expanding enterprises that provide services or products for improving family farmers' CRPS. In addition, new income opportunities for youth will emerge from the sustainable management of the Caatinga (seeds, nuts, fruits, etc.) and bio saline agriculture. Young people will be supported in taking advantage of these new opportunities and setting up their businesses.
- *School going youth:* By implementing CRPS in schools, the interest and employability of youth attending rural schools will be increased. Students will be taught about CRSP and have to opportunity to experiment with it.

Special attention will be given to young women (see gender strategy) and those coming from indigenous and traditional communities. Disaggregated data will be collected to monitor their engagement in the project and take corrective measures if necessary.

Implementation arrangements

The following provisions have been taken to ensure the youth-inclusiveness of project management:

- Development of a project youth strategy
- Setting of targets for youth as a percentage of beneficiaries
- Allocation of budget for specific youth-related activities
- Recruitment of a full-time youth and social inclusion specialist in the project management team (to oversee the implementation of the youth strategy, provide staff capacity building, and support colleagues in addressing youth inclusion considerations into their operations, including knowledge management, M&E indicators and results measurement)
- Age-disaggregated data will be collected and analysed
- Studies undertaken by the project will include an age perspective