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Investing in rural people

Federative Republic of Brazil

Country strategic opportunities programme

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Appendices

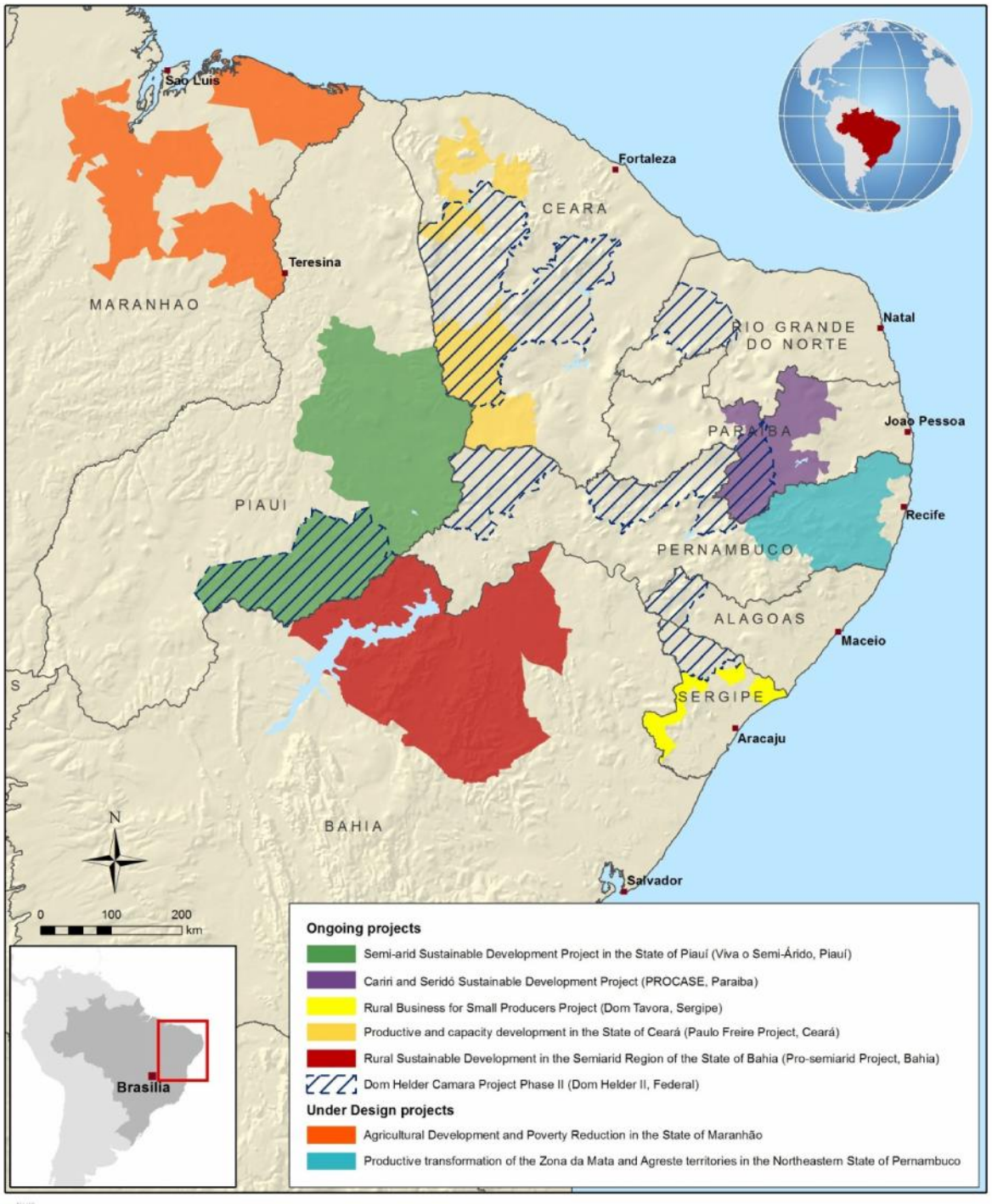
Abbreviations and acronyms

BNB	Bank of the Northeast
BNDES	National Bank of Economic and Social Development
CPE	country programme evaluation
COSOP	country strategic opportunities programme
M&E	monitoring and evaluation
MDA	Ministry of Agrarian Development
PAA	Family Farming Food Procurement Programme
PNAE	National School Meals Programme
PRONAF	National Programme for the Strengthening of Family Farming
REAF	Specialized Commission for Family Farming
RB	results-based
SDG	Sustainable Development Goal
SEAIN	Secretariat of Internal Affairs

Map of IFAD-funded operations in Brazil

Federative Republic of Brazil

IFAD-funded operations



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Map compiled by IFAD | 09-02-2016

Federal Republic of Brazil

Country strategic opportunities programme

I. Country diagnosis

A. Main challenges facing the rural sector

An overview of poverty

1. Brazil is the largest country in South America, with a land area of approximately 8.54 million kilometres (km)^2 and an estimated population of 204.6 million. In 2014, it was the world's seventh largest economy, with an estimated gross domestic product (GDP) of US$2.346 trillion. According to the World Bank, Brazil is an upper middle-income country, with a per capita gross national income (GNI, Atlas Method) of US$11,530 in 2014. The country is ranked sixth in terms of overall agricultural output (US$100 billion in 2012). Although its share of GDP is relatively low (5.6 per cent in 2014), agriculture is important in terms of exports (36 per cent of the total) and employs 15 per cent of the country's workforce, of whom 5 per cent are wage workers and 10 per cent are self-employed workers within family farming units.

2. Brazil has made significant progress in poverty reduction since the early 2000s. Between 2004 and 2013, the prevalence of poverty decreased from 22 per cent to 8.9 per cent of the population, while the prevalence of extreme poverty decreased from 7 per cent to 4 per cent. Brazil's Human Development Index (HDI) went from 0.612 in 1990 to 0.705 in 2005 and 0.744 in 2013, when it ranked 79th out of 187 countries – within the high HDI category.

3. In spite of Brazil's status as a middle-income country and progress made on reducing poverty, there are still more than 18 million people living below the poverty line, and more than 8 million of them live in extreme poverty. The north and north-east regions remain the poorest and concentrate 5 million of those living in extreme poverty, 46 per cent of whom belong to households in rural areas. The territories posting the highest rates of extreme rural poverty are: the western areas of Maranhão; the area between southern Piauí and north-western Bahia, in the north-east region; and western Amazonas, in the north region. Income inequality remains high. The adverse economic context in 2014 and 2015, which is expected to last until 2017-18, may make it difficult to maintain the positive trend in reducing poverty and inequality.

Government policies on rural poverty reduction

4. The Government of Brazil has implemented a broad range of poverty reduction policies organized under the Brazil Without Extreme Poverty (Brasil Sem Miséria) scheme, which includes four components: (i) guaranteed income; (ii) productive inclusion; (iii) access to social services (education, health care and social assistance); and (iv) the active search strategy (registration of extremely poor families). The scheme's main programmes are:

   (a) The Family Allowance Programme (Bolsa Familia), a conditional cash-transfer scheme that reaches about 26 per cent of the country's population (13 million families), of whom 50 per cent are in the north-east region; annual costs of the programme are equivalent to 0.5 per cent of GDP.

   (b) The National Programme for the Strengthening of Family Farming (PRONAF), consisting of close to 20 lines of subsidized credit for individual and groups of family farmers.

   (c) Public procurement programmes for products produced by family farmers, including the Family Farming Food Procurement Programme (PAA), which

purchases food directly from family farmers and donates it to institutions serving vulnerable populations or uses it to replenish government stocks, and the National School Meals Programme (PNAE), which provides free meals to all public school pupils.

(d) Other important programmes are: (a) agrarian reform; (b) land credit; (c) crop insurance and harvest guarantees; (d) the Family Farming Price Guarantee Programme; and (e) Proagro Plus crop and livestock insurance.

5. These programmes operate in rural areas where IFAD projects are implemented. Of particular importance for IFAD projects are the PRONAF (credit) and the PAA and PNAE (food procurement) programmes, due to their role in cofinancing investments of beneficiaries and their importance in marketing their production, respectively.

Main issues affecting IFAD's target group

6. IFAD's target group includes landless families and family farmers with limited land area, soils of lower fertility, usually located far from the largest markets, and with limited access to technical assistance and financial services. Traditional populations (indigenous and Afrodescendants or quilombolas) have the highest levels of poverty, and women and young people are most vulnerable. In the semi-arid north-east, where IFAD has concentrated its operations, most of the rural poor have insufficient access to water — for human consumption and for production — and show low productivity in their agricultural and livestock activities. In addition, they have been increasingly affected by environmental and climate change problems, including an intensification and higher frequency of droughts and floods, and an increase in areas under risk of desertification. Poor family farmers frequently have difficulties accessing federal programmes due to a lack of information, complicated procedures, insufficient technical assistance, and limited capacities among state and municipal governments responsible for their implementation. In addition, community and rural organizations are often weak, making it difficult for rural families to access markets.

7. One of the Federal Government's priorities is to reach a larger number of poor families that qualify for but have no access to government programmes. In addition, there is growing interest in promoting approaches that help families move out of poverty in a sustainable manner, rather than relying on conditional transfer programmes. Of particular note is that, although agricultural households are still the poorest category in the north and north-east, poverty and extreme poverty have decreased faster among them than among any other category of families. This fact suggests the relevance of supporting the transformation of agriculture for rural poverty reduction.

B. Risks and risk management

8. IFAD's strategy for the period 2016-2021 could be affected by the following risks:

(a) Changes in the federal and state political context could lead to changes in key government policies, such as those directed to family farming, territorial development and poverty reduction. To deal with this potential risk, a midterm review of the COSOP is planned for the first semester of 2019, after the newly elected federal and state authorities enter office. IFAD will also step up its policy dialogue activities, engaging with a wider range of actors dealing with relevant policies.

(b) Economic downturns and deteriorating fiscal capacities of state and federal governments could reduce funding for government programmes relevant for IFAD and affect the timely provision of counterpart funds to projects, which could delay implementation and the start of new projects formulated in the new cycle. The federal government has taken measures to reduce public spending and increase tax collection, and is likely to implement structural adjustment measures to improve long-term growth prospects. It is expected

that this adverse economic context will prevail until 2017. This risk will be mitigated by carefully selecting the states with which IFAD negotiates new projects, in accordance with the rules for eligibility set by the Ministry of Planning, Budget and Management. IFAD will make efforts to negotiate project cofinancing from other partners, such as the the Brazilian Economic and Social Development Bank (BNDES) and the Bank of the Northeast (BNB), which operate key credit and grant programmes.

(c) Weak capacities among state governments have been a key feature delaying the signature of loan agreements and the pace of project implementation. To address this risk, the IFAD Country Office (ICO) will play a leading role in monitoring these processes, as well as in supervision and implementation support – paying special attention to selecting project staff, strengthening financial management, setting up adequate internal controls, and preparing strong implementation and financial management manuals. A unified monitoring and evaluation (M&E) system for all projects has already been put in place. Programme management will promote a country programme perspective, since all projects apply similar models of intervention, are implemented in similar institutional contexts, face similar obstacles, and can scale up most successful practices.

(d) Finally, strengthening partnerships and cofinancing activities may carry risks related to the timely availability of funds and the use of different procurement procedures. These risks will be addressed by setting out clear terms of engagement, including rigorous details about the activities to be financed and the timing of disbursement, joint supervision and ad hoc technical support during implementation.

II. Previous lessons and results

9. Brazil has the largest portfolio of IFAD-supported operations in the Latin America and the Caribbean region. Since the first loan was approved in 1980, IFAD has financed 11 loans for a total of US$259 million, all on ordinary terms. Ongoing operations include six loan projects benefiting over 250,000 families, with a total value of US$452.9 million, of which US$164.2 million are loans, US$212.4 million are government counterpart funds and US$76.3 million correspond to beneficiary contributions. In the ongoing portfolio, five of the projects are implemented by state governments in their capacity as borrowers, while one is implemented by the federal government through the Ministry of Agrarian Development (MDA). All projects focus on the semi-arid areas of the north-east region. In addition, IFAD has approved 24 grants with activities in Brazil over the past 10 years.

10. The Independent Office of Evaluation of IFAD (IOE) has conducted two country programme evaluations (CPEs), in 2007 and 2015, and three project evaluations (Community Development Project for the Rio Gavião Region [PROGAVIÃO], Dom Helder Camara, Gente de Valor), to identify the impact of projects on human and social capital, food and water security, production and productivity, institutional strengthening and empowerment.

11. IFAD's experience in the country has yielded several important lessons. The most relevant for the future strategy are the following:

(a) Strengthening rural organizations and providing appropriate technical assistance have been key to help the rural poor gain access to public programmes, increase their capacity to identify their problems and priorities, and participate in policy making at the local level.

(b) The involvement of civil society organizations has improved the quality of project design and implementation and was instrumental in disseminating and scaling up successful practices. Of particular relevance were the participation of these organizations in project steering committees,

knowledge management activities, and project activities aimed at strengthening rural community organizations and supervising technical assistance.

(c) Sustainable land management practices, such as reforestation, the production of cotton and vegetables using agroecological/organic practices, and the sustainable management of the caatinga biome,[1] contributed not only to reducing environmental problems, but also to generating income opportunities among family farmers.

(d) The territorial perspective facilitated the coordination of project activities with those of state and municipal governments, the establishment of partnerships, and the participation of beneficiary and civil society organizations in project implementation and local decision-making bodies.

(e) The in-country office has been key in providing timely project implementation support, strengthening IFAD's relationship with state and federal governments, implementing a unified M&E system and supporting knowledge management activities.

(f) A country programme approach – in contrast to a focus on individual projects – is more conducive to increasing the effectiveness and efficiency of key project activities, in particular M&E, knowledge management, policy dialogue, and supervision and implementation support.

(g) Brazil offers great opportunities for collaborating with a broad range of development partners that target the same population groups and have complementary interventions or similar work models, which could help mobilize substantial amounts of resources and contribute to scaling up.

12. The CPE carried out in 2015 generated a range of conclusions that drove the strategic lines of action agreed upon between IFAD and the Government of Brazil, and were included in this COSOP (see full text in appendix III).

III. Strategic objectives

A. IFAD's comparative advantage at the country level

13. While IFAD is a relatively small financial player in Brazil, its experience has generated comparative advantages that contribute to helping rural families move out of poverty:

(a) IFAD significantly expanded its portfolio during the last COSOP period, focusing its loan projects on state governments, whose resources and institutional capacities are more limited.

(b) IFAD has supported policy dialogue between Brazil and other countries belonging to the Common Market of the South (MERCOSUR) since the early 2000s. It has also supported the creation of the Forum of Secretaries of Family Farming of north-east states. The Dom Helder Camara II Project, effective since August 2014, focuses on enhancing public policies and their outreach. IFAD has substantially strengthened its role in supporting knowledge management and M&E since 2011 through the Semear programme on resilience in semi-arid areas.

(c) By strengthening organizations of the rural poor and providing technical assistance, IFAD projects have played an active and increasing role in helping poor rural families access rural credit, food procurement, and other government policies and programmes. Projects have fostered the creation of

[1] A savannah-like ecosystem, dominant in the semi-arid north-east.

productive investments and opportunities for market access in highly marginalized areas.

(d) IFAD projects in Brazil are well known for being innovative and for generating good practices, many of which have been scaled up. These practices include: the application of organic/agroecologic methods of production; support to family farming and their organizations to access markets; the application of water conservation technologies; the involvement of rural youth as community mobilizers; and methods of participatory planning and policy coordination with a territorial perspective.

(e) IFAD projects have focused on the poorest rural areas of the states and have applied targeting strategies that prioritize women, youth and traditional communities.

(f) IFAD has built strong relationships with civil society and grassroots organizations, which have played a central role in implementing relevant project activities.

B. Strategic objectives

14. IFAD's strategy relates mainly to Sustainable Development Goals (SDGs) 1 (Ending poverty in all its forms everywhere) and 2 (End hunger, achieve food security and improved nutrition, and promote sustainable agriculture). It also relates to SDGs 5 (Achieve gender equality and empower all women and girls), 6 (Ensure availability and sustainable management of water and sanitation for all) and 13 (Take urgent actions to combat climate change and its impacts).

15. Based on national priorities, past experience and comparative advantages, and the achievements and learnings of the previous COSOP period, IFAD's strategy in Brazil for the period 2016-2021 will pursue a consolidation of the existing lending programme, gradual expansion to address rural poverty beyond semi-arid areas, and the establishment of partnerships and institutional mechanisms to ensure that project experiences feed into rural poverty reduction policies and programmes. The above will be pursued through three strategic objectives:

(a) Improve agricultural production, food security and nutrition, and access to markets. This objective will include technical assistance, training and financing for families and their rural organizations to strengthen their capacities to manage their economic organizations and their natural resources, adapt to climate change effects, and facilitate their access to institutional and other markets.

(b) Enhance rural development and rural poverty reduction policies and programmes through pilot testing, experimentation and scaling up of best practices. This will imply strongly promoting the application of innovative practices in loan operations, at design and implementation stages, focusing knowledge management and policy dialogue activities on the analysis of innovative practices, and supporting the scaling up of best practices.

(c) Strengthen the capacities of government institutions and organizations of the rural poor for policy and programme implementation. Ongoing and future projects will: (i) strengthen the capacities of rural communities to identify their challenges and priorities and to participate in policy decision-making platforms at the municipal and territorial levels; (ii) participate actively in these and other platforms at all levels, discussing project operating plans, coordinating activities with other government agencies, and seeking opportunities for collaboration and joint financing; and (iii) provide information to rural families about existing public policies and programmes, help link them with agencies responsible for their implementation, and provide technical assistance.

16. More specifically, it will include:

(a) A stronger focus on government policies to contribute to: (i) improved access by the rural poor to key public policies and programmes, such as rural credit and food procurement; (ii) improved policies and programmes and the design of new policies by applying good practices; (iii) coordinated public policies and programmes, especially at the local level; and (iv) promotion of the mobilization of additional resources and a more efficient use of public resources to support rural poor people.

(b) A more central role for innovation, with a stronger focus on testing innovative practices that could improve federal and state government public policies and programmes, and innovative knowledge management practices to promote dissemination and scaling up.

(c) A greater emphasis on strengthening relevant institutions in order to improve their capacities to implement federal and state policies and programmes, including IFAD projects.

(d) A country programme management approach that focuses on the portfolio as a whole, to improve the effectiveness and efficiency of lending and non-lending activities.

(e) A continued emphasis on the participation of civil society organizations, on the central role of community and producer organizations in the projects' strategies of rural transformation, and on the priority of targeting women, youth and traditional communities.

(f) A stronger emphasis on supporting access by family farmers to private markets – local, national, regional and international – as well as institutional markets and relevant niche markets (e.g. organic and fair trade).

(g) Strengthening of M&E in IFAD-funded projects and the capacities of relevant agencies, in particular at the state level.

17. Loan operations will continue to focus on the north-east region. In addition to the semi-arid zone, IFAD will expand its activities into other ecosystems characterized by high levels of rural poverty and where the rural poor are increasingly affected by environmental and climate change problems. These include transitional Amazon areas in the western part of the region, which have a high concentration of traditional communities, and the forest zone (Zona da Mata) nearer to the east coast, where sugarcane production has been declining due to soil deterioration and higher frequency of droughts.

IV. Sustainable results

A. Targeting and gender

18. Regional targeting. The CPE recommended examining, during COSOP preparation, a possible expansion of IFAD project activities to the northern region. The conclusion was that in view of limited resources, it would be best to first consolidate the portfolio in the north-east region, where most projects are still at early stages of implementation. Nevertheless, IFAD will take gradual steps towards diversification by: (i) designing a loan project in the state of Maranhão, which is part of the north-east and is characterized by a vast transitional Amazon region bordering on the northern region; and (ii) building a relationship with state governments and civil society organizations in the northern region or working on important themes for the region, such as indigenous communities, environmental and climate change problems, and support to extractive activities.

19. Target group. The target group of the new COSOP are poor families living in rural communities (family farmers and landless families) and in land reform settlements. Priority will be given to women and youth and to traditional quilombolas. The

COSOP proposes to include indigenous populations of transitional/Amazon areas in north-east states, in particular in the state of Maranhão, as explained above.

20. Gender strategy. Each project will include a gender strategy aimed at: strengthening women's participation in decision-making bodies, and their access to markets, technical assistance and financing for productive investments; and supporting women groups and organizations dedicated to agricultural and non-agricultural activities. Projects will also implement capacity-building activities on gender equality for those involved in project implementation and technical assistance, and will include clear indicators in their logical frameworks to measure the impact on women of the proposed activities.

B. Scaling up

21. The application and scaling up of innovative practices will be a central strategy of future projects and will include the following main features: (a) every new project will have a component including M&E, knowledge management and policy dialogue activities, will develop and disseminate case studies and best practices, and will support policy dialogue through workshops and other events; (b) projects under implementation at the state level will be strengthened in scaling up through measures identified during their midterm reviews and supervision missions, and focused on identifying, systematizing and scaling up best practices; (c) all IFAD projects in Brazil will discuss and exchange information about innovative practices in order to promote their application and scaling up; (d) a grant will be designed to support M&E, knowledge management and policy dialogue in promoting innovation and scaling up; (e) partnerships will be strengthened with development partners that have significantly larger portfolios than IFAD, particularly in cofinancing and joint implementation of knowledge management and policy dialogue activities; and (f) dialogue and participation in project activities and decision-making bodies will continue with relevant civil society organizations.

C. Policy engagement

22. An important focus of the strategy will be to strengthen the capacities of the rural poor to access and enhance public policies, and to formulate new policies based on the scaling up of innovations. Policy dialogue activities will be intensified, with an active role by the country programme manager (CPM). As indicated, a grant will be prepared during the first year of the COSOP to strengthen M&E, KM, and policy dialogue activities.

23. The main policies to be supported by IFAD's programme will be:

    (a) Territorial development policies, which have the objective of promoting economic development and universal access to citizens' basic programmes. Projects will play an active role in territorial collegiate committees, contributing with policy coordination and strengthening participation by organizations of the rural poor.

    (b) Technical assistance and rural extension policies. IFAD's programme can enhance technical assistance and extension services through innovative work methodologies, an emphasis on agroecology, the application of strategies for coping with semi-arid conditions, the conservation of biodiversity and adaptation to climate change.

    (c) Rural credit policies. The programme is expected to support access by beneficiaries to credit lines under the Family Farming National Programme and to contribute to its fine-tuning through the possible use of microfinance technologies and the expansion of financial services such as savings to better reach poor farmers.

(d) Marketing policies for family farming products. This includes facilitating access by poor farmers to public procurement programmes for food products, and diversifying into local, regional and foreign markets.

(e) Land reform policies. IFAD projects will continue to support land reform settlements with investments, technical assistance, training and organizational strengthening.

D. Natural resources and climate change

24. Studies indicate that the north and north-east regions will experience an increase in average temperatures, higher inter-annual variability of rainfall during the rainy season, and more intense and frequent droughts and floods. As a result, yields of several important crops grown by small producers may fall significantly and the risk of losses will rise.

25. IFAD's programme will support family farmers in improving their management of natural resources and better adapting to the effects of climate change through: (a) financing water storage infrastructure for cattle production and irrigation – along with appropriate technical assistance; (b) using organic practices, including seeds adapted to local conditions, agroforestry production systems, soil conservation practices, multiple cropping, and organic rather than synthetic inputs; and (c) supporting income-generating activities that preserve native forests and biodiversity, such as bee-keeping, agroforestry, and the traditional cultivation of products from natural forests. Projects could also support the implementation of a climate information and alert system.

E. Nutrition-sensitive agriculture and rural development

26. Brazil has achieved the Millennium Development Goal (MDG) targets of halving the proportion of its population that suffers from hunger and halving the absolute number of hungry people. The proportion of undernourished people fell from 10.7 per cent of the population in 2000-2002 to less than 5 per cent in 2004-2006. A national survey that included the Brazilian Household Food Insecurity Scale showed a 25 per cent decrease in severe food insecurity from 2004 to 2009.

27. Brazil has been strengthening the legal framework for food security and nutrition, and cooperation and coordination among ministries and different levels of government. It has also strengthened civil society involvement in the policy process. In 2006, the National Food and Nutrition Security Law (No. 11.346) was approved, and in 2011 the first National Food and Nutrition Security Plan was approved. Since 2011, the Brazil without Extreme Poverty Programme has introduced new policies targeting the extremely poor. Measures include increasing family allowance cash distributions for children and pregnant and lactating women, and expanding access to day care and preschools – all of which improve access to nutritious food. Other pillars of food security and nutrition policy are PNAE and policies for strengthening family farming. Federal expenditures on food security and nutrition programmes and actions totaled approximately US$35 billion in 2013.

28. However, there are regional disparities in the nutritional situation, in particular in the north-east and northern regions, where the proportion of undernourished people was above 9 per cent in 2009, compared to the 5 per cent national average. The prevalence of stunting in children under five years of age in the north-east and northern regions is close to 10 per cent, compared to the 6.7 per cent national average. The north-east region shows the highest levels of children below five years of age and women with anemia (25.5 per cent and 39.1 per cent), compared with 20.9 per cent and 29.4 per cent for the country as a whole.

29. IFAD lending and non-lending activities will continue to contribute to food security and nutrition in the region. Projects will support the increase in food production among family farmers through technical assistance, training and financing.

Marketing support will improve the access of family producers to the public procurement programmes and local and regional markets, thus increasing the supply of food in small rural towns. Support for organic production, in particular orchards producing vegetables, will contribute to the availability of healthier and more diversified foods for family consumption and in small rural towns.

V. Successful delivery

A. Financing framework

30. As of today, the financial allocation for the performance-based allocation system (PBAS) cycle 2016-2018 is equivalent to US$55.1 million. Of this total, up to US$50 million will be allocated to two investment projects, one in the state of Maranhão and the other in the state of Pernambuco. The possibilities of allocating all funds to a single project are affected by constraints faced by state governments to supply counterpart funds, fiscal policies that regulate state borrowing, and the assessment of institutional capacities for project implementation. A total ranging between US$2 million and 3.5 million will be allocated to knowledge management, M&E and policy dialogue, through grant programmes to be designed as of 2016.

Table 1
PBAS calculation for COSOP year 1

	Indicator	*COSOP year one*
Rural sector scores		
A (i)	Policy and legal framework for rural organizations	6.00
A (ii)	Dialogue between government and rural organizations	5.25
B (i)	Access to land	4.75
B (ii)	Access to water for agriculture	4.50
B (iii)	Access to agricultural research and extension services	4.75
C (i)	Enabling conditions for rural financial services development	5.50
C (ii)	Investment climate for rural businesses	5.25
C (iii)	Access to agricultural input and produce markets	5.00
D (i)	Access to education in rural areas	6.00
D (ii)	Representation	5.00
E (i)	Allocation and management of public resources for rural development	4.50
E (ii)	Accountability, transparency and corruption in rural areas	4.50
	Average of combined scores	4.98
	PAR rating	6
	CPIA rating	n/a
	Annual allocation	US$ 18.37 million

Table 2
Relationship between performance indicators and country score

Financing scenario	*PAR rating (+/- 1)*	*Rural sector performance score (+/- 0.3)*	*Percentage change in PBAS country score from base scenario*
Hypothetical low case	5	4.7	-21%
Base case	6	5.0	0%
Hypothetical high case	6	5.3	6%

B. Monitoring and evaluation

31. Results-based (RB) COSOP monitoring will be done by periodically monitoring and verifying the indicators included in the RB COSOP matrix, and reporting project information mandated in IFAD's Results and Impact Management System (RIMS). Through the country office, IFAD will apply a single M&E framework to collect appropriate information from all projects under implementation. Implementation reviews of the country programme will be carried out annually. For this purpose,

annual RB-COSOP reviews will be prepared, based on project status reports and supervision reports of ongoing projects and grants, and on the country programme issues sheet. Attention will be also be paid to examining non-project activities, in particular policy dialogue and knowledge management, and the activities of regional programmes in Brazil.

32. The country programme management team (CPMT) will play an important role in M&E. Annual meetings of the CPMT will be held in Brazil to discuss the annual RB-COSOP review. IFAD will also participate in annual meetings convened by the Secretariat of Internal Affairs (SEAIN) to review progress on the portfolio of projects supported by multilateral financial agencies. A midterm review of the COSOP will be carried out in the first half of 2019. An independent completion evaluation of the COSOP is planned for June 2022. Prior to this evaluation, IFAD's Latin American and the Caribbean Division will undertake its own self-evaluation of the COSOP.

C. Knowledge management

33. Knowledge management work will focus on analysing the role of project innovations in project impact and results, understanding the factors underlying the results obtained, developing an effective country M&E system, producing communication products, and organizing events to present and discuss results. Funding will come from three sources: project funds allocated to M&E, knowledge management and communication activities; a specific grant to finance knowledge management, M&E and policy dialogue activities; and partnerships with government entities, international agencies and private-sector foundations.

34. Universities and research institutions that work on issues related to rural development and poverty reduction, including climate change, are expected to collaborate with knowledge management activities. The Specialized Commission for Family Farming (REAF) platform and FIDA MERCOSUR programme are also expected to contribute to the dissemination of knowledge on innovative practices and its use in policy dialogue among stakeholders in MERCOSUR countries.

D. Partnerships

35. State governments in Brazil's north-east will continue to be the main partners for investment projects, and will be important participants in knowledge management and policy dialogue activities. Projects will continue to promote partnerships with municipal governments, seeking opportunities for coordination and cofinancing investments in rural communities.

36. At the federal government level, the main partners will be SEAIN and MDA. IFAD will strengthen its partnership with the Ministries of Agriculture, Social Development, Environment and Foreign Affairs. IFAD will also build a partnership with the National Indigenous Foundation of the Ministry of Justice on issues related to indigenous populations.

37. IFAD will build new partnerships with federal financial institutions, in particular BNB and BNDES. IFAD will also promote partnerships with the Superintendency for the Development of the North-east, especially on knowledge management activities. Other agencies with which IFAD has ongoing partnerships in Brazil, including the Ford Foundation and the Department for International Development (DFID) of the United Kingdom, will also be consulted on potential cofinancing, particularly on knowledge management and South-South Cooperation initiatives. Universities with regional, national and international influence and knowledge centres such as the Institute for Applied Economic Research and the Brasília-based International Policy Centre for Inclusive Growth could also be useful partners in national-level policy dialogue activities.

38. With respect to international agencies, the Fund will strengthen cooperation mainly with the World Bank, Food and Agriculture Organization of the United Nations (FAO), World Food Programme (WFP), Inter-American Institute for Cooperation on Agriculture (IICA), Development Bank of Latin America (CAF) and United Nations Development Programme (UNDP). Partnerships with the World Bank will focus on coordinating efforts between IFAD projects and the Bank's poverty reduction and rural development projects in north-east states, as well as in knowledge management and policy dialogue activities. IICA, FAO and UNDP could be partners in knowledge management and policy dialogue activities. FAO and WFP could also collaborate with activities to promote South-South Cooperation.

39. Partnerships with the private sector will be strengthened. In particular, IFAD will explore building productive alliances with small farmers who are beneficiaries of IFAD projects and with private firms, taking advantage of the corporate social responsibility of private companies to explore cofinancing of IFAD-supported initiatives, e.g. through the São Paulo-based United Nations Global Compact.

40. IFAD will continue strengthening its partnership with social organizations and NGOs, in particular those that represent the interests of family farming and rural workers, women and traditional communities.

E. Innovations

41. Projects in Brazil's north-east have been recognized for being innovative, and several practices applied by IFAD projects have already been scaled up. For example, several innovations of the first phase of the Dom Helder Camara Project were scaled up into federal policies and programmes, into projects financed by other international agencies and into a second phase. The Gente de Valor Project's practices to empower local youth to work as local development agents in Bahia have also been incorporated into state government policies.

42. The main area of innovation will be the implementation of a new approach to IFAD's relationship with an upper middle-income country such as Brazil. Projects will include instruments to facilitate access by the rural poor to existing policies and programmes, improve field coordination and integration of different policies and programmes, and generate best practices that can be scaled up at the federal and state levels.

F. South-South and Triangular Cooperation

43. During the next COSOP period, IFAD will support South-South Cooperation, within and beyond the Latin America and Caribbean region. Cooperation between Brazil and countries in sub-Saharan Africa will involve technologies, methods and institutional arrangements to improve livelihoods under semi-arid conditions. IFAD has already provided a grant to cofinance the Africa-Brazil Agricultural Innovation Marketplace implemented by the Brazilian Agricultural Research Corporation (EMBRAPA), which supported knowledge exchange between African countries and Brazil. Building on this experience, IFAD will finance a regional grant for the Adapting Knowledge for Sustainable Agriculture and Access to Markets Project, which will set up a collaborative mechanism whereby IFAD-funded projects and other rural development initiatives in Latin America and the Caribbean can benefit from the adaptation of agricultural technologies developed by EMBRAPA. The new grant will also fund the best practices identified by the Innovation Marketplace Project.

44. IFAD will continue to support policy dialogue and knowledge management involving Brazil and countries in the expanded MERCOSUR, assigning a key role to the regional programme FIDA MERCOSUR, which works in 10 expanded MERCOSUR countries, and to REAF.

COSOP results management framework

Country Strategy Alignment	***Key Results for COSOP***			
	Strategic Objectives	***Outcome Indicators***	***Milestone Indicators***	***Institutional/Policy Objectives***
Productive inclusion component of the Brasil Sem Miseria scheme, which aims at contributing to reducing poverty through programmes targeting family farming: credit (PRONAF); technical assistance and rural extension services (ATER); food public procurement (PAA and PNAE); insurance (Plano *Safra*, *Garantia Safra*).	**SO1:** Improve agricultural production, food security and nutrition, and access to markets.	(i) 75% of the targeted rural families in the north-east region increase their farm and non-farm incomes by an average of 20% (ii) 50% of the targeted rural families increase and diversify their production and improve their nutrition by having access to a higher and more diversified supply of food; (iii) At least 30% reduction in the rate of extreme poverty across IFAD project operation areas; (iv) At least 20% increase in assets across communities benefitted by business plans connected with IFAD operations; (v) 10% fall in malnutrition rates across IFAD project operation areas	(i) % of poor rural families that are direct beneficiaries of IFAD operations that get out of poverty during the COSOP period (ii) % increase in average per capita income of rural families that are direct beneficiaries of IFAD operations (iii) % increase in agricultural production of rural families that are direct beneficiaries of IFAD operations during the COSOP period (iv) % of rural families that are direct beneficiaries of IFAD operations that improve their access to institutional, local, regional, and export markets during the COSOP period (v) % of rural families that are beneficiaries of IFAD operations with difficulties to access food at the beginning of the COSOP period which improve their access in quantitative and qualitative terms at the end of the period (v) % of rural families that are direct beneficiaries of IFAD operations in which women increase their incomes from economic activities during the COSOP period. (vi) % increase in assets of rural families that are direct beneficiaries of IFAD operations during the COSOP period	Generation of innovative practices and methodologies about production systems and technologies, marketing strategies, technical assistance, strengthening of organizational capacities, which can be used as references to improve policies and programmes at federal and state levels.

Priorities defined by the Government of Brazil to the enhancement of public policies and programmes targeting the rural poor, in supporting a policy dialogue agenda based on successful innovations, and on promoting South-South relevant cooperation networks and agreements with strong Brazilian presence, such as REAF-Mercosur	**SO2:** Enhance public policies and programmes through pilot testing, experimentation and the scaling up of best practices	(i) Improvements of policies and programmes focused on family farming and rural poverty reduction in north-east Brazil. (ii) Improved policy dialogue and knowledge sharing within Brazil's north-east region involving federal and state government relevant agencies, civil society organizations, and academic entities (iii) Improved policy dialogue and knowledge sharing between Brazil and other countries (MERCOSUR and African countries) on rural poverty reduction and family farming, supported by IFAD (iv) Improved institutional capacity of rural development government agencies at state level; at least 60% of state-level rural development agencies with established M&E systems and part of a regional KM rural development network	(i) Number of successful experiences and good practices of IFAD projects systematized; (ii) Number of innovative methodologies applied by IFAD projects that are adopted by federal and state public agencies; (iii) Number of innovative methodologies applied by IFAD projects that are applied in public policies and programmes of technical assistance, credit, public food procurement, land reform, and rural infrastructure. (iii) Number of innovative methodologies applied by IFAD projects that are applied by other IFAD co-funded projects in Brazil's north-east.	Increase in regular discussions of policy issues relative to rural development take place involving major public, private and civil society actors, which are influential in shaping policy. Increase in regular evaluations of major rural development programmes conducted with scientific criteria, which are influential in shaping policy Increased and improved working of platforms discussing rural development issues involving state authorities, public sector regional entities, private sector and civil society organizations of the region, and relevant national actors. Improved working of platforms involving south-south cooperation related with rural development and family farming policies and programmes.

Priority defined by the Government of Brazil to the improvement of the poor's access to existing policies and programmes, which is limited by insufficient access to information, complicated programme procedures, and lack of coordination among programmes.	**SO3: Strengthen the capacities of government institutions and of organizations of the rural poor for policy and programme implementation.**	(i) 50% of the targeted rural families access effectively public policies and programs to which they qualify for (ii) 70% of rural poor families in the areas in the north-east region that until the start of the COSOP period did not have access to technical assistance, public procurement, and credit and other financial services have access to these programmes (iii) 70% of the rural poor families that begin to access these programmes show an increase in income and assets (iv) 100% of state agencies responsible for family farming policies able to show improvement in public policy access by the rural poor by identifying clear output and impact indicators;	Number of programmes of the Ministries of Agrarian Development (MDA) and of Social Development (MDS) and of state governments that attend in a coordinated manner the same population in the territorial units in which IFAD projects operate Increase in the number and % of poor rural families that access existing public policies and programmes of technical assistance, credit, public food procurement, land reform, and rural infrastructure Increased number of partnerships negotiated involving government and non-government entities Increased number of meetings of Territorial Collegiates in the area defined by the COSOP Increased participation of civil society organizations representing the interests of the rural poor, including from traditional communities, in Territorial Collegiates in the area defined by the COSOP	Improvement of coordination among public policies and programmes at the municipal, territorial, and federal levels, mainly those related with technical assistance, rural extension, credit, public procurement of food, and infrastructure Improved functioning of Territorial Collegiates and increase in the participation of civil society organizations representing the rural poor Increase in the number of poor rural families that access public policies and programmes Strengthened capacities of state government agencies dealing with rural development and rural poverty reduction, with more effective M&E and KM systems, and improved work methodologies with family farming and their organizations. .

Previous COSOP results management framework

Country Alignment	***Key Results for COSOP***			
	Strategic Objectives	***Outcome Indicators***	***Milestone Indicators***	***Institutional/Policy Objectives***
National programmes to support family agriculture, in particular *Plano Safra*-PRONAF but also SEAF, ATER, *Garantia Safra*, PGPAF, and PAA State programmes to support small farm agricultural intensification	**SO1:** To increase commercial agricultural production by small farmers with the corresponding access to markets in rewarding and sustainable conditions	75% of targeted farmers in the North-east report an average of 20% increase in farm income	40,000 North-eastern family farmers participate in IFAD-supported activities linked to agriculture development in the semi-arid in a climate change context: TA, training, organizational development/strengthening, marketing 30,000 family farmers improve their access to markets in the North-east	Models for farm commercial development through participatory investment clustering, value chain approaches and partnerships with private market agents successfully tested and leading to policy improvements at the state and national level
National and regional micro-credit and small credit programs such as those supported by Banco do Nordeste do Brasil, BNDES and Banco do Brasil, and PRONAF agro-industrial loans. Technical support programs to small and micro-enterprises of SEBRAE State programs to support small enterprise development (including rural)	SO2: To improve access of the rural poor to off-farm employment and business activities in rural areas and villages, focusing on women and young people	7,500 rural small and micro-enterprises created/enhanced in the North-east region through IFAD-supported activities 7,500 new jobs created, of which at least 60% are held by women and young; 75% of supported small and micro enterprises report an average of 20% increase in their profitability	10,000 North-eastern rural small and micro-enterprises (pre-existing and new) participate in IFAD-supported activities linked to entrepreneurial development: management, TA, training, technical innovations, marketing Opportunities for business development are identified, in order to support the creation of new small and micro enterprises. At least 60% of rural entrepreneurs participating in IFAD-supported activities are women and/or young 10,000 rural workers (men and women, mainly young and landless) trained for quality jobs with IFAD support	Models for income and employment generation in the rural off-farm sector through participatory investment clustering, value chain approaches, partnerships with private market agents and improved education and vocational training successfully tested and leading to policy improvements at the state and national level

Programa de ação nacional de combate à desertificação e mitigação da seca, Programmes of the Instituto Nacional do Semiárido , Programme Territórios da Cidadania, State programmes of convivência com o semiárido	**SO3: To improve, through knowledge generation and dissemination, the capacity of the rural poor and of relevant institutions in the North-East to coexist with semiarid conditions, adapt to climate change and exploit better the development potential of the semiarid region**	Networks and information flows supporting policy making, public management and technical innovations oriented to the North-Eastern rural development and focused on coexistence with semiarid conditions and adaptation to climate change. Improved tools and methodologies for generation, replication and scaling up innovations	Regional discussion forums set up/enhanced in the North-east with IFAD support, in which public, private and civil society organizations participate. Partnerships established among North-Eastern stakeholders involved in rural development. Knowledge generation and sharing activities supported by IFAD in the North-east: studies, researches, good practices systematization, training	The discussion of issues relative to rural development and poverty in the semiarid region of the north-east has acquired a regional dimension over and above the state level. Regional discussions and knowledge sharing involve state authorities, public sector regional entities, private sector and civil society organizations of the region, and relevant national actors.
Interest expressed by MDA and SEAIN in IFAD's support for national policy dialogue and programmes. M&E: Ongoing South-South relevant cooperation networks and agreements with strong Brazilian presence, such as REAF-Mercosur and CPLP	**SO4: To deepen the discussion on rural poverty reduction and family farming policies, at the national and international levels**	Policy improvements focused on family farming and rural poverty reduction in Brazil, where the influence of IFAD-supported activities can be traced. Improved policy dialogue and knowledge sharing between Brazil and other countries (MERCOSUR and African countries) about rural poverty reduction and family farming, supported by IFAD	Identification of good practices in public policies for rural poverty reduction and family farming. Policy studies, research activities and programme evaluations carried out with IFAD support in order to feed policy discussions. Policy discussions, supported by IFAD, on rural poverty and family farming. South-South cooperation activities supported by IFAD with strong Brazilian participation	Regular discussions of policy issues relative to rural development take place involving major public, private and civil society actors. These discussions are influential in shaping policy. There are regular independent evaluations of major rural development programmes conducted with scientific criteria. The evaluations are influential in shaping policy

Agreement at completion point of last country programme evaluation

Brazil Country Programme Evaluation
Agreement at Completion Point

A. Introduction

1. This is the second country programme evaluation (CPE) undertaken by the Independent Office of Evaluation (IOE) of IFAD of the IFAD-Brazil partnership. The CPE covers IFAD operations in the country in the period 2008-2015. It includes an assessment of the 2008 IFAD country strategy for Brazil, eight IFAD-financed projects and programmes, grant-funded activities, non-lending activities (knowledge management, policy dialogue and partnership building), and south-south and triangular cooperation.

2. The three main objectives of the CPE were to: (i) assess the performance and impact of IFAD-supported operations in Brazil; (ii) generate a series of findings and recommendations to enhance the country programme's overall development effectiveness; and (iii) provide insights to inform the preparation of the next COSOP for Brazil, to be prepared by IFAD and the Government for presentation to the IFAD Executive Board in April 2016.

3. The Agreement at Completion Point (ACP) reflects the understanding between the Government of Brazil and IFAD Management of the main Brazil CPE findings and recommendations. In particular, it comprises a summary of the main evaluation findings in Section B, whereas the ACP is contained in Section C. The ACP is a reflection of the Government's and IFAD's commitment to adopt and implement the CPE recommendations within specific timeframes.

4. The implementation of the recommendations agreed upon will be tracked through the President's Report on the Implementation Status of Evaluation Recommendations and Management Actions, which is presented to the IFAD Executive Board on an annual basis by the Fund's Management.

5. The ACP will be signed by the Government of Brazil (represented by the Secretary of International Affairs in the Ministry of Planning, Budget and Management) and IFAD Management (represented by the Associate Vice President of the Programme Management Department). IOE's role is to facilitate the finalisation of the ACP. The final ACP will be submitted to the Executive Board of IFAD as an annex of the new COSOP for Brazil. It will also be included in the final Brazil CPE report.

B. Main Evaluation Findings

6. The Government of Brazil and IFAD have developed a solid and strategic partnership over more than 35 years. IFAD is supporting the Government in promoting family farming and grass-roots development as a means to improve productivity, food security, nutrition and income. While clearly recognising the importance of non-agricultural activities for wider sustainable and inclusive rural transformation, the evaluation finds that a better balance between agricultural and non-agricultural activities could be achieved moving forward. This would require placing more emphasis on agricultural value chain development, including in areas such as water and land management, crop production and livestock development.

7. IFAD's role in Brazil has been and will remain important, given the wide income inequalities that persist and the central role of family farming as an engine of agricultural production and productivity in the country. Moving forward, the partnership will need even more attention to non-lending activities (policy dialogue, knowledge management and partnership-building) and South-South and Triangular

Cooperation (SSTC) linked to IFAD's investment activities, to enable Brazil to make further inroads in improving rural livelihoods.

8. Closed projects (i.e., the Dom Helder Camara I and Gente de Valor projects) have shown good results in terms of empowerment of beneficiaries and improvements in their capacities to influence resource allocation, gender mainstreaming, innovation and scaling-up. They have helped improve water management, and crop and livestock production. In terms of geographic coverage, the focus on the north-east has been appropriate and the targeting of women and rural youth has been effective. A major achievement since 2008 has been the design and approval of six new projects that are all in their initial phases of implementation.

9. However, IFAD-funded projects have not devoted sufficient attention to the engagement of private sector actors, rural finance and market access, and there are concerns with operational efficiency and the sustainability of benefits. There have been start-up delays in all six new operations, needing concerted actions towards consolidating initiatives to ensure they achieve the desired results. With regard to targeting of IFAD financing, opportunities for working with indigenous peoples in partnership with FUNAI[1] could be explored in the future, given IFAD's strong track record of supporting indigenous peoples in Latin America and Asia.

10. Performance in non-lending activities has improved, but is still only moderately satisfactory. In line with the 2008 country strategy, IFAD took positive initiatives to strengthen knowledge management and introduce SSTC activities through grant funding. More is however needed in the future to leverage non-lending activities to support institutional and policy transformation.

11. Policy dialogue at the sub-national and regional levels has improved. For example, through REAF (the Mercosur Specialised Meeting on Family Farming), the Ministry of Agrarian Development and IFAD have managed to successfully bring to the table the priorities of Brazilian family famers, and included their representatives in the dialogue alongside government officials and other policy and decision makers.

12. Partnership with the Ministry of Planning, Budget and Management is very good. The same is true for the partnership with the Ministry of Agrarian Development, whose central mandate is to develop family farming for better food security in Brazil. However, partnership and dialogue with a wider range of federal agencies involved in agriculture and rural development are limited. Partnerships have been good with state governments, though involvement of municipalities deserves added attention. Partnerships with multilateral and bilateral agencies are limited. The same applies for partnership with FAO and WFP, which is a priority for the Government and IFAD, but so far has not been adequately developed.

13. The establishment of the IFAD Country Office in mid-2011 has enabled IFAD to conduct more timely supervision and provide implementation support to projects, and to strengthen dialogue in the north-east. In fact, direct supervision and implementation support in all projects has been an important adjustment to IFAD's operating model since the 2007 Brazil CPE. However, the location of the country programme manager for Brazil at IFAD headquarters in Rome is a factor that will need to be carefully considered, as it may be constraining further improvements in the overall effectiveness of IFAD-Brazil partnership.

14. Weaknesses in monitoring and evaluation (M&E) and results measurement have been a common problem across the portfolio, although there are some signs of improvement. M&E systems are inadequate to capture outcome- and impact-level

[1] The National Indian Foundation, the Government's institution dealing with indigenous peoples issues.

data. The application of IFAD's Results and Impact Management System has also posed a challenge at the project level. M&E of grant-funded activities, especially non-lending activities, has not been systematic; sharper and more easily measureable indicators as part of the country strategic opportunities programme results measurement framework would have facilitated the task.

C. Agreement at completion

15. The CPE makes an overarching recommendation that IFAD and the Government move forward to prepare a new COSOP for Brazil, which will build on the findings and recommendations of this CPE and provide the foundations of the main areas of intervention in the context of a renewed partnership and cooperation between the Fund and Brazil.

16. The CPE makes three overarching recommendations that should be included into the new COSOP: (i) focus and priorities of the country strategy and operations; (ii) strengthen engagement in non-lending activities, including South-South and Triangular Cooperation; and (iii) further adjustments to IFAD's operating model for greater development effectiveness.

17. **Recommendation 1: Focus and priorities of the country strategy and operations.** The CPE recommends that the country strategy and projects devote more explicit attention to smallholder agricultural activities, which is at the core of IFAD's mandate and comparative advantage, as a vehicle for improving incomes and rural livelihoods. This would include priority to agriculture and food production and productivity enhancements through investments in adaptive research and extension to address climate change issues, water resources management and irrigation development, value chain development with appropriate linkages to input and output markets, greater engagement of private sector actors (for instance, in value addition and agro-processing) and the promotion of financial inclusion of the poor. IFAD investments should continue to provide essential rural support services to promote family farming, but a better balance between agricultural and non-agricultural activities should also be pursued.

18. Opportunities for working in the north of the country – with a primary focus on indigenous people – on a pilot basis is worth exploring in the next COSOP and lending cycle. Similarly, opportunities of working in other uncovered states and regions of the non-semi-arid regions of the north-east may be considered, given the poverty profile of rural people who live there. The opportunities and challenges of possible expansion to geographic areas beyond the current states covered should be carefully studied.

19. The country strategy should be costed and include an estimate of all types of resources (for investments, grants, non-lending activities, south-south and triangular cooperation and administrative resources) needed to achieve COSOP objectives. Its results measurement framework should include measurable indicators that can be tracked during implementation and evaluated periodically, including at completion. The COSOP should also clearly specify the time frame it will cover.

20. **IFAD and Government response to CPE recommendation 1.** On para.17 above, while PMD recognizes that more attention should be devoted to the categorization and labelling of projects at design, the regional division and GOB agree that smallholder agricultural activities have always been at the core of their joint country programme in Brazil, albeit through a diversified set of interventions, both agricultural and non-agricultural. IFAD's goal has evolved substantially since the Fund was established in 1977 to provide "financing primarily for projects and programmes specifically designed to introduce, expand or improve food production

systems". Since IFAD's modus operandi started to be updated and shaped into strategic frameworks in 2001, its attention has been more focused on rural poverty reduction, from "enabling the rural poor to overcome their poverty" (SF 2002-06), to "achieve higher incomes and improved food security" (SF 2007-12) or to help "rural people overcome poverty and achieve food security through remunerative, sustainable and resilient livelihoods"[2]. In this context, IFAD and GOB will continue to invest and to find the most valuable balance in both agricultural and non-agricultural activities, at the programmatic as well as at the individual operations level.

21. On para.18, the IFAD Management and GOB endorse the recommendation to move beyond the semi-arid regions of the North-east, to include new states and territories where IFAD presence is requested and there is a clear potential comparative advantage in considering a new investment project, such as in the State of Maranhao or in the coastal biomes of Pernambuco. On the other hand, due to the vast extension of its territory and the Fund's limited experience outside the North-East, the opportunity to expand IFAD presence in the North of the country will be assessed, mainly through non-lending activities, under the new COSOP. Decisions will be subject to the availability of human and financial resources, and local demand for IFAD presence in the region.

22. The rationale for costing the country strategy is noted. However, currently, IFAD does not have a specific methodology, guidelines or approach to undertake this task. Therefore, pending the development of such a methodology, guidelines or approach, it will not be possible to apply this specific CPE recommendation to the new Brazil COSOP.

23. **Recommendation 2: Strengthen engagement in non-lending activities including South-South and Triangular Cooperation.** Building on the good work done since 2008, IFAD should devote even more attention to non-lending activities, including south-south and triangular cooperation, in the future country programme.

24. This will require enhanced work in capturing project experiences and a more systematic way of disseminating lessons learned and good practices, also to strengthen IFAD's visibility and brand. The lending programme would mainly be the basis for learning lessons and identifying good practices in promoting poverty reduction in remote rural areas. A programme of knowledge cooperation would include attention to documenting and sharing experiences and lessons from Brazil that can help towards scaling-up success stories in the country and elsewhere, as well as proactively supporting activities and organizing events that will promote the transfer of IFAD's accumulated knowledge, good practices, and lessons in smallholder agriculture and rural development from other countries to Brazil. With regard to the latter, one concrete area is indigenous peoples' development, where IFAD's rich experience in other countries could be of use in supporting the development of indigenous peoples in the north and north-east of the country.

25. In addition to maintaining a close dialogue with the Ministry of Planning, Budget and Management and the Ministry of Agrarian Development, strengthening partnerships and policy dialogue with a wider range of federal agencies should be actively pursued. Concrete partnerships with multilateral and bilateral development organizations should be developed, for instance, in the areas of co-financing operations, knowledge sharing, policy dialogue, scaling-up and south-south and triangular cooperation. Greater engagement of private sector actors and academic and research institutions would also add value to the activities supported by IFAD in Brazil.

[2] IFAD strategic framework 2016-2025 (draft), October 2015.

26. South-south and triangular cooperation should be a key objective in the new country strategy, in cooperation particularly with the Rome-based agencies dealing with food and agriculture and other development partners working in agriculture in the country. IFAD south-south and triangular cooperation activities should be anchored in the Fund's investment operations and focussed on few topics, such as promotion of family farming, an area in which IFAD has gained quite a bit of experience in the past decade in Brazil. The COSOP should clearly articulate the specific objectives, focus and measures of success for south-south and triangular cooperation. All this will require strengthened M&E systems, both at the project level and the country level.

27. **IFAD and Government response to CPE recommendation 2.** IFAD agrees with this recommendation. However, Management would like to note that SSTC and non-lending activities have cost implications, which are particularly relevant under a zero-growth budget. Moreover, it should be noted that responsibilities and outcomes of SSTC activities often depend on government initiatives and partnerships, which IFAD will continue to identify and pursue.

28. **Recommendation 3: Further adjustments to IFAD's operating model for greater development effectiveness.** Attention needs to be devoted to consolidating activities related to the six on-going operations to ensure desired results, which will required continued focus and support by the IFAD country team working on Brazil. Moreover, there is need for a better balance between lending and non-lending activities, including enhanced national policy dialogue with federal agencies for scaling up impact and knowledge sharing.

29. In order to effectively realise the above, the CPE recommends the out-posting of the IFAD country programme manager to Brazil. The recommendation of out-posting the country programme manager is primarily aimed at enhancing the broader impact of the important IFAD-Brazil partnership in promoting better rural livelihoods, recognising the possible cost implications this might have for the Fund.

30. Under the broader guidance of the country programme manager, the IFAD Country Office staff should continue to provide timely supervision and implementation support to IFAD investment operations. In addition to supervising its staff, the country programme manager would take the lead in high-level policy dialogue, identifying opportunities for strategic and institutional partnerships (especially beyond the project level), south-south and triangular cooperation and knowledge sharing. The country programme manager would also devote time to enhancing IFAD's visibility and brand.

31. Finally, the country programme manager should have exclusive responsibilities for Brazil, and not be concurrently responsible for other IFAD country programmes. The out-posting of the CPM would require a Professional-level staff member at headquarters to be assigned on a part-time basis to the Brazil programme to follow-up on day-to-day operational matters requiring attention at headquarters.

32. **IFAD and Government response to CPE recommendation 3.** IFAD and GOB fully agree on the need to consolidate and roll out the existing country programme on a priority basis. We also agree to seek a better balance between lending and non-lending activities, as permitted by (a) human and financial resources availability and (b) the possibility to leverage additional resources through co-financing. The new COSOP will include objectives that are realistic and achievable, taking into account the anticipated level of resources available.

33. On the proposal to out-post the CPM, Management endorses the importance of IFAD's increased and strengthened country presence, at the pace and through the

modalities established at the corporate level and approved by the Executive Board. In the case of Brazil, such endorsement is demonstrated by the presence of an in-country office (ICO) with three staff operating since 2011. Under the current budget and staffing constraints, and as part of the overall decentralization strategy, the recommendation to outpost the CPM to Brazil will be carefully assessed.

34. Nevertheless, even if no commitment to out-post the CPM can be made at this stage, there are immediate actions that will be taken in order to pursue the objective of the recommendation for enhancing the IFAD-Brazil partnership: the CPM will increase his time in Brasilia, while on mission in the country; hence his time share dedicated to policy work and partnership development, both with the federal government and with Brasilia-based national and international partners, will also increase. Moreover, options will be explored to identify a potential non-cost hosted physical space in Brasilia, to be used during the CPM's missions to the capital.

35. At HQ, the CPM will continue to play an important role in policy work, where the experience of a large MIC such as Brazil can be useful to a range of corporate policies and debates, knowledge management and identification of SSTC opportunities.

36. Other organizational arrangements, such as the recommendation to have an additional professional staff dedicated to Brazil at HQ, under an eventual CPM out-posting arrangement, would depend on the overall assessment of resources available at the Divisional level, which serves the needs of over 20 active borrowing countries.

37. Regarding the need for the CPM to have exclusive responsibility for Brazil, IFAD and GOB endorse the recommendation. This recommendation will be implemented by 2016, based on the relative size of Brazil's programme in the Latin America and Caribbean Region.

Signed by :

1. Mr Carlos Lampert
   Deputy Secretary , International Affairs
   Ministry of Planning, Budget and Management
   Brasilia, Government of Brazil

   Date: 16/12/2015

   Signature: _____

2. Mr Perin Saint Ange
   Associate Vice President
   Programme Management Department
   IFAD, Rome

   Date: _____

   Signature: _____

COSOP preparation process including preparatory studies, stakeholder consultation and events

Introduction

The consultation process for the design of the COSOP consisted of the following stages:

1. Preparation of four background studies that provided key inputs to the COSOP document;
2. Participation in reviews and discussions of the Country Programme Evaluation (CPE), which was undertaken during 2015 and whose report and results were presented and discussed in a seminar held in Brasilia on 22 October 2015;
3. Review of the Project Performance Assessment (PPA) of the Gente de Valor Project in the State of Bahia, carried out by the Independent Evaluation Office (IEO) in March 2015 and a presentation on 27 March of the main findings and results;
4. One preparatory mission by the COSOP preparation team in August/September 2015, which included meetings and interviews with relevant national institutions and key informants in the cities of Brasilia and Rio de Janeiro, and visits to three states of Brazil's north-east region (Ceará, Maranhão and Pernambuco) and one state in the Northern region (Pará);
5. One meeting of the national Country Programme Management Team (CPMT) of the North-East, which took place in São Luis (Maranhao) in August 2015 to discuss IFAD's work in Brazil and served to obtain inputs for the preparation of the COSOP;
6. A meeting of the national CPMT at the federal level, which took place in Brasilia on 23 October 2015 to discuss the main features of the COSOP;
7. Participation of the COSOP design preparatory mission in meeting of the Forum of Secretaries Responsible for Family Farming in the Northeast and Minas Gerais in the city of Sao Luis between 19 and 21 of August 2015;
8. A meeting of the in-house CPMT on 1st October, which discussed the main features of the future IFAD strategy in Brazil;
9. Preparation of a full draft of the COSOP document, based on the inputs obtained in the phases described above;
10. Review of a full draft of the COSOP document by the in-house CPMT and by three external reviewers;
11. Preparation of a second version of the COSOP document to incorporate changes in response to comments made by the in-house CPMT and the external reviewers;
12. Submission of the COSOP document to the Government of Brazil for comments and validation.

Below is a detailed description of the main activities that were carried out.

Country Programme Evaluation Workshop

The CPE was carried out during the first semester of 2015 by IFAD's Independent Office of Evaluation (IOE), assessing the performance of IFAD's programme in Brazil between 2008 and 2015. The previous CPE had been carried out in 2007, and informed the preparation of the second COSOP in Brazil, which was adopted in 2008. The COSOP team had access to the CPE draft and final versions of the report, which served to guide the mission of some important issues, such as the analysis of the possibilities of expanding IFAD's work to Brazil's Northern region and to other uncovered zones within the north-

east region; of working with a wider range of government partners; and of strengthening non-lending activities.

The COSOP team also participated in the CPE workshop, organized by the IOE and SEAIN in Brasília on 22 October 2015. The purpose of the workshop was to discuss the findings and recommendations of the CPE, and resulted in the Agreement at Completion Point between IFAD and the GOB. The workshop was jointly chaired by Mr. Oscar Garcia, Director of the Independent Office of Evaluation of IFAD, and Mr. Claudio Puty, Secretary of SEAIN (Secretariat of International Affairs) of the Ministry of Planning, Budget and Management (MPOG), and counted with the participation, inter alia, of the Minister of Agriculture and Agrarian Reform (MDA), the Associate Vice-President for Corporate Services of IFAD and the Director of IFAD's Latin America and the Caribbean Division . There were many other participants from the Ministry of Planning, Budget and Management, the Ministry of Agrarian Development, the Ministry of Agriculture, as well as representatives from state and federal government entities, IFAD management and staff, multilateral and bilateral development organizations, project management staff of IFAD-funded projects and programmes covered by the CPE, research institutions, NGOs, civil society organizations, and the CPE team. The discussions in this workshop, the recommendations of the CPE, and the agreed points in the CPE's Agreement at Completion Point (ACP) were key for the preparation of the new COSOP. The ACP is presented in Appendix V.

Preparatory studies

3. Four studies were prepared between June and August 2015 and provided key inputs to the COSOP in issues such as the geographical distribution of poverty, the most important trends in the evolution of rural poverty, the key factors explaining poverty reduction and the role of specific public policies, main climate change problems that may affect small farmers in the future, and fiscal conditions of different states. The studies focused on the following topics: (i) Poverty profile: north and north-east regions; (ii) Public policies for rural development and Poverty Reduction in Brazil and the northern and north-east regions; (iii) Fiscal conditions of Brazil's public sector: an analysis with an emphasis on the Northern and Northeast states and on rural development financing; (iv) Climate change and impacts on family farming in the north and the north-east of Brazil.

Country missions

The COSOP preparation team carried out two missions to Brazil. The first one was a preparatory mission that visited the country between 18 August and 4 September to discuss with Brazilian stakeholders the perceived comparative advantages of IFAD in Brazil and the possible priorities for IFAD operations in the next period.[2] The mission visited the cities of Brasília and Rio de Janeiro, three states of the north-east region (Ceará, Maranhão, and Pernambuco) and one state in the northern region (Pará). In these visits, the mission carried out meetings with relevant federal government agencies, including among others the Ministry of Planning, Budget and Management (MPOG), the Ministry of Agrarian Development (MDA), and the Ministry of Agriculture (MAPA), EMBRAPA, CODEVASF, and FUNAI, state government agencies in the respective states, in particular those responsible for implementing policies and programmes for family farming, and federal financial development institutions, including the Bank of Amazonia (BASA) headquarters in Belém, the Bank of the Northeast (BNB) headquarters in Fortaleza and the National Bank for Economic and Social Development headquarters in

[2] The mission members were Paolo Silveri (CPM for Brazil), Hardi Vieira and Leonardo Bichara (CPOs), Octavio Damiani (team leader), Arilson Favareto (policy specialist), and Danilo Pisani (Fiduciary specialist).

Rio de Janeiro. The mission also met with civil society organizations, the Ford Foundation, and the Federal Rural University of Rio de Janeiro.

The visits to the states also served to sound out state governments as to their interest in future project partnerships with IFAD. In Maranhão, the mission met with the State Governor, who expressed the great interest of the state government in a future project partnership with IFAD. In addition, it participated in the third meeting of the Forum of State Secretaries Responsible for Family Farming in the Northeast and Minas Gerais, which took place in the city of Sao Luis on 19 and 20 August. The Forum is a policy dialogue forum focused on rural development and rural poverty reduction policies in the semiarid Northeast, which was created in early 2015 with the support from the SEMEAR Programme of knowledge management grant financed by IFAD. This was the third meeting of the Forum. Soon after the end of the Forum, a meeting of the Regional CPMT was organized on 20 August 2015, with the participation of state governments, directors of IFAD financed projects, and civil society organizations, which served to discuss their views about IFAD's comparative advantages and their preliminary views about what might be the focus of IFAD's future strategy.

A second COSOP preparatory mission was carried out between 13 and 31 October, with the purpose of participating in a workshop organized by IFAD's Independent Office of Evaluation (IOE) in Brasilia to present and discuss the results of the CPE, and to follow up on the discussions with stakeholders at the federal and state levels that had started in the first preparatory mission. A meeting of the national CPMT was organized by IFAD and SEAIN in Brasilia on the morning of 23 October, with the purpose of presenting and discussing with stakeholders preliminary ideas about the strategic objectives and other characteristics of the COSOP for the next period. The CPMT counted with the participation of federal government agencies and civil society organizations, as well as international development agencies based in Brasilia. Several state government agencies responsible for the implementation of policies and programmes for family farming (including IFAD projects) also participated. Besides the COSOP team, some of the participants of the CPMT were the Ministry of Planning, Budget and Management (MP), the Ministry of Agrarian Development (MDA), the Ministry of Agriculture (MAPA), representatives of the World Bank, UNDP, FAO, CAF, IICA, BNDES, BNB, national rural unions (FETRAF and CONTAG), staff from IFAD projects in Bahia, Ceará, Paraiba, Sergipe, of the Dom Elder Câmara Project, and representatives of the state governments of Bahia, Ceará, Maranhão, Paraiba, Pernambuco, Piauí, and Sergipe.

After a presentation of the preliminary main features of the COSOP by the COSOP team, a discussion followed where most participants took active part, making suggestions that were incorporated in the COSOP document.

In addition, the mission visited the states of Maranhão and Pernambuco, in order to carry out additional meetings with relevant federal agencies, such as the headquarters of the Superintendence for the Development of the Northeast (SUDENE) and BNDES's regional office in Recife. In addition, the mission carried out meetings with government agencies and civil society organizations at the respective states, such as the Landless Movement (MST), the State Federations of Rural Workers (FETAPE and FETRAEM), the Rural Youth Organization (PJR), the Rural Women Workers Movement (MMTR), among others. The mission also carried out field visits and, in the case of Pernambuco, met with the State Governor, who expressed strongly his political support for a future project partnership with IFAD.

Stakeholders provided many ideas and suggestions during the mission. The main messages received can be summarized as follows:

a) The focus of IFAD operations should continue to be in the Northeast region, though special attention should be given to working in areas other than the semiarid that are also characterized by high levels of rural poverty and are affected by environmental and climate change problems.
b) Although IFAD projects during the new cycle should strengthen activities to support agriculture, non-agricultural activities are also considered important to promote income generation among vulnerable groups, including women, young people, and landless families. Strengthening beneficiary organizations, access to markets and financial inclusion should continue to be relevant in the future projects.
c) The access to public policies is recognized as an important problem by both federal and state governments and by civil society organizations representing the interests of the rural poor. Thus, future IFAD projects should increase their efforts to help the rural poor access public policies and programmes, especially public procurement programmes of food from family farming, credit and extension services.
d) The territorial approach of IFAD has been pointed out as effective to help coordinate project activities with those of other federal, state, and municipal government agencies, and non-government organizations. They should contribute to improve coordination of policies at the local/territorial levels, and they should help enhance public policies and programmes through innovative practices generated by projects. Policy dialogue and knowledge management should be core parts of the new COSOP, and they should focus on the innovations generated by projects.
e) IFAD projects and non-lending activities should focus more on strengthening the state government agencies dealing with rural development and poverty reduction.
f) The opening of IFAD's country office in Salvador has made a great difference in terms of ensuring a higher presence in the country, closer supervision and implementation support to projects, and stronger links with state and federal governments. A more continued and active presence of IFAD in Brazil is considered important to continue with this positive trend and to strengthen dialogue with federal agencies and international organizations. The office location in Salvador, closer to the ground and states, was also highly appreciated by state governments.
g) IFAD model of supervision and implementation support, including its close contact with state governments, has been highly regarded as one of the comparative advantages of IFAD and was very appreciated by States.

Peer Review Comments on Review Draft

Following the normal IFAD procedures for COSOP design, the COSOP draft went through several reviews, including the in-house CPMT and by external reviewers. Many relevant comments were obtained and the final version of this document has benefited from them.

Validation of final draft by the Government of Brazil

The final draft was remitted to the Government of Brazil asking for comments. In its official answer, the Government of Brazil states that "xxxxxx". In this framework, the Government of Brazil transmitted to IFAD some specific comments that were included in the final version of the COSOP.

Key files

Key file 1: Rural poverty and agricultural/rural sector issues

Priority areas	Affected groups	Main issues	Actions needed
Extreme poverty and malnutrition	Poorest farmers	Brazil achieved in the last ten years a reduction of 82% in the number of families in a situation of malnutrition as a result of a wide range of policies and programmes. The challenge for the next period is to achieve further reductions in malnutrition, while ensuring no families come back to their previous situation.	Support increase in productivity and crop diversification among poor farmers. Support economic activities that generate the additional income needed to purchase food Stimulate dietary changes of the poor that increase the nutrition content, with a higher variety of foods and produced with technologies based on the low or non-use of chemical inputs
Access to water for human consumption and productive use	Poorest farms in the semiarid of the Northeast region	More than 4 million people have benefited in Northeast Brazil from investments for the storage of water primarily for human consumption. The challenge for the near future is to expand the number of people that resolve their problems of access to water, while providing supplementary investments to increase the storage of water for productive use.	Ensure access to public policies that support investments for the storage and/or capture of water Promote public investments that support communities to adopt alternative technologies of water storage, capture, irrigation and coexistence with the constraints characteristic of the semiarid climate. Disseminate knowledge about methods of water storage, capture, irrigation and the coexistence with constraints characteristic of the semiarid climate.
Low income from agriculture	Poorest farmers	Despite the success obtained in reducing poverty in Brazil, and the variety of public policies supporting family farming, the number of farmers who are poor or have an income near the poverty line is still significant in the Northeast and Northern regions. This hard core of poverty in the region has several causes: environmental restrictions (shallow soils and limited availability of water), land restrictions (number of properties with less than 5 hectares), low levels of education, insufficient technical assistance support. Growing local markets and public procurement programmes have made it possible for poor farmers to market their products and obtain higher prices.. However, a high proportion of farmers focus on a low productivity agriculture mainly for family consumption.	Facilitate access to food public procurement programmes, such as the Food Procurement Programme (PAA) and the National School Lunch Programme (PNAE), yet infrequently accessed by the poorest farmers Facilitate access to credit and technical assistance policies to diversify production and increase productivity and production Support the access of poor farmers to local markets through creation of new local market-places with the participation of poor farmers or improvement of existing ones Support farmer organizations (informal groups, associations and cooperatives), for storage, processing, transportation and marketing of production,
Difficulties to access non-institutional markets in advantageous and	Family farmers in value chains	Many family farmers and their organizations have been able to improve their situation and have potential to sell to local, regional and even foreign markets. However, access to these markets continues to be a challenge due to weak managerial,	Support marketing strategies of family farmers and their organizations in value chains that involve advantageous and sustainable conditions of contracts or other forms of relationship.

sustainable conditions		negotiation, and marketing capacities of farmers and their organizations	Ensure access to technical assistance and credit policies to develop a sufficient, stable and predictable supply of products. Strengthen the capacities (managerial, financial, legal, marketing, etc) of farmer organizations to participate in non-institutional, private markets. Facilitate contacts with representative organizations in the business world that can create opportunities in private markets for poor farmers
Scarce non-agricultural income opportunities for landless families or poor farmers	Landless and poorest farmers with insufficient agricultural incomes	Despite the growing importance of non-agricultural incomes, families with an income mainly from non-agricultural activities in Brazil have underperformed compared to families with agricultural incomes over the past decade. This shows that this issue needs to be better worked. Non-agricultural income opportunities are greater especially in areas closer to mid-size and large urban centers, for example, in the Northeast Forest Zone (Zona da Mata).	Identify and support opportunities for diversification or alternative income generating, non-agricultural activities linked to agriculture or services in rural communities Identify and support opportunities for diversification or alternative income generating, non-agricultural activities or employment for rural families in nearby urban centers. Strengthen capacities of rural households to carry out non-agricultural activities Support access to public policies of labor intermediation (which support linking the demand for labor in specific positions with the supply from specific persons), under the urban productive inclusion strategy of the Brazil Without Extreme Poverty Program Promote specific policies and programmes promoting employment generation among rural families
Access to policies and programmes and policies for agriculture and welfare	Poor family farmers	Brazil created over the past decade participatory spaces aimed at facilitating participation and access to public policies and programmes, such as participatory territorial forums (Colegiados Territoriais - Codeters). Access to public policy remains, however, very unequal among people and regions.	Strengthen the capacities of organizations of the rural poor to participate in fora and other participatory and decision-making bodies at the local/territorial level Disseminate information on the operation of public policies for family farming and the rural poor. Strengthen the capacities of farmers and organizations to remove obstacles that usually constrain their possibilities to access public programmes, in order to the increase their efficiency and effectiveness among poor families. Improve the design of new policies through the application of innovative practices that help increase their efficiency and effectiveness Systematize and disseminate knowledge on ways and policies of integrate experiences through a strong and innovative program of knowledge

			management
Difficulties of coordination among public policies and programmes	Poor family farmers and its organizations	There is a consensus among public officials and social organizations in Brazil on the high relevance of the wide range of today's existing policies and programs. However, there is also agreement on the difficulties of coordination at different stages, from design to implementation. Additional difficulties are faced in monitoring and evaluation (M&A) affecting reporting and planning. These affects their effectiveness and efficiency.	Support entities of policy dialogue, such as Forum of Secretaries Responsible for Family Farming Policies in of Northeast Brazil and Minas Gerais. Contribute to the strengthening of coordination bodies (e.g. Territorial Collegiates) Promote the formulation of projects that integrate various public policy instruments to reduce poverty and strengthen family agriculture Improve monitoring and evaluation (M&A) that could be used to make better informed decisions leading to better planning practice, knowledge management and more efficiency. Improve the design of new policies through the application of innovative practices that help increase their efficiency and effectiveness Systematize and disseminate knowledge on ways and policies of integrate experiences trough a strong and innovative program of knowledge management
Climate change and other environmental risks	Poor family farmers	The semi-arid Northeast is expected to be one of the most affected regions by climate changes, mainly due to changes in rainfall patterns and consequently more frequent occurrence of extreme events. Another environmental issue of great importance in the region is the risk of desertification by intensive use of forest cover. The two issues directly affect the poorest farmers, increasing their vulnerability.	Encourage the adoption by small farmers of practices that help them to adapt better to the effects of climate change and to ensure more sustainable use of soils, water, and forests. Disseminate knowledge on climate change and its effects on family farming in the Northeast. Encourage participation in decision-making spaces on climate change and policies related to it.
Opportunities for rural women	Women from poor rural families	Family farms headed by women have performed worse than average in reducing poverty over recent years. In addition, rural women suffer more the constraints of a social environment marked by discriminatory practices, making it necessary to develop initiatives aimed at promoting gender equity.	Definition of clear gender strategies in projects Prioritize initiatives that enhance spaces and forms of inclusion of women in productive and income generating activities. Raise awareness among rural men about the importance of women's participation in the various dimensions of local social life.
Opportunities for rural youth	Young people from poor rural families	Migration to urban areas is major strategy among young people in poor families. Beyond the symbolic aspect involving rural life, this relates with perceptions of scarce opportunities for income generation and employment in rural areas	Definition of clear strategies for the youth in every project. Prioritize initiatives that enhance spaces and ways of integration of young people in productive and income generating activities.

Opportunities for quilombolas/ afrodescendents communities	Quilombolas/ afrodescendents communities	Poverty among quilombolas/afro-descendent communities is much higher than for the rural population as a whole. Part of the problem relates to land entitlements, which limits access to public policies. In addition, these communities are affected by the same structural constraints experienced by other family farmers in the Northeast - environmental issues, land restrictions, low levels of organization and education.	Support initiatives aimed at land regularization of quilombola communities. Strengthen partnerships with government agencies with responsibilities and experience with quilombola communities, as well as with social organizations that represent them Explicit project strategies for working with these communities.
Opportunities for indigenous populations	Poor indigenous communities	Poverty among indigenous communities is higher than for rural population as a whole. Part of the problem relates to cultural factors, such as the difficulty of Brazilian society in dealing with indigenous peoples and their traditions. Government agencies and social organizations also face difficulties related with lack of experience regarding non-Amazon indigenous communities.	Strengthen partnerships with government agencies with responsibilities and experience with indigenous populations. Define clear project strategies to work with these communities.

Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats analysis)

Organisation	Strengths	Weaknesses	Opportunities	Threats
Ministry of Planning, Budget and Management (MPOG)	• High impact and capacity of dialogue within government • Work experience with international financial agencies and State governments • Organizational stability	• Heavy workload and lengthy and complex process of project appraisal	• Interest in unlocking forms of financing of state governments to contribute to the resumption of public spending capacity and economic growth • SEAIN could also apply their experience with other projects financed by international agencies to provide inputs that solve bottlenecks and help accelerate implementation of IFAD's portfolio.	• Difficulties to approve state loan-financed projects in a context of fiscal adjustment policies
Ministry of Agrarian Development (MDA)	• Good relationship with rural social movements • Focus on family farming, rural poverty and agrarian reform; responsible for broad set of public policies for family farming, including land reform • Experience with IFAD projects (Dom Helder I and II) • Coordinates the National Council for Rural Development and Family Farming • Increasing resources for family farming programs (Plano Safra da Agricultura Familiar)	• Limited human resources and budget • Limited experience in the implementation of projects financed by loans from international organizations	• Need for improving the coordination among different policies and programmes and for improving the access of potential beneficiaries to them. • The MDA is already implementing the Dom Helder 2 Project, which is conceived as a laboratory for promoting and testing innovations, institutional learning and coordination of policies and programs, with high potential to contribute with a new generation of public policies for rural development • Family farming is an important sector for income and employment generation	• Difficulties to resolve the fragmentation between programmes and policies, in particular social policies, productive policies and territorial development policies • Weaknesses in policy and programme evaluation, identification of learnings and innovations and their upscaling • Poor M&A on implementation and results of projects and programme • Difficulties to reverse the concentration of investment credit from PRONAF in southern Brazil. • Slow progress of implementation of a new

Organisation	Strengths	Weaknesses	Opportunities	Threats
				model of technical assistance, designed after the creation of the National Agency for Rural Technical Assistance
Ministry of Agriculture (MAPA)	• Strong capacity of dialogue with agribusiness • Coordinates important agencies, in particular CONAB (National Food Supply Company) and Embrapa (National Company for Agricultural Research) • Agriculture is a strategic sector for Brazilian economy • Strengthened mandate, with the recent incorporation of the now-extinguished Ministry of Fisheries • Responsibility for the coordination of national sanitary standards of agro-processing facilities; • Responsibility for the national coordination of organic farming certification • Experience with the private sector and marketing/trade both at the local and international level	• Lack of working experience with poor family farming • Role in family farming development questioned by rural social movements	• A recently created Secretariat for Integration and Social Mobility could represent a new institutional space to work with family farming • Several units of Embrapa are working on projects involving family farming • Availability of budget for co-financing	• Difficulties to resolve contradictions between several policies supporting the development of agribusiness and others protecting or supporting the development of family farming
Ministry of Social Development (MDS)	• Responsibility for coordinating an important set of public policies under the national strategy against poverty (Plano Brasil Sem Miséria) • Legitimacy recognized within government and civil society organizations	• Successful programs based on conditional cash transfers, but fragile strategy to promote inclusion based on the development of production and other income generating activities. • Part of the success obtained with the governmental strategy against poverty is due to the capacity of	• The Federal Government is preparing a new phase of its strategy against poverty that reduce its reliance on cash transfers • Experience of IFAD projects could be useful for a new generation of initiatives against poverty based on promoting	New forms of productive inclusion need to reduce its reliance on cash transfers and public procurement and have more relationships with the private sector A more diversified and decentralized approach may be needed to better incorporate

Organisation	Strengths	Weaknesses	Opportunities	Threats
		coordination of MDS, but it involves a certain degree of centralization	sustainable employment and income generation	regional specific features and potential
Ministry of Environment (MMA)	• Responsibility for strategic issues such as climate change, management of areas under environmental protection, and implementation of cash transfer programs for special groups living in those areas; • Responsibility for the largest government-sponsored water desalination programme in Brazil's semiarid region The *Programa Água Doce.*	• Limited human resources and budget • Weak influence on other governmental sectors • Weak working relationship with the private sector	• Brazilian strategy for climate change involves commitments in which family farming can play an important role.	• Difficulties to integrate production-oriented and environmental conservation objectives into policies • Difficulties to involve family farming in decision-making spaces concerning climate change • Need to think about productive inclusion of family farmers beyond traditional production or compensatory activities and strengthen new forms for the use of natural resources uses (energy, economic uses of biodiversity).
State Governments	• High incidence on municipalities • Strategic role for the integration of policies under the existing federative arrangements in Brazil • Knowledge of the local reality • Space for policy-making	• Limited human resources and budget	• IFAD is implementing loan projects in almost all of the states in the Northeast region • The Forum of Secretaries Responsible for Family Farming in the Northeast and Minas Gerais is an important policy space and dialogue, coordination and institutional learning	• Overcome the dependence on Federal policies and strengthen capacities of state governments to introduce innovations
Condraf – National Council for Sustainable Rural Development and Family Farming	• Brings together the main social organizations and part of the governmental bodies involved in rural issues	• The council doesn´t have mandatory power. • Low plurality of intersectoral representation • The council is currently a space for debate rather than for negotiation of strategies	• The council is responsible for conducing periodically multilevel conferences and for reviewing the National Plan for Sustainable Rural Development, an opportunity to propose new references and strategies	• Agricultural bias in membership and themes addressed
Consea – National Council for Food and	• Brings together the main social	• The council doesn´t have mandatory	• The council can play an	• Difficulties to find innovative

Organisation	Strengths	Weaknesses	Opportunities	Threats
Nutritional Security	organizations and some of the governmental bodies involved in food security issues • Legitimacy recognized by private sector and civil society	power	important role in the coordination of private sector and governmental initiatives due to its legitimacy among social entrepreneurs and NGOs	ways to combine the existing public initiatives with a higher involvement of private sector, especially under the framework of social responsibility
BNDES – National Bank for Social and Economic Development	• High investment potential • High technical level of staff • Works directly with Brazil's Northeast states in rural development programmes	• Relatively recent work experience with poor family farmers	• The bank manages two funds (Social Fund and Amazonia Fund) that invest in rural development projects • The Social Fund finances poverty reduction initiatives, it is highly coherent with IFAD projects and applies similar work methodologies	• Risks of restriction in funds availability due to the context of fiscal adjustment.
BNB – Bank of Northeast	• Responsible for the operation of Pronaf (National Program for Strengthening Family Farming) in Brazil´s Northeast. • Work experience with family farming in the Northeast region • High-level technical staff • Stable sources of funding • Availability of funds for studies and planning	• High levels of indebtedness among many poor family farmers	• The bank is supporting an initiative involving the 20 largest cities in the Semiarid of the Northeast region, which could serve to articulate pro-poor projects under a territorial approach. • The bank is also open to partnerships in different areas, such as: acting as borrower and on-lending to the states; act as a co-financier with IFAD in projects that have state governments as borrowers; technical cooperation for evaluation studies; non-lending investments in areas of common interest.	• Need to find innovative ways to invest in rural development
FUNAI – Indigenous National Foundation	• Experience and legitimacy recognized in working with indigenous communities	• Weak work experience in productive projects	• FUNAI is searching for partnerships to work with indigenous communities out of the Amazon region, which concentrates the efforts of	• Need to set up partnership terms and procedures

Organisation	Strengths	Weaknesses	Opportunities	Threats
			international agencies and national NGOs	
FCP – Palmares Cultural Foundation	• Recognized experience and legitimacy in working with quilobolas and afro-descendents communities	• Weak work experience in productive projects and in working with the private sector	• FCP needs to respond to the severe social conditions of quilombolas and afro-descendent communities	• Need to set up partnership terms and procedures
State government agricultural extension services	• In some cases they have a tradition of working with family farming	• With rare exceptions, state government rural extension agencies are weak due to lack of investment and upgrade of their technical staff. • Several of the rural extension agencies are very contested by rural social movements • Bureaucratic slowness	• Some State governments are really interested in strengthening their rural extension services	• Difficulties to overcome bureaucratic slowness and traditional practices.
Non-government providers of technical assistance	• Organizational flexibility • Sensitive to social and environmental issues • Sensitive to innovations	• Organizational instability with high turnover of technicians. • Tensions involving the status of partners or service providers. • Low number of technicians with qualified experience • Low level of knowledge involving non-agricultural issues, such as access to markets and business plans	• Creation of Anater (National Agency for Rural Technical Assistance) should facilitate new forms of service provision. •	• Anater has been recently created, and it is still in the process of defining its basic work rules • Lack of integration between networks of technical assistance providers and those in the agricultural research and academic sectors.
Embrapa – Brazilian Company for Agricultural Research	• Large and qualified technical staff • Good research infrastructure • Focus on value chains, many of which relevant for small farmers • Many research centres distributed in the national territory focused on local technology needs • Work experience and partnerships with IFAD	• Lack of focus on the most strategic issues for sustainable agricultural development • Scattering of scarce resources • Weak linkages with extension services	• Stronger support to technology innovation among small farmers • Project Agricultural Innovation Marketplace, supported by IFAD, can be a good platform for broadening partnership	• Embrapa´s role in the dissemination of standard agricultural technologies and its alignment with the Ministry of Agriculture are criticized by rural social movements and generates resistance to broader and strategic partnerships in some regions.
CONAB – Brazilian Company for Supply	• Very much involved with poverty reduction policies • Presence throughout the national territory • Important for the marketing of family farm produce	• Responsive to political pressure	• In charge of federal government regulatory food stocks and of procurement and sale of food linked to social policies	• Risk of discontinuity of programs due to fiscal restrictions

Organisation	Strengths	Weaknesses	Opportunities	Threats
	• Work experience with IFAD projects			
INCRA – National Institute of Colonization and Agrarian Reform	• Presence throughout the national territory • Exclusive focus on agrarian reform	• Shortage of human and material resources • Little attention to marketing issues • Excessively responsive to pressure from social movements	• Responsible for supporting agrarian reform settlements • Ministry of Agrarian Development is interested in revamping the agrarian reform process after some years of deceleration	• Risk of discontinuity of programs due to fiscal restrictions and conflictive conceptions about agricultural development in Brazil
The World Bank, FAO, BID, IICA, WFP	• Strong presence in some states of the Northeast region • Experience in supporting rural poverty projects and policies in the Northeast	• Difficulties to coordinate the strategies of the different agencies	• Different agencies are working in some states and issues with high level of complementarity.	• Difficulties to overcome the resistance of international organizations to share strategies and procedures
CONTAG – National Confederation of Rural Workers	• Very high capillarity with presence in almost all the municipalities in Northeast region • Considerable level of incidence on the Ministry of Agrarian Development and Secretaries of Agriculture	• Lack of work experience with productive issues. CONTAG is an organization specialized in labor negotiations and public policy negotiations	• CONTAG is discussing the design of a new Alternative Rural Development Project	• Focus on defending the interests of their membership
The Private sector	• Ability to adapt quickly and to respond to new market opportunities	• Limited market opportunities involving rural poor families	• Several companies are searching for partnerships involving social responsibility • There are important leaders in the private sector who are sensitive to projects directed to poor family farmers due to the relevance of food security in the national agenda • Transformation in the structure of supply and distribution networks in the Northeast region, with a higher role of agroprocessing industries and supermarkets, create possibilities to integrate family farming production to value chains	• Lack of supportive policies (trade, input pricing, financial services) and the current business environment (regulatory regime and quality controls, rural infrastructure) could limit the private sector social responsibility initiatives involving productive projects with poor family farmers.

Key file 3: Complementary donor initiatives/partnership potential

Agency	Priority sectors and areas of focus	Period of current country strategy	Complementarity/Synergy Potential
BNDES – National Bank for Economic and Social Development	BNDES is a federal government financial institution that is the main provider of investment credit targeted to ventures that contribute to the development of the country It aims at supporting the expansion of industry, infrastructure, exports, technological innovation, sustainable socio-environmental development and the modernization of public administration. It also finances social investments directed to education and health, family farming, basic sanitation, environment and urban transport.	**2015-2018**	The BNDES operates a microfinance scheme ("BNDES Microcredit") that provides credit to formal and informal micro entrepreneurs who usually do not have access to the traditional financial system. Loans can be used to finance working capital and /or investments such as civil works, machinery, equipment, inputs and materials. Credit is operated through financing operators agents (Oriented Productive Microcredit Institutions - IMPO), which define the loan values and interest rates, according to pre-established limits. The BNDES is the manager of the Amazon Fund (Fundo Amazônia), created in 2008 to raise funds from donations earmarked for non-refundable investments aimed at preventing and monitoring deforestation, and/or the conservation and sustainable use of the Amazon biome forests. The Amazon Fund's main purpose is to promote the protection of the Amazon Ecosystem and its sustainable development. In addition to managing the Fund, the BNDES raises funds, selects projects, and monitors its implementation progress. Resources come from donations and net gains from investments. Projects are supported in areas such as: public forest management and protected areas; control, monitoring, and environmental inspection; sustainable forestry management; and economic activities developed from the sustainable use of the forest. Part of the fund can be applied to other ecosystems. It must be noticed that constraints have been identified in the presentation of good project proposals. The bank also operates a Social Fund, which operates through grants and has the objective of supporting projects in areas such as employment and income generation, urban services, health, education, sports, justice, the environment, rural development and others linked to regional and social development. The fund is financed through a percentage of the bank profits, and the scope of projects supported and types of partners is quite broad. The Bank of Brazil Foundation is a major partner of the fund and has a lot of experience in managing projects. The objectives, approach and methodology of the BNDES's Social Fund is very similar to those applied by IFAD, and the bank staff showed willingness to undertake partnerships with IFAD projects, especially in the ongoing project in Ceará project and a project to be the designed in Maranhão.

BNB – Bank of Northeast	BNB is the leading regional development bank in the country. In addition to commercial operation, the bank focuses on financing development projects, infrastructure and support to strategic economic enterprises for the Northeast region. The bank is the official operator of the FNE – Constitutional Fund for the Development of the Northeast Region, which provides a stable and permanent source of funding for credit from the National Treasury. The bank also operates the PRONAF (Programme for the Strengthening of Family Faming) in the Northeast region, and it has a great and recognized experience in providing financial services for small entrepreneurs and poor people.	**2014-2017**	BNB prioritizes the use of the Constitutional Fund for the Development of the Northeast Region (FNE) for projects that support family farming, including activities such as: encouraging non-agricultural activities in rural areas; development of value-added activities; development and strengthening of value chains; strengthening partnerships to facilitate the access of farmers to technical assistance and training; encouraging the use of technologies to better adapt to drought and semiarid conditions. The BNB has also applied the microcredit methodology for the provision of funds from PRONAF for agricultural production (Agroamigo programme). The bank provides credit under special conditions as well as grants, and has been trying to establish partnerships with the BNDES to channel some of its funds (especially environmental funds). The bank has also a department (ETENE) that carries out policy studies, monitoring, applied research and evaluation. Potential partnerships with IFAD might involve several modalities: a) Provision of financial services by BNB to beneficiaries of IFAD projects; b) BNB acting as a borrower of an IFAD loan project; c) joint implementation and funding of studies and other knowledge management activities; d) co-financing of loan projects; e) provision of BNB applying non-reimbursable funds complimentarily with IFAD support.
World Bank	The World Bank has significant experience in projects aimed at reducing poverty and supporting land access, which involved the Project Against Rural Poverty (PCPR) implemented by state governments, the *Cédula da Terra* Project and the Land Credit Programme (Programa de Crédito Fundiário). As a result of its last Country Partnership Strategy, the World Bank strengthened its partnership with the federal government, according to 12 priorities that are in line with the federal government's strategy. Bank projects focus on three fields: a) Human development (education, health, nutrition, poverty reduction, rural development; b) Regional development (infrastructure); and c) Private sector development	**2012-2015**	World Bank has operations in many areas where there is or there will be projects supported by IFAD. Complementary investments can be analyzed at the project design phase and during implementation. Another possibility of cooperation involves the joint participation in knowledge management activities, such as conducting studies and research of common interest and cross-country assistance initiatives, and policy dialogue.

Inter-American Development Bank	IADB works with the three levels of government, having a high proportion of its portfolio being implemented by subnational agencies. The strategic priorities are: social and productive inclusion (including social protection, health, education, and labour market), infrastructure (transportation, water and sanitation, and electric power), sustainable cities (urban development and public safety), strengthening institutional capacities (public and fiscal management), natural resources management and climate change, and private sector development (development of production and capital markets, tourism, science and technology). Cross-cutting issues relevant for all activities of the IADB in Brazil are regional cooperation and integration, respect for biodiversity, and the reduction of regional economic inequalities, with greater emphasis on the Northeast and Northern regions. Loans currently cover four main sectors: infrastructure (transportation and energy); reform/modernization of the State; water and sanitation; financial markets.	**2012-2014, updated in 2013**	Possibilities of cooperation involves conducting studies and research of common interest, knowledge management and policy dialogue on rural development issues like support to land reform settlements, microfinance, infrastructure for rural development and the development of rural businesses.
FAO	FAO had an active role in the early stages of development of the Fome Zero Programme (a broad set of government interventions to reduce poverty and improve food security that started in 2003). In addition, it has national and regional technical assistance projects that cover topics like animal health, training in land policies, environmental issues, rural development and South-South cooperation.	**N/A**	Possibilities of cooperation involves conducting studies and research of common interest, knowledge management and policy dialogue on rural development issues like food security and land reform. Another area of potential partnership is South-South cooperation, as FAO has played an important role in South-South cooperation among some Latin-American and African countries.

IICA – Interamerican Institute for Cooperation in Agriculture	IICA has developed partnerships with many government agencies and state governments in Brazil, providing technical assistance and working on knowledge management involving mainly the following fields: rural sustainable development; natural resources and climate change; animal and food health; agribusiness and commerce; technological innovation. It has a particular emphasis on the Northeast region. IICA is currently IFAD´s partner in the implementation of the knowledge management SEMEAR Programme. It also has operational Technical Cooperation Agreements on project implementation with the Executing Agencies of three IFAD Projects in Northeast Brazil: PROCASE in Paraíba; Projeto Viva o Semiárido (PVSA) in Paiuí; Projeto Paulo Freire (PPF) in Ceará, and is concluding one such arrangement with the Dom Helder Câmara Project (MDA/SDT).	**N/A**	IICA can be an important partner notably because of its dialogue with the MDA and some state governments in the Northeast. Partnership focused on knowledge management that involved the implementation of the SEMEAR Programme could be strengthened, including collaboration in studies of common interest and exchange of experiences about the use of sustainable technologies of agricultural production, and south-south cooperation within Latn America, all are subject on which IICA has experience. IICA has also played an important role in the creation and development of a network of experiences on territorial development policies involving several national governments in Latin America that could be useful in South-South joint activities.
CAF – Development Bank of Latin America	CAF is a development bank created in 1970, owned by 19 countries and 14 private banks in the region, which promotes a sustainable development model through credit operations, non-reimbursable resources, and support in the technical and financial structuring of projects in the public and private sectors of Latin America. In Brazil, CAF supports initiatives in infrastructure, productive transformation, urban mobility, energy efficiency, telecommunications, tourism, environment, SMEs, microfinance, knowledge, institutional strengthening, through the development and financing of projects in the public-and private sector operations credit and grant resources.	N/A	CAF can be a partner in the preparation of a climate change assessment study for the Zona da Mata region, in connection with a new project in Pernambuco that is part of the project pipeline in the COSOP period.

Key file 4: Target group identification, priority issues and potential response

Typology	Poverty Level And Causes	Coping Actions	Priority Needs	Support from Other Initiatives	COSOP Response
Poor family farmers (with land tenure, regardless of formal status)	36% of the population in rural households in the Northeast region are below the poverty line; 25.7% of the 3.1 million family farming households in the Northeast region are poor. 8% of the population in rural households and 10.1% of the family farming households in the Northeast region are below extreme poverty line (less than 70 reais/month, around US$ 17/month in 03/10/2015). Among extreme poor farmers: • 99% face land shortages • 22% don´t have access to the cash transfers government programme (Bolsa Família) • 99% depend on informal labour opportunities • 30% have their workforce under-utilized	• Cash transfers are the main sources of income • Production used mainly for self-consumption • Many also work as casual labourers	• Increase income from agriculture • Increase non-farm income opportunities • Access to social protection policies • Access to markets • Support to collective organization	• 88% have access to cash transfers social programme (Bolsa Família) • Very limited access to agricultural development programmes or to support from government technical agencies.	Support innovative projects and coordination of public policies in order to: • Facilitate access to food public procurement programmes • Facilitate access to credit and technical assistance to diversify production and increase productivity and production • Support the access of poor farmers to local markets through creation of new local market-places with the participation of poor farmers or improvement of existing ones • Strengthen the capacities of farmer organizations to participate in non-institutional, private markets. • Strengthen capacities of rural households to carry out non-agricultural activities • Support farmer organizations (informal groups, associations and cooperatives), for storage, processing and marketing of production

Landless households, poor rural workers (temporary or permanent)	Landless households are part of the 36% of the population in rural households in the Northeast region below the poverty line, and part of the 8% below extreme poverty line mentioned above. Specific causes of poverty among this group are: • Lack of productive assets, especially land • Seasonal employment and low wages • Very precarious working conditions • Inadequate housing conditions • Limited access to social infrastructure and social services • High illiteracy and low professional qualification	• Seasonal employment as workers in commercial agricultural holdings • Daily local work • Permanent or temporary migration to urban areas • Diversified household income (domestic work or precarious jobs in urban areas) • Cash transfers	• Access to land • Access to rural infrastructure and social services – education, health, housing, nutrition • Technical training • Better labour conditions and opportunities • Financial resources for agricultural and non-agricultural activities • Technical assistance for agricultural production or diversification	• Agrarian reform settlements • Microcredit • Cash transfers programmes (Bolsa Família) • Food distribution • Training and adult literacy programmes	Target this group in innovative projects and policy dialogue in order to: • Improve access to public policies, social services and infrastructure • Create employment and income opportunities • Support new non-agricultural activities and market-oriented micro and small rural businesses • Strengthen social and economic organization
Women from poor rural families	Family farms headed by women in Brazil have performed worse than average in reducing poverty over recent years. This has led to a feminization (if we define feminization by household head) of extreme poverty, which is a relatively recent phenomenon. In the Northeast region, the percentage of households headed by women in extreme poverty and poverty has increased in recent years (respectively from 7% to 8,5% and from 16% to 17%) and are higher than those headed by men (7% and 16%, respectively). Additionally, rural women suffer more the constraints of a social environment marked by discriminating practices.	• Cash transfers are the main sources of income • Production used mainly for self-consumption • Many also work as casual labourers • High workload (agricultural tasks + domestic work)	• Rights recognition and gender equity • Increase income from agriculture • Increase opportunities for non-farm income generation • Access to social protection policies • Access to markets • Support to collective organization	• Cash transfer programmes (Bolsa Família) • Organizational and educational support by NGOs and rural social movements • Agricultural development programmes, but with limited participation	Definition of clear gender strategies in projects in order to: • Prioritize initiatives that enhance participation and forms of inclusion of women in the general strategies designed for poor family farmers • Raise awareness among rural men about the importance of women's participation in the various dimensions of local social life.

Rural youth from poor families	Young people suffer more the scarcity of opportunities for income generation and employment in rural areas due to their subordinated role in families. Poor image of rural labor opportunities when compared with those available in urban areas Migration to urban areas is one the main strategies of the rural youth, with dramatic negative social and economic effects on the rural areas that they leave behind. **Note**: No recent available statistics of poverty and extreme poverty for this group	• Dependency on cash transfers received by the family • Work on agricultural production, frequently without compensation • Many also work as casual labourers • Migration to urban areas	• Diversification of labour opportunities, including non-agricultural activities in rural areas • Increase opportunities for non-farm income generation • Social recognition • Improvement of educational environment and opportunities • Strengthen participation in family decision-making • Improve the image of labor opportunities in rural areas as compared with those available to urban youth.	• Organizational and educational actions by NGOs and rural social movements	• Definition of clear strategies for the youth in every project in order to prioritize initiatives that enhance participation and consideration of the youth in the general strategies designed for family farmers
Poor quilombolas/ afrodescendents communities	Poverty among quilombolas/afro-descendent communities is much higher than for the rural population as a whole. • 75% of the quilombolas are under extreme poverty line (61% living in Northeast)	• Cash transfers are the main sources of income • Agricultural production mainly for self-consumption	• Land entitlement • Access to capital to improve or develop community infrastructure • Increase agricultural income • Increase opportunities for non-farm income generation • Access to social protection policies • Access to markets • Support to collective organization	• Target group for ethnic equity policies • Agricultural development programmes, but with limited participation	• Explicit project strategies for working with these communities • Support initiatives aimed at land regularization of quilombola communities • Strengthen partnerships with government agencies with responsibilities and experience with quilombola communities, as well as with social organizations that represent them

Poor indigenous communities in Northeast region	Poverty among indigenous communities is higher than for rural population as a whole. • 40% of the indigenous population are under extreme poverty line (23% living in Northeast)	• Production used mainly for self-consumption • Fragile access to infrastructure and social services • Cultural factors difficult Brazilian society in dealing with indigenous people and their traditions	• Access to infrastructure and social services • Increase income from agriculture and non-farm opportunities • Access to social protection policies • Support to collective organization	• Targeted policies for indigenous population • Agricultural development programmes, but with limited participation.	• Strengthen partnerships with government agencies with responsibilities and experience with indigenous populations • Define clear project strategies to work with these communities.

Natural resources management and climate change adaptation: Background, national policies and IFAD intervention strategies

1. Background

1. Brazil, and in particular the rural Northeast region –where IFAD will concentrate its operations during the next COSOP period—is affected by challenges related with the environment and climate change. The Northeast is characterized by the presence of three major ecosystems: caatinga, cerrado (savannah) and mata atlantica (atlantic forest).

2. The caatinga biome is the main ecosystem in the semiarid Northeast, which is where most of the rural poor live, covering about 11% of Brazil's total area that includes large parts of the states of Bahia, Ceará, Piauí, Pernambuco, Rio Grande do Norte, Paraíba, Sergipe, Alagoas, as well as the North of Minas Gerais. The caatinga biome is characterized by rains below 800 mm/year and in large parts of the region less than 400 mm/year. Irregular and low rainfall across much of the Semiarid have led to a chronic problem of water shortages, which represent an obstacle to the development of agricultural activities, particularly to smallholders and poor communities. It is one of the most vulnerable regions of the country to change and climate variability, particularly those associated with drought and floods.

3. The caatinga biome has been affected by the expansion of crops and pastures, which has been associated with deforestation and the still common practice of slash and burn. Other important problems are erosion, associated with deforestation and the use of inadequate agricultural practices, salinization caused by irrigation, loss of organic matter due to the use of burning, biodiversity loss, pest and diseases due to the expansion of crops cultivated as monoculture.

4. The cerrado biome (savannah) occupies the western part of Bahia and the south of Maranhao and Piaui. It is characterized by higher rainfall than the semiarid region, and has been highly transformed during the last few decades by the expansion of soybean cultivation over lands previously occupied by pastures and livestock production. The production of soybean is highly mechanized and characterized by an intensive use of chemical/synthetic inputs.

5. The mata atlantica or zona da mata (forest zone) is a coastal sub-region of northeastern Brazil that extends from the state of Rio Grande do Norte to the south of Bahia, formed by a narrow strip of land to the continental patterns of Brazil. The name "Forest Zone" due to the Atlantic forest that originally covered the region, but currently is nearly extinct. It is characterized by a tropical humid climate and its transformation has been strongly influenced by the expansion of the cultivation of sugarcane since the 16th century. Sugarcane has covered a large part of the zona da mata, being cultivated under a production system characterized by the practice of monoculture, an intensive use of labour, and the absence of irrigation. Between the 16th and the 20th century, the zona da mata was one of the most important world producers of sugarcane. However, sugarcane production has experienced a sharp decline, especially in the last two decades, because of lower competitiveness than other regions like Brazil's Centre-South, decline in productivity, lack of investments in industrial infrastructure, and negative effects of climate change (higher temperatures and frequency of droughts). Many sugarcane companies have gone bankrupt since the 1990s, leaving thousands of workers unemployed.

6. The study carried out to inform the preparation of the COSOP found that Brazil will experience increases in temperatures in the next few decades, higher variability of interannual rainfall, and higher frequency of extreme events. It is expected that the country's Centre-West region will experience the highest increase in average temperatures over the next few decades and there will be an expansion of this trend to the North and Northeast regions as well, mostly in their central areas. For the summer, projections estimate an increase in mean temperatures by the end of the century of about 3 degrees Celsius to 8 degrees in the North region and of about 2 to 6 Celsius degrees in the Northeast region.

7. The North and Northeast regions would also experience higher interannual variability of rainfall during the rainy season. The northeastern part of the Northeast region is expected to experience an increase in rainfall during the summer. Uncertainties are higher regarding rainfall patterns, and the variability of rainfall between different years is expected to increase. Extreme events, in particular droughts, are expected to grow both in their frequency and in intensity. Expected consequences of this new climatic pattern are more constant droughts, as well as excess in rainfall, sometimes in the same region during different years.

8. Thus, smallholders will face higher risks of crop losses due to an increase in climate variability and more frequent extreme events. This will mean that the current social vulnerabilities of family farmers are likely to increase if the expected impacts of climate change occur in these regions.

9. In the analysis made by the background study, a set of crops were selected based on their current relevance for family farmers in the Northern and Northeast regions, in order to find out the outcomes in terms of food security, mostly for poor rural communities. Crops assessed in the Sertao (semi-arid) and Cerrado (savannah) biomes present in the Northeast region were cotton, pineapple, banana, cocoa, coffee, cashew, coconut, bean, cowpea bean, cassava and corn/maize. In addition to these crops, the açaí berry and cupuaçu were also considered for the Amazon region. The study found that the areas cultivated with most of these crops would be significantly reduced in the Northeast and North regions because of climate change, leading to a significant decrease in production. The whole area corresponding to the Northeast semi-arid and the northeastern savannas— southern Maranhão, southern Piauí and western Bahia— are expected to be hit the hardest. Soybean and coffee would be the crops most affected by production losses. Sugarcane and cassava would suffer less than other crops. Even under the same rainfall pattern, evapo-transpiration is expected to increase and so the water needs of crops. In addition, the incidence of pests is likely to increase. Ongoing processes of deforestation and soil erosion would also worsen with the expected changes in climate.

10. To conclude, the impacts of climate change are likely to pose a threat to agricultural production and food security in rural communities that rely on such crops. Nevertheless, it is important to clarify that these potential impacts of climate change are based on the 'Business-as-Usual' scenarios, which is usually the methodology employed when an assessment is made from the perspective of climate change. Despite possible negative future scenarios for many of the crops assessed, it would be possible to reduce vulnerabilities and increase resilience with early planning and the adoption of innovative techniques.

11. To analyse the possible responses of family farming to the adverse impacts of climate change, it is crucial to better understand the problems that currently affect them from the point of view of the three dimensions of sustainable development: social, economic and environmental, and which could be aggravated by changing temperatures and precipitation rates and/or extreme weather events. The problems faced by family farmers in the Northeast and Northern regions of Brazil relate with poverty and its causes and effects: difficulties in access to land; migration to cities; fragmentation of

landholdings; illiteracy; environmental degradation due to intensive use of natural resources (e.g. wood as source of energy and sugarcane monoculture, among others); and health problems that reduce household labour supply and the capacity for food production. The current social vulnerabilities of these populations are likely to increase because of the climate change features expected to occur in these regions.

12. During the last few decades, some economic activities (large-scale agribusiness, livestock, and mining activities) have gained ground at the expense of family farming, leading to further negative effects on them, including significant increases in the production costs of some crops, and difficulties to access land, seeds and product markets. These negative effects could potentially be amplified in the context of climate change. In spite of the relevance of family farming in Brazil, the study found that literature regarding family farming and climate change is scarce.

2. National policies

13. Various government programs and initiatives in Brazil deal with environment and climate change. On climate change, most of the programs and actions implemented do not have the direct objective of reducing greenhouse gas emissions, although they do have significant impacts on emission reductions from different sources. In 2007, the federal government created an Interministerial Committee (CIM) comprised of 17 ministries and an Executive Group on Climate Change - GEx– under the coordination of the Ministry of Environment and which reports to the CIM, with the responsibility of elaborating, implementing, monitoring and evaluating a National Plan on Climate Change. The Ministry of Agrarian Development (MDA) is part of the Interministerial Committee, but it has not been included in the Executive Group on Climate Change (GEx). This may impose some constraints in the direct consideration of issues related to family farming in climate change policies and regulations. The Ministry of Agriculture, Livestock and Supply (MAPA), is part of this Executive Group. As a result of GEx's work, a bill for the National Policy on Climate Change was submitted to the Legislative Branch and a National Plan on Climate Change was drafted. The National Plan was launched in December 2008, and later the National Policy on Climate Change was approved, leading to a review and update of the National Plan.

14. As a result of the provisions of the National Plan, a Mitigation and Adaptation Plan for a Low Carbon Agriculture and Livestock Sectors, known as National ABC Plan, was prepared and established by Interministerial Ordinance nº 984/13, jointly approved by MAPA and MDA,. It aims to promote the mitigation of GHG emissions in agriculture, improving an efficient use of the natural resources, increasing resilience of the productive systems and rural communities, and finally enable the adaptation of the crop-livestock business sector to climate change. The MAPA and the MDA share its coordination through a commission in which also participate the Chief of Staff Office, the Ministry of Finance, the Ministry of Environment, the Brazilian Agricultural Research Corporation (EMBRAPA) and the Brazilian Forum on Climate Change.

15. From the operational point of view, State Management Groups are being created, which will be in charge of promoting coordination and articulation of the Sector Plan for Agriculture in the states.

16. One of the relevant instruments is the National Fund on Climate Change (FNMC), created by Law nº 12,114 in December 2009. It is an accounting-based fund under the Ministry of the Environment aimed at ensuring resources to support projects and studies and to finance undertakings that aim at mitigating climate change and adapting to climate change and its effects. Its resources are constituted as follows: up to 60% of the proceedings from the special share in the oil production volume, donations appropriated in the Federal Government's Annual Budget Law and in its additional credits, among others. The FNMC's financial agent is the BNDES. One of the main lines of funding under

the Climate Fund that may be in the scope of family farming, especially those activities related to extractive activities, is the one of native forests, which is aimed at projects related to sustainable forest management; the reforestation project with native species, including the production chain; processing and consumption of forest products from sustainable sources; and technological development of these activities. Nevertheless, the Climate Fund has been criticized for being excessively bureaucratic and with interest rates higher than other funds.

17. Another instrument is the Amazon Fund, created in August 1, 2008, derived from a proposal presented by the Brazilian government during the The 13th session of the Conference of the Parties to the UNFCC held in Bali in December 2007, aimed at creating a mechanism to support deforestation reduction efforts in the Amazon. The BNDES is in charge of the management and administration of the fund, which aims at capturing donations for non-reimbursable investments in actions that can contribute towards preventing, monitoring and combating deforestation, as well as initiatives that promote the conservation and sustainable use of the Amazon biome, as per the terms of the decree. The Amazon Fund supports projects in the following areas: management of public forests and protected areas; environmental control, monitoring and surveillance; sustainable forest management; economic activities carried out from sustainable use of the forest; ecological and economic zoning, land planning and land compliance; conservation and sustainable use of biodiversity; and recovery of degraded areas. The Amazon Fund can also support development of deforestation monitoring and control systems in other Brazilian biomes, and even in other tropical countries.

18. In the North and Northeast regions of the country, many fora have been established by state decrees, but their implementation are in different stages. The most active state fora in the Northeast are in the states of Pernambuco and Ceará and there are also fora in Piauí, Bahia and, more recently, in Maranhão. The states of Alagoas, Sergipe and Rio Grande do Norte have not yet consolidated these instances. In 2011, as part of its efforts to combat climate change, the state of Pernambuco produced its State Plan on Climate Change.

19. Another relevant tool that may contribute to the success of public policies for family farming is the Rural Environmental Registration (Cadastro Ambiental Rural) - CAR. CAR is an electronic register whose final goal is to integrate environmental information on the legal situation of Permanent Preservation areas (Área de Preservação Permanente) - APP, Legal Reserve areas, areas of forests and remnants of native vegetation, Restricted Use areas and consolidated areas in rural properties and settlements across the country. CAR is required and compulsory for all rural establishments.

20. Family Farming Safra Plan 2015/16 has moved a considerable amount of resources to the elaboration of CAR and into agro ecological production. Due to the low accession to the CAR programme until May 31, 2015, only 53.56% of the rural population had registered themselves

3. IFAD intervention strategies

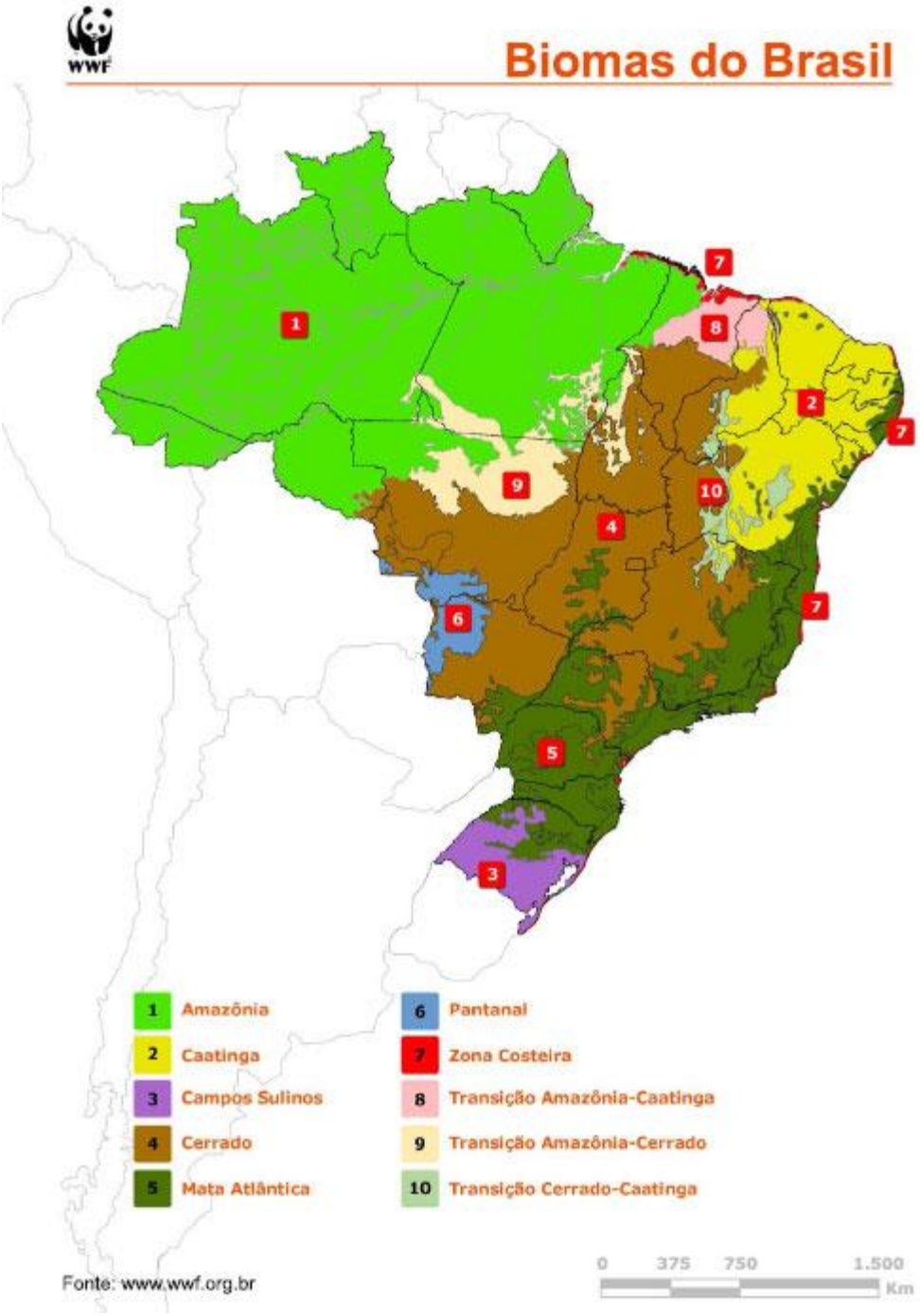
21. IFAD's programme will support family farmers to improve their management of natural resources and adapt better to the effects of climate change. Through technical assistance and financing of infrastructure, projects will support changes in family farmers' agricultural production systems, including: a) financing of water storage infrastructure for cattle production and on-farm small-scale irrigation --along with appropriate technical assistance-- especially for the organic production of vegetables, in order to increase production and reduce farmers' vulnerability to projected increases in average temperatures and more frequent incidence of droughts; b) use of organic practices that reduce the risks of the effects of climate change, including the use of seeds adapted to local conditions, agroforestry production systems, soil conservation practices,

multiple cropping, and organic instead of synthetic inputs; c) focus of technical assistance on methods to reduce the vulnerability of production systems to climate change; and d) support to income generating activities associated with the conservation of native forests and the valorisation of biodiversity, such as bee keeping, agroforestry, and the traditional cultivation of products from natural forests, such as umbu and babassu palm. Projects could also support the implementation of a climate information and alert system.

22. Investments in infrastructure and equipment financed by projects will be small-scale, channelled through beneficiary organizations, and accompanied by technical assistance and training to strengthen managerial, organizational, and technical capacities, including those related with environmental and natural resources conservation. Projects will also provide on-farm technical assistance that applies participatory techniques, values local knowledge, and addresses the specificities of different beneficiaries (indigenous populations, communities of afrodescendents, women, young people, and land reform settlements, former workers of the large-scale monoculture crop industry, such as sugarcane).

23. IFAD projects will strengthen the awareness about climate change among stakeholders representing the interests of family farming and their participation in policy discussions to deal with its potential effects and the mobilisation of funding to implement the defined measures.

24. An important new feature of IFAD's strategy for the next period is that projects will cover not only the semiarid zone or caatinga biome, but also other ecosystems in the Northeast region. More specifically, a new project is expected to be formulated in 2017 that will focus its intervention in the zona da mata of the state of Pernambuco. One of its main objectives will be to support the diversification of agricultural and livestock production and the development of non-agricultural activities, with a particular concern for environmental sustainability and the access to markets. In this way, it will attempt to solve the problem of poverty and unemployment caused by the decline of sugarcane cultivation, through the support of production systems that also reduce negative environmental effects of agricultural practices and promote farmers' adaptation to climate change. Sustainable production systems will be promoted in lands continuously cultivated with sugarcane.


WWF
Biomas do Brasil
1 Amazônia
2 Caatinga
3 Campos Sulinos
4 Cerrado
5 Mata Atlântica
6 Pantanal
7 Zona Costeira
8 Transição Amazônia-Caatinga
9 Transição Amazônia-Cerrado
10 Transição Cerrado-Caatinga
Fonte: www.wwf.org.br
0 375 750 1.500
Km

Country at a glance[i]

General data
Land area (km2, thousand) - 8,514
Total population (million) 2015 - 204.9
Population density (people per km2) - 2010 - 24
Local currency Real (R$)
Exchange rate: US$1 = R$ 3.85 (October 2015)
GDP 2014 – R$ 5.5 trillion
GDP per capita 2014 – R$ 27,229
GDP per capita annual growth – 2012/2014 average – 1.2%
Inflation, IPCA (annual %) 2014 – 6.14%
Social indicators
Population (average annual growth rate) 2001/2010– 1.17%
Crude birth rate (per thousand) 2014 – 14.47
Crude death rate (per thousand) 2014 – 6.06
Fecundity rate (children per women) 2014– 1.72
Infant mortality rate (per thousand live births) 2014 – 14.,4
Life expectancy at birth (years) 2014 – 75
Number of rural poor (million)[ii] 2012 – 7.7
Number of rural extreme poor (million)[iii] 2012 -3.0
Poor as % of total rural population 2012 – 23.8
Extreme poor as % of total rural population 2012 – 9.2%
Economic Active Population (million) 2014– 24.3
Female labour force as % of total 2010 – 44%
Education
School enrolment, 6/14 years of age (% gross) 2014– 97%
Adult illiteracy rate (% age 15 and above) 2014 – 8.7%
Nutrition
Malnutrition, population - 2014 (millions)[iv] – 3.4
Health
Health expenditure, total (as % of GDP) 2014 - 9
Doctors (per thousand people) 2014 – 1.95
Agriculture and food
Fertilizer consumption 2014 (million tons)[v] - 32
Food production index (2004-06=100)[vi] - 137
Land Use
Arable land 2012 (million hectares) - 375
Forest area 2012 (million hectares)[vii] - 516
Irrigated land 2014 (million hectares) – 6

Economic indicators
GDP 2014 (US$ billion) – 2,346
GDP growth (annual %) 2013/2014 – 0.,1%
Sectoral distribution of GDP – 2014 % Agriculture – 5.6 % Industry - 23 % Services – 71
Composition of GDP- 2014 Household consumption – 62% Government consumption – 21% Gross capital formation – 16.5%
Balance of Payments - (US$ billion)
Merchandise exports 2014– 225.1
Merchandise imports 2014 – 229
Balance of merchandise trade 2014 – 3.9 (-)
Current account balances 2014 – 90.4 (-)
Foreign direct investment 2014 – 62
Government finance
Cash surplus/deficit 2014 - (% of GDP) – 0.6%
Total internal debt 2014 (% of GDP) – 39.4%
Total external debt 2014 (% of GDP) – 2%
Public sector net debt 2014 (% of GDP) - 36%
Basic interest rate (% annual) October 2015[viii] – 14.25%

[i] Unless specified, data are from IBGE and Central Bank. All data published in the respective web sites.
[ii] Uses official estimates poverty line and National Household Survey (PNAD/IBGE)
[iii] Uses official estimates extreme poverty line and National Household Survey (PNAD/IBGE)
[iv] FAO
[v] ANDA and Ministry of Agriculture
[vi] The World Bank
[vii] Ministry of Environment
[viii] SELIC Interest Rate. Brazilian prime rate of interest.

Poverty Profile: The Rural North and Northeast Regions of Brazil

1. Rates of poverty and extreme poverty have decreased significantly in Brazil over the last 10 years. The prevalence of poverty dropped from 20 per cent to just over 9 per cent of the population, while the prevalence of extreme poverty fell from 7 per cent to 4 per cent in the same period. A continued decrease is unlikely in the future, however, as two of the factors driving the decrease face limitations or significant problems: the labour market and social spending—most notably, social insurance and assistance.

2. The reduction in poverty has not been accompanied by changes in its principal characteristics or profile. There has been little change at the regional level: the North and Northeast regions still demonstrate the highest rates of poverty (as do rural areas in all regions).

3. Before discussing our key findings about the poverty profiles of the North and Northeast regions of Brazil, we must first clarify certain concepts that form the basis of the analysis that follows. First, we define the poverty and extreme poverty lines; second, we offer an alternative to the official 'rural/urban' definition set forth by the Brazilian Institute of Geography and Statistics (IBGE).

4. In 2003 the Federal Government set the monthly per capita income of BRL50 and BRL100 as the thresholds for defining extreme poverty and poverty, respectively, under the Bolsa Família (BF) programme. Since then, these thresholds have been used by many scholars as nearly official poverty and extreme poverty lines, adjusted only by consumer inflation each year. They are quite useful for often being similar to the lines commonly used in international comparisons—i.e. USD1 and USD2 per capita per day. In June 2011, with the institution of the Brasil sem Miséria programme, the extreme poverty and poverty lines were officially set at BRL50 and BRL100 (or BRL70 and BRL140 when adjusted for inflation) in Presidential Decree 7492 of 2 June 2011. We have adopted these poverty and extreme poverty lines for the purposes of the study.

5. A peculiarity of Brazil is the fact that 'rural' is a concept just as complex as 'poverty'. It is up to municipal mayors to determine whether a given region constitutes a rural area; the IBGE is legally obliged to accept the designation declared by a municipality. If a mayor defines a given area as urban, they will be entitled to collect taxes on urban properties. Not only do rural areas yield significantly fewer taxes, but the mayors must also share half of their tax revenue with the Federal Government. This agreement gave rise to a controversial and somewhat unreliable definition of what constitutes 'urban' and 'rural' in Brazil.

6. In our analysis of the poverty profiles of the North and Northeast regions of Brazil, we have adopted four definitions for 'rural settings' and used the official rural/urban seals issued by municipalities as one of the three criteria. The other criteria refer to our classification of a household as agricultural or not. Our categories are as follows:

1. Agricultural households: where at least one household member is employed in agriculture, and 67 per cent or more of labour income originates from agricultural activities

2. Pluriactive households: where at least one member of the household is employed in agriculture, but less than 67 per cent of labour income is derived from agriculture

3. Non-agricultural rural households: households located in officially designated rural areas but without any household members working in agriculture

4. Non-agricultural urban households: households located in officially urban areas but without any household members working in agriculture.

7. With the concepts of poverty and rurality duly clarified, an analysis of the main characteristics of poverty and extreme poverty in the North and Northeast regions follows.

8. First, let us go over the content of our full report on the poverty profiles. We begin the report with a relatively detailed analysis of the evolution of poverty according to the two aforementioned semi-official poverty categories and the four analytical categories of rural areas. In addition to concluding that poverty and extreme poverty have decreased, while simultaneously quantifying this reduction, the poverty profile report also investigates the relationship between this decrease and changes in 'rurality'—that is, demographic changes in the four previously defined groups.

9. The full report also estimates a comprehensive set of indicators and their evolution for extremely poor, poor and non-poor households in each of the four rural categories. This was done for each state in the North and Northeast regions of Brazil, and for each year between 2004 and 2013—with the exception of 2010.

10. Municipal poverty maps were generated for all 16 states for 2000 and 2010. Poverty maps are also available for each of the four rural categories. Notable findings from the poverty profile report are as follows. Extreme poverty fell by almost half (from 7.6 per cent of Brazilians in 2004 to 4.0 per cent in 2013), and poverty fell by more than half (from 22.4 per cent to 8.9 per cent). Even more impressive than the overall decrease of poverty in the country, however, is the decrease in poverty among agricultural households. In 2004 the rate of extreme poverty in agricultural areas was nearly three times the rate of overall extreme poverty; by 2013 the two rates were nearly identical.

11. Almost as impressive as the rapid decrease in poverty in agricultural households is the stability of poverty rates in pluriactive households. The extreme poverty rate of pluriactive households in 2013 was almost the same as a decade earlier, in 2004. This may be partly due to intergroup migration. These households derive a small share of their income from agriculture and seek to supplement it through other economic activities. However, despite considerable intergroup migration, 94 per cent of the decrease in extreme poverty and 91 per cent of the decrease in poverty are due to changes within the groups, rather than intergroup migration.

12. In this context, it is important to analyse the characteristics of both agricultural and pluriactive households to better understand what leads these families to poverty and what may have contributed to such a significant drop in poverty among agricultural households. The variables that define the main problems we have selected are:

1. insufficient land (area is smaller than the average Tax Module for the Unit of the Federation);

2. households with no BF beneficiaries;

3. households with one or more elderly individuals but no recipients of retirement or other pensions from the Federal Government;

4. informal work;

5. underemployment (fewer than 20 working hours a week); and

6. job search during the reference week, considering the economically active population (EAP).

13. Nearly all residents in extremely poor agricultural or pluriactive households in the Northeast region have insufficient land, work informally and live in households with one or more elderly individuals but no retirement pension. Job search does not seem to differ between the household types (around 11–13 per cent in both cases). Among residents of pluriactive households, a fifth work fewer than 20 hours a week; in agricultural households, this share rises to almost a full third. In the Northeast region, the biggest difference lies in the residents in pluriactive households concerning the receipt of BF benefits. In 2013, 37 per cent received the benefit, whereas only 22 per cent received the benefit in agricultural households.

14. In the Northeast region, pluriactive households seem to be the only survival alternative for families living under extreme poverty. Assistance benefits (such as BF) do help but are not enough to pull these families out of extreme poverty. There must be social policies in place that focus on smallholder farmers and take into account the vulnerabilities of families who make their living out of family farming.

15. In the North region, the drop in poverty has been less pronounced than in the Northeast and in Brazil as a whole. The persistence of extreme poverty in the North—particularly among pluriactive and non-agricultural households—remains of particular concern. Their poverty rates are almost the same in 2013 as they were in 2004. No doubt, this a worrying trend, considering the widespread fall of poverty during this period.

16. Although the North region is less poor than the Northeast, it has seen slower progress when compared to other regions of the country. Poverty among agricultural households in the Northeast fell from 65 per cent to 36 per cent—a fairly significant decrease—but many people remain in poverty.
Extreme poverty among agricultural households dropped from 30 per cent to 8 per cent in the Northeast. However, it remains the region with the highest extreme poverty rate among agricultural households in the country.

17. These results suggest that pluriactive families may be a problem. They present high poverty rates that are not declining. Agricultural households are also a problem, considering that they remain the poorest category in the North and Northeast regions. The fact that agricultural households in other regions have reached the same levels of poverty and extreme poverty as the general population, and that poverty has fallen more quickly among them than any other category, suggest that agricultural households may also be a solution.

18. The characteristics of poor households are a crucial part of any poverty profile. As such, the report also includes an analysis of the characteristics of the heads of the households, household infrastructure and access to public services.

19. While men and women are, almost by definition, equally as likely to be subjected to poverty or extreme poverty, one potentially important gender issue refers to households headed by women. In 2006 the levels of extreme poverty of households headed by women were the same as those of all households; from 2007 onwards poverty decreased faster among the latter compared to households headed by women. This led to a feminisation (here we define feminisation according to the gender of the head of household) of extreme poverty that was unprecedented in Brazil's history.

20. Essentially, our analysis shows that the feminisation of extreme poverty in Brazil appears to be a result of migration to urban areas and the declining advantage of agricultural households headed by women compared with the other types of households also headed by women. In the North, the situation is relatively the same. When we analyse each region separately, the feminisation of extreme poverty seems to be a more prevalent phenomenon in the other regions of Brazil than in the Northeast.

21. The integration of youth into the economic system is a global issue. However, when we look at rural poverty, the youth appear to be more vulnerable than any other group—both in Brazil as a whole, as well as in the North and Northeast specifically. That does not mean, however, that there are no important specificities to Brazilian youth in the North and Northeast regions; it just means that they are not directly related to poverty. Young people face significant unemployment problems and challenges in education, in addition to being a group notoriously at risk of certain criminal behaviours. All this poses a significant challenge for youth-oriented public policies, although these facts are not directly related to their poverty status as defined by the poverty lines adopted here.

22. We know that defining poverty purely in terms of income fails to account for all that poor people lack. There are still challenges, both in terms of access to certain goods by the Brazilian population—such as refrigerators and computers — as well as access to public infrastructure services, such as sewage and piped water supply.

23. The increase in the population's access to private infrastructure significantly outperforms access to public infrastructure. In particular, universal sewage coverage—either through the general sewage network or septic tanks—remains a challenge in the North and Northeast regions, as well as in Brazil as a whole.

24. Between 2004 and 2013 the proportion of agricultural households with refrigerators in the North increased from 42 per cent to 78 per cent; the proportion with access to sanitation increased from 20 per cent to 26 per cent. The Northeast achieved better results: access to public infrastructure is higher in this region than in the North, probably because the governments in the Northeast do not have to contend with the vast geographical distances faced by governments in the North. Agricultural households' access to sanitation increased from 24 per cent to 36 per cent between 2004 and 2013, placing the Northeast 10 percentage points ahead of the North, a relatively richer region. Regarding refrigerator ownership, 89 per cent of households in the Northeast own at least one refrigerator; in the North the proportion is 78 per cent, and in Brazil as a whole it is 92 per cent. These figures reflect a regional difference that goes beyond the income gap.

25. An analysis of the poverty and extreme poverty maps at the municipal level reinforces the fact that the rural poverty problem in Brazil largely affects agricultural households in the North and Northeast regions.

26. Few municipalities in the other three regions of Brazil have poverty rates higher than 30 per cent; in many, it is below 15 per cent. In the North and Northeast, however, the situation is quite different. Many municipalities have poverty rates higher than 60 per cent; in some municipalities they may be as high as 90 per cent. Especially notable are the very poor areas in the northwest of both the North and Northeast regions. These are the poorest of the poor areas; the differences are very pronounced among agricultural households. The western Amazon and the state of Maranhão present very high rural poverty rates.

27. We also performed an analysis of poverty clusters, with the following objectives: first, to describe the spatial distribution of the incidence of poverty and extreme poverty in households with some agricultural activity (pluriactive and agricultural) and non-agricultural rural households, and, second, to investigate the existence of poverty conglomerates— contiguous sets of municipalities where the poverty rate is higher than in other regions. This effort was especially important in listing the priority regions for implementing public policies that are easy to disseminate to neighbouring municipalities (taking into account the social, political, economic and geographical characteristics of each region).

28. Based on the analysis of poverty conglomerates across the country, the general trend is for clusters of high poverty rates to be concentrated in the North and Northeast regions, while the south of the country boasts clusters of low poverty rates. When we look only at the conglomerates in the North and Northeast, the change in the pattern of low clusters versus high clusters is remarkable, especially in the south of the state of Pará. This area has high poverty conglomerates only when we include non-agricultural rural households. On the other hand, this same region does have low poverty clusters when we analyse pluriactive and agricultural households jointly.

29. The main findings of this study—namely, that the decrease in rural poverty was due to a decrease in agricultural poverty; the existence of marked differences between the North and Northeast and the rest of Brazil; and that the differences are most striking among agricultural households—show that investing in family farming may be paramount in reducing extreme poverty in the North and Northeast regions—and particularly relevant in reducing regional differences

in poverty rates. When we compare the differences in family farming between the North and Northeast and the rest of Brazil, it is clear that family farming is undercapitalized in these regions: both the share of family farming establishments that receive funding as well as the average number of tractors per family farm are considerably lower than in the rest of the country.

SWOT analysis of the National Poverty Reduction Strategy

Brazil's poverty reduction strategy includes a set of initiatives organized under the Programme Brazil Without Extreme Poverty structure. Four axes articulate such initiatives: Income guarantee; Productive inclusion; Access to social services (education, health, social assistance); and Active Searching Strategy. The several programmes are coordinated by a governance structure comprised of: the National Management Committee, the Executive Committee, and the Interministerial Monitoring Group. The Ministry of Social Development plays a key role in such governance structure.

Axes	Main instruments	Partners
Income guarantee	*Bolsa Família* Programme (Cash transfers)	Ministry of Social Development, states and municipalities
	Benefícios de Prestação Continuada (Cash transfers for people under physical restrictions to work)	Ministry of Social Development, National Institute for Social Security, states and municipalities
Productive inclusion strategy	Pronatec/BSM (Professional training for beneficiaries of the Brazil Without Extreme Poverty Programme)	Ministry of Education, Ministry of Social Development, states, municipalities, professional training public and private institutions
	Microeempredodor individual (Programme for generating technical capacities among micro-entrepreneurs)	Brazilian Service for the Support of Microenterprises – Sebrae, states and municipalities
	Economia Popular e Solidária (Support to popular, cooperative and community economic activities)	Ministry of Labor and Employment, States
	Intermediação de mão-de-obra (Public service for workforce Intermediation)	Ministry of Labor and Employment, Ministry of Social Development, states, municipalities
	Microcredito Produtivo Orientado (Credit and assistance to microcredit operations)	Bank of Northeast Brazil, Bank of Brazil, Bank of the Amazon, Ministry of Finance, Ministry of Labor and Employment, Ministry of Social Development, states, municipalities
Access to social services	*Água para todos* (Water for Everyone Programme: access to water)	Ministry of National Integration, Ministry of Social Development, National Foundation for Health, Bank of Brazil Foundation, states and municipalities
	Luz para todos (Electricity for Everyone: access to electric power)	Ministry of Mines and Energy, Ministry of Social Development, states, municipalities.
	Bolsa Verde (Cash transfers for poor people living on areas under environmental restrictions)	Ministry of Environment, Chico Mendes Institute, National Institute for Colonization and Agrarian Reform, Ministry of Social Development, states, municipalities
	Inclusão rural (Rural inclusion: Technical assistance, seed distribution, and credit for productive development)	Ministry of Social Development, Ministry of Agrarian Development, National Institute for Colonization and Agrarian Reform, Indigenous National Foundation, Chico Mendes Institute, Palmares Cultural Foundation, states and municipalities

	Brasil Carinhoso (nurseries)	Ministry of Education, National Foundation for Education Development, states, municipalities
	Escola em tempo integral (Full-time school)	Ministry of Education, Ministry of Social Development, states, municipalities
	Brasil Carinhoso (Health)	Ministry of Health, states, municipalities
	Assistência Social (Social assistance for poor families)	Ministry of Social Development, states and municipalities
Active Search Strategy	*Cadastro Único*: Search and inclusion of all extreme poor families in a Single Registry for their channeling to the services of the social protection network.	Ministry of Social Development, representative organizations of traditional social groups, states, municipalities

AXES	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Income guarantee	• Broad coverage (11.1 million of beneficiaries of *Bolsa Familia*) and good geographical distribution (macro regional and urban/rural) • Effective in targeting the poor population • One of the main components of the recent reduction of poverty and inequality in Brazil • Families benefit from the programme under the condition that they send their children to school, among other relevant factors oriented to long term poverty reduction • Decentralized and computerized services through municipal governments • More than 60% of the beneficiaries are women	• Casual cases of fraud and misuse of programme benefits	• Social sensitivity to the need for integration between cash transfers, other social policies, and productive inclusion strategies • Poverty reduction as a national priority	• The success of the programme depends on the efficiency of education, employment and income public policies • Budgetary restrictions due to the context of fiscal adjustment
Productive inclusion strategy	• Focus on family farming and agrarian reform	• Absence of public-private linkages (dependency on public	• Interministerial coordination and monitoring of actions and goals	• The success of the programme depends on the high degree of

AXES	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
	• Important allocation of resources • Simple lending process • Specific targeting on women • Mix of public policies (technical assistance, basic infrastructure, grant funding) • Technologies adapted to family farming and regional contexts • Interministerial coordination and monitoring of actions and goals	programmes) • Difficulties to establish efficient coordination between the different components of the strategy	• Poverty reduction as a national priority	complementarity between the components of the strategy • Budgetary restrictions due to the context of fiscal adjustment
Access to social services	• Multidimensional approach of poverty causes • Service delivery arrangements adapted to regional contexts and to target groups' characteristics • Interministerial coordination and monitoring of actions and goals	• Insufficient social infrastructure in remote areas for efficient delivery of social services • Difficulties to establish efficient coordination between the different components of the strategy	• Interministerial coordination and monitoring of actions and goals • Poverty reduction as a national priority	• Budgetary restrictions due to the context of fiscal adjustment
Active searching strategy	• Good targeting on the poor population • Priority at the national level • Efficient use of governmental and non-governmental networks with high degree of knowledge about vulnerable groups	• Little knowledge available about the families that comprise the hard core of rural poverty	• Poverty reduction as a national priority	• Budgetary restrictions due to the context of fiscal adjustment

Project pipeline during the first PBAS period under the new COSOP

1. The preliminary and tentative pipeline includes the design, during the first PBAS period of the new COSOP, of two new investment projects in the states of Maranhão and Pernambuco, as well as one grant focused on strengthening M&E and KM systems of state government agencies and the support to PD activities. The investment project in Maranhão and the grant will be designed during 2016, with the objective of getting their approval in the second semester of the year. The project in Pernambuco is expected to be designed during the second half of 2016 and the first half of 2017, with the objective of obtaining approval during the second semester of the year. The two projects will have an estimated combined investment cost of US$80 million, out of which US$40 million will be IFAD loans. The cost of the proposed grant is expected to reach US$3-4 million, out of which US$2.5 million would be financed by IFAD.

2. The two investment projects will have the respective state governments as borrowers. In Maranhão, the project is expected to cover tentatively six territories that are part of the Territories of Citizenship programme of the federal government focused on poor territories and implemented with the participation of state governments. The six territories are tentatively the following: Baixo Parnaíba, Cocais, Campo e Lagos, Lençóis Maranhenses, Médio Mearim e Vale do Itapecuru. They include 82 municipalities that represent 38% of the 217 municipalities of Maranhão. The target population includes about 790,000 rural people living in conditions of poverty and extreme poverty, accounting for 77% of the rural population of the project area. The project will benefit directly about 14,000 families living in rural communities, land reform settlements, indigenous populations, and communities of afrodescendents (quilombolas). The project area concentrates a high proportion of the traditional (indigenous and quilombolas) communities in Maranhão, as well as of families whose main income source comes from the extraction of products from the native babassu palm trees (Orbignya phalerata) by rural women. Women and young people will be an important portion of the project beneficiaries.

3. It must be noted that Maranhão is the second largest state in the Northeast region and one of the poorest, having 32 of the 50 municipalities with the lowest Human Development Index in Brazil. The state has the highest proportion of extreme poor families in Brazil, and it is characterized by a variety of ecosystems, with a dominant presence of cerrado (savanna) and amazon biomes, and has a significant presence of indigenous and quilombola communities. The project will be an opportunity for IFAD to have an experience in the amazon biome, and to work more intensively with indigenous communities, which is in line with recommendations made by the 2015 CPE.

4. In Pernambuco, the new project will focus tentatively on four Development Territories as defined by the Pernambuco State Government (Mata Sul, Mata Norte, Agreste Central and Agreste Setentrional), out of which two (Mata Sul and Agreste Central) are also territories of the federal government's Territories of Citizenship Programme, which is implemented with the participation of state and municipal governments. A large part of the proposed project area experiences high levels of rural poverty and the prevalence of serious social problems due to the decline of the traditional cultivation of sugarcane, a crop that dominated the region for the past several centuries, and the ensuing closing of agroprocessing industries that has taken place during the last 15 years. This problem relates highly with environmental and climate change problems, including degradation of soils –especially erosion and declining soil productivity-- due to the practice of monoculture, and higher frequency

of floods and dry periods, which have led to great crop losses. Existing studies, among them the background study made to provide inputs to the COSOP formulation, indicate that the average temperature in the Zona da Mata will increase during the next decades and rainfall is expected to become more erratic, which will further affect sugarcane production. Other factors explaining the decline of sugarcane include the loss of competitiveness with other regions, such as Brazil's Centre-South, and the lack of investment to modernize outdated agroprocessing facilities. The target population of the project includes about 465,000 rural people living in conditions of poverty and extreme poverty, accounting for 62% of the rural population of the project area. It is estimated that about 15,000 families will benefit directly from the project, including families living in land reform settlements, family farming communities, and landless population.

5. The proposed grant project will focus on strengthening the capacities to monitor and evaluate rural development policies and programmes, including also activities of KM and policy dialogue (PD) aimed at analyzing best practices and promoting their upscaling. It is conceived as a key intervention to finance activities that are essential to meet SO2 and SO3 of the COSOP. The overall goal of the grant project will be to enhance the impact and efficiency of rural development and rural poverty reduction policies and programmes in Northeast Brazil, through the strengthening of institutional capacities of relevant state government agencies in the area of results-based management, monitoring and evaluation. It will aim at: (i) developing and strengthening results-based monitoring and evaluation systems (M&E) and knowledge management in state government agencies responsible for rural development, family farming and rural poverty reduction policies and programmes, (ii) building capacities of state governments and civil society organizations for M&E, KM, policy making and results-oriented implementation; (iii) sharing knowledge on innovative practices carried out by rural development and rural poverty reduction policies and programmes; and (iv) facilitating policy dialogue focused on innovative best practices (including, but not limited to those of IFAD projects) aimed at their scaling-up.

6. In addition to these projects, two other new projects or top-ups may be designed by 2021. including in states with ongoing projects that will be closing by that date. The current ongoing portfolio of loan projects, which includes US$141.2 million in loans, will be under implementation during most of the COSOP period, as the ongoing projects' closing dates range between 2019 and 2021, if no extensions were granted.

Concept Note: Agricultural development and poverty reduction in the state of Maranhão

A. Possible geographic area of intervention and target groups

1. The tentative area of intervention includes six territories that are part of the Territories of Citizenship programme of the federal government focused on poor territories and implemented with the participation of state governments. The six territories are: Baixo Parnaíba, Cocais, Campo e Lagos, Lençóis Maranhenses, Médio Mearim e Vale do Itapecuru. They include 82 municipalities that represent 38% of the 217 municipalities of Maranhão.

2. The target population includes about 790,000 rural people living in conditions of poverty and extreme poverty that represent 77% of the rural population of the project area. The project will tentatively benefit directly approximately 25,000 families living in rural communities, land reform settlements, and traditional communities (indigenous and afrodescendents or quilombolas). The project area concentrates a high proportion of the traditional communities in Maranhão and the extraction of products from the native babassu palm trees (Orbignya phalerata) by poor rural women. Women and young people will be an important proportion of the project beneficiaries.

B. Justification and rationale

3. Maranhão is the second largest state in the Northeast region and one of the poorest, having 32 of the 50 municipalities with the lowest Human Development Index (HDI) in Brazil. The state has the highest proportion of extreme poor families in Brazil. Maranhão is characterized by a variety of ecosystems, with a dominant presence of cerrado (savannah) and amazon biomes; 37% of the population live in rural areas, and half of all municipalities are essentially rural and have a significant presence of indigenous and quilombola communities. The livelihoods of the rural poor rely highly on retirement payments received by old family members and by the conditional cash transfer scheme known as "Bolsa Família". Thus, the federal and state governments have prioritized the support to the development of income generating activities, especially based on agriculture, that allow the rural poor to exit poverty in a sustainable manner. In addition, environmental problems and climate change have increasingly affected the rural population. The expansion of the agricultural frontier has been associated with deforestation of savannah and amazon biomes, and studies and empirical evidence have shown an increasing occurrence of extreme climate events.

4. The federal government has implemented a wide range of policies and programmes to support family farming, in particular rural credit, agricultural extension, and public procurement of products produced by family farmers. Many of these programmes are executed through state government agencies. The Maranhão state government is also implementing the Mais IDH (More HDI), a new programme that focuses government investments in social infrastructure and the support to income generating activities on the 30 municipalities with the lowest HDI. The state government has a strong relationship with key civil society organizations representing the interests of the rural poor. This represents a positive enabling environment for their participation in policy dialogue processes.

5. Several obstacles have limited the effectiveness and impact of public policies and programmes. These include, inter alia, overlapping and insufficient coordination between different agencies, difficulties of rural communities to access existing programmes, weak capacities of the rural poor to identify their problems and

priorities, complex rules for accessing programmes, lack of personal documents, unsecured land tenure, and weak participation in decision-making. In addition, government programs are hampered by weak state government agencies that suffer from limited budgets, poorly qualified technical staff, and insufficient vehicles and equipment.

C. Key project objectives

6. The Project objective will be to contribute with poverty reduction in the state of Maranhão, promoting sustainable and inclusive development. Specific objectives will be: a) to promote income generation and food availability of the rural poor, increasing their agricultural production and the value-added of their traditional products, and improving their access to markets in favourable conditions; b) to strengthen the organizational capacities of the rural poor to better manage their natural resources and production systems, access public policies and programmes, and participate in policy decision-making entities and the development process at the local level; and c) to strengthen institutional capacities at state government level related with rural development and rural poverty reduction.

D. Ownership, Harmonization and Alignment

The project objectives are aligned with the general objective of the Brazil Without Extreme Poverty programme of increasing income and living conditions of extremely poor families, and with specific objectives of its Production inclusion and Access to Services components: a) to promote the access to water for human consumption and productive use; and b) to promote access to technical assistance, seed distribution, and credit for productive development. The project is also aligned with the Territories of Citizenship programme, which aims at promoting economic development and the universal access to public programmes through a strategy of sustainable territorial development. It is also aligned with the More IDH (Mais IDH) Programme of the Maranhão state government, which focuses government interventions on the 30 municipalities with the lowest Human Development Index.

IFAD has identified potential co-financing opportunities of project activities with the Bank of Northeast Brazil (BNB), the National Bank of Economic and Social Development (BNDES), and the Ford Foundation.

E. Components and activities

7. The Project components will be:

a) Production development and access to markets. The objective of the component will be to strengthen food security and income generation from production, in particular agriculture. The main activities will include (i) financing investments to transform beneficiaries' agricultural production, to better adapt to climate change effects (e.g. through small-scale irrigation and improvement of agro ecologic production methods), to diversify into non-agricultural activities, and to increase value added of traditional agricultural products and activities in Maranhão, e.g. by promoting small agro processing activities or supporting organic certification of products; (ii) providing access to technical assistance and training to improve productive activities and natural resources management; and (iii) improving and diversifying the access to markets of family farmers, including not only public procurement programmes but also private markets, including niche markets (e.g. organic).

b) Development of rural organizations. The objective will be to strengthen the organizations of the rural poor, so that they are more effective to access public policies and programmes, to participate in policy-making at the local level, to carry out associative tasks such as marketing of inputs and products, and to better manage their natural resources. The activities will include financing small investments to organizations (e.g. small packing and storage facilities, or

babassu oil extracting facilities), training and technical assistance, especially regarding management capacities.

c) Institutional strengthening. The objective will be to improve the capacities at the state level for the design and implementation of rural development and poverty reduction policies. It will include: (i) a system of Monitoring and Evaluation (M&E) that quantifies project results; (ii) knowledge management activities, including studies that analyse successful and innovative experiences and methodologies applied by the Project, exchanges with other projects and agencies, documents, workshops, and other activities to disseminate results and attract the interest of government and non-government agencies for the upscaling and improvement of their practices; and (iii) policy dialogue on public policies for rural development with a territorial perspective, both at the state level and with other Northeast states, and including government agencies and civil society organizations that represent the interests of the rural poor.

F. Preliminary Environmental and Social category

8. The Project is expected to be classified in the environmental and social category C. It should generate positive social and environmental impacts, with low potential risks, so the need for implementing specific environmental studies is not envisaged. This relates with several features of the expected Project strategy of intervention, including: a) promoting a production model based on (i) use of organic methods of production and natural resource conservation practices; (ii) support to income generating activities associated with the conservation of native forests and the valorisation of biodiversity, such as bee keeping and the traditional extraction by women of products from the babassu palm; (iii) great importance to avoiding the use of slash and burn; b) investments in infrastructure and equipment will be small-scale, channelled through beneficiary organizations, and accompanied by technical assistance and training to strengthen managerial, organizational, and technical capacities, including those related with environmental and natural resources conservation; the project will cover the costs of mitigation measures if necessary; c) provision of continuous on-farm technical assistance that applies participatory techniques, values local knowledge, and addresses specific features of different beneficiaries (indigenous populations, afrodescendents, women, young people, land reform settlements); d) increase in food availability and income among family farmers based on sustainable production systems. This should prevent the further expansion of the agricultural frontier that has affected great areas of savannah and amazon biomes in Maranhão, which is in turn associated with crop cultivation based on mechanization and intensive use of synthetic inputs.

G. Preliminary Climate Risk classification

9. The climate risks of project activities are evaluated as medium. Production and natural resource management systems in Maranhão currently have a high level of vulnerability to the effects of climate change. In particular, the use of water storage methods, especially for production, is very low, and natural forests are affected by the expansion of the agricultural frontier. The project will support: a) financing of water storage infrastructure for cattle production and on-farm small-scale irrigation --along with appropriate technical assistance-- especially for the organic production of vegetables, in order to increase production and reduce farmers' vulnerability to projected increases in average temperatures and more frequent incidence of droughts; b) use of agro ecological practices that reduce the risks of climate change effects, including the use of seeds adapted to local conditions, agroforestry systems, soil conservation practices, multiple cropping, and organic instead of synthetic inputs; c) supporting traditional income generating activities based on the extraction

of products from the native forests using sustainable methods; d) the project could support the implementation of a climate information and alert system.

H. Costs and financing

10. The estimated total cost of the Project will be US$40 million for a seven year period; US$20 million (50%) will be financed by an IFAD loan, US$16 million (40%) will be government counterpart funding, and US$4 million (10%) will be beneficiary contribution. The breakdown between project components will be defined during the design phase.

I. Organization and management

11. The project will be implemented by the Secretariat of Family Agriculture (SAF) of the State Government of Maranhão through a Project Implementation Unit (PMU). The SAF is responsible for the design and implementation of policies and programmes for family producers. Key agencies in implementation will be the Maranhão Agency of Agricultural Research and Rural Extension (AGERPA) and the Maranhão Land and Colonization Institute (ITERMA), which are part of SAF's structure. It is expected that the PMU has autonomous administrative procedures (including procurement) and is composed by staff currently employed in the government structure and consultants specialized in financial management, procurement, and other technical matters.

J. Monitoring and evaluation indicators

12. The project will follow IFAD's requirements and those of the State of Maranhão with regard to the design, monitoring and evaluation of public programmes and projects. A plan for monitoring, evaluation and knowledge management will be formulated during the design phase, including a matrix of objectives, a framework of indicators and outcomes and an evaluation strategy. That plan is expected to generate inputs for knowledge management by compiling, systematizing and analysing the main lessons learned from implementation and thus providing inputs for policy dialogue activities and scaling-up.

K. Risks

13. Potential risks include: (i) weak institutional capacities of the Maranhão Secretariat of Family Farming (SAF) and (ii) difficulties to comply with counterpart funds in a context of economic deceleration at the national and state levels.

L. Timing

14. Once feedback and approval is received from the Operational Strategy and Policy Guidance Committee (OSC), it is expected that project preparation can be carried out between April and September 2016. The project proposal would be submitted to the Executive Board at its December 2016 session.

Projeto do Governo de Estado do Maranhão e o FIDA: Marco Lógico – Nota Conceito

Hierarquia de Objetivos	Principais Indicadores[3] e Metas	Meios de verificação	Hipóteses(H) e riscos (R)
Objetivo Final - Metas			
Contribuir para a redução da pobreza rural, melhorando o desenvolvimento sustentável com um enfoque territorial e a efetividade das políticas públicas	i) Redução do percentual da população em situação de pobreza e extrema pobreza nos municípios de intervenção do Projeto (linha de base= aprox. 77%; meta=60-%); ii) Redução de 50% na pobreza extrema entre beneficiários de investimentos produtivos; iii) Aumento de 20 % do recurso das políticas públicas para o desenvolvimento rural acessado nos municípios de intervenção do Projeto; iv) Aumento de 20% dos ativos físicos das famílias beneficiárias.	i) Censos do IBGE; ii) Pesquisas linha de base e avaliação final.	
Objetivo de Desenvolvimento do Projeto			
As famílias beneficiárias melhoram a segurança alimentar e aumentam sua renda mediante a implementação de atividades produtivas rentáveis e sustentáveis.	i) 25.000 famílias rurais na área do Projeto serão beneficiadas por melhor informação sobre políticas e programas públicos; dentre elas, 15.000 terão acesso aos mesmos; ii) 60 % das famílias beneficiárias aumentam sua renda anual em 20 %, quando comparada à linha de base; iii) 80% das famílias quilombolas ou indígenas aumentam sua renda anual em 20%, quando comparada à linha de base; iv) 50% dos beneficiários do Projeto são mulheres; v) 80% das famílias beneficiárias melhoram o estado nutricional das crianças ou redução de 30% da população em situação de carência nutricional. vi) A Secretaria de Agricultura Familiar fortalece suas capacidades de Monitoramento, Avaliação e Gestão do Conhecimento, estabelecendo novos indicadores, procedimentos de coleta e análise de informações e elaboração de sistematizações.	i) Sistema de Monitoramento e Avaliação do Projeto; ii) Pesquisas linha de base e avaliação final; iii) Relatório final do Projeto.	- Continuidade das políticas vigentes, principalmente aquelas dirigidas para o combate a pobreza e a inclusão económica e produtiva (H); -Estabilidade macroeconômica (H).

[3] Todos os dados se desagregam por gênero, etnia e geração.

Hierarquia de Objetivos	Principais Indicadores[3] e Metas	Meios de verificação	Hipóteses(H) e riscos (R)
COMPONENTE 1: Desenvolvimento produtivo e acesso a mercados			
Objetivo específico 1: As famílias diversificam e incrementam a produção sustentável e a inserção nos mercados.	i) 70 % das famílias e organizações económicas que receberam o apoio do Projeto incrementam sua produção e valor de venda quando comparado com a linha de base; ii) Pelo menos 50 % das famílias beneficiárias acessam programas de compras públicas (PAA, PNAE); iii) Pelo menos 30 % das famílias beneficiárias acessam mercados diferenciados (orgânico, comércio justo).	i) Sistema de Monitoramento e avaliação do Projeto; ii) Relatórios anuais de atividade do Projeto; iii) Relatórios dos provedores de assessoria; iv) Relatórios de revisão de meio termo e missões de supervisão.	- As políticas públicas de acesso a financiamento, apoio a comercialização e assessoria técnica permanecem ativas (H);
Produto 1.1: Projetos produtivos inovadores nas áreas agrícolas e não agrícolas, baseados em práticas sustentáveis de gestão do recursos naturais são apresentados.	i) São financiados 500 projetos produtivos que propiciem o uso e a gestão sustentável dos recursos naturais e diminuam a vulnerabilidade dos sistemas produtivos frente a variações climáticas; ii) 80% dos projetos produtivos financiados continuam funcionando depois de dois anos; iii) Pelo menos 70 % das famílias adotam práticas agroecológicas.		- Ocorrência de eventos climáticos extremos e/ou prolongados (R);
Produto 1.2: Capacidades técnicas locais para elaboração e apresentação de projetos fortalecidas.	i) 25.000 famílias recebem serviços de assessoria técnica de forma continuada, de qualidade e apropriada (em conteúdo e quantidade). ii) 50% das famílias beneficiadas introduzem pelo menos uma nova prática e/ou produção; iii) No final do Projeto 60% das famílias beneficiadas apresentam projetos para outras organizações financeiras.		-Continuidade de investimentos em acesso a agua (H);

Hierarquia de Objetivos	Principais Indicadores[3] e Metas	Meios de verificação	Hipóteses(H) e riscos (R)
Produto 1.3: Mulheres, jovens, indígenas, quilombolas e extrativistas envolvidos com projetos produtivos sustentáveis e rentáveis.	i) Pelo menos 60 % do público beneficiário deste componente é constituído por mulheres, dentre as quais uma grande presença de mulheres da indústria extrativista do babaçu e de outras espécies nativas; ii) Pelo menos 30% do público beneficiário das atividades produtivas agrícolas e não agrícolas é constituído por jovens, dentre os quais uma forte presença de populações tradicionais (quilombolas e indígenas) e extrativistas do coco babaçu.		- Alocação oportuna de recursos da contrapartida (H); - Provedores continuam propícios à entrega de serviços de AT (H).
COMPONENTE 2: Desenvolvimento das organizações rurais			
Objetivo específico 2: As organizações dos beneficiários têm suas capacidades de gestão operacional fortalecidas e aumentam seu acesso e sua participação na gestão das políticas públicas em nível local, territorial e estadual.	i) 70% das organizações de beneficiários que receberam apoio do Projeto têm melhorado sua capacidade gerencial, administrativa e têm desenvolvido procedimentos transparentes e participativos, quando comparado com a linha de base; ii) As organizações de beneficiários aumentam (em relação à linha de base) sua participação e representação nos espaços de gestão das políticas públicas em nível municipal, territorial e estadual; iii) 70% das famílias que receberam o apoio do Projeto aumentam e diversificam o acesso a políticas públicas de desenvolvimento rural (PRONAF, Plano Safra, etc.) e de regularização fundiária, quando comparado com a linha de base.	i) Sistema de Monitoramento e avaliação do Projeto; ii) Relatórios anuais de atividade; iii) Atas das reuniões dos Conselhos Municipais e Territoriais; iv) Relatórios de revisão de meio termo e missões de supervisão.	- As políticas de estruturação territorial permanecem efetivas (H); - Alocação oportuna de recursos da contrapartida (H); -Provedores continuam propícios à entrega de serviços de AT (H).
Produto 2.1: População rural informada sobre programas e políticas públicas.	i) 50.000 famílias (25.000 diretamente beneficiadas pelo Projeto e 25.000 que participam somente de capacitações) dos municípios de intervenção informadas sobre as modalidades de acesso sobre programas e políticas públicas; ii) 70% das 25.000 famílias atendidas pelo dispositivo de assessoria técnica aumentam seu acesso aos programas e políticas públicas.		
Produto 2.2: Organizações beneficiárias do projeto fortalecidas.	i) 70% das organizações comunitárias e econômicas apoiadas acessam outras fontes de financiamento; ii) 80% das organizações comunitárias e econômicas apoiadas participam nos Colegiados Territoriais e dos Conselhos Municipais de Desenvolvimento.		

Hierarquia de Objetivos	Principais Indicadores[3] e Metas	Meios de verificação	Hipóteses(H) e riscos (R)
Produto 2.3: Organizações de mulheres e extrativistas, de jovens, quilombolas e indígenas fortalecidas e com melhor participação nos espaços de gestão das políticas publicas.	i) 80% das organizações de mulheres, jovens, quilombolas e indígenas apoiadas pelo Projeto acessam fontes de recursos específicos; ii) 90% das organizações de mulheres, jovens, quilombolas e indígenas apoiadas pelo Projeto participam nos Colegiados Territoriais e dos Conselhos Municipais de Desenvolvimento.		
COMPONENTE 3: Fortalecimento institucional			
Objetivo específico 3: As instituições estaduais do Estado do Maranhão têm suas capacidades de gestão e implementação das políticas públicas de desenvolvimento rural e combate a pobreza fortalecidas.	i) Nos municípios de intervenção do Projeto, aumento de 30% (quando comparado com a linha de base) de acessos aos recursos dos Programas e Políticas de desenvolvimento rural e combate a pobreza.	i) Sistema de Monitoramento e avaliação do Projeto, ii) Relatórios Técnicos de Progresso; iii) Atas e documentos de comunicação produzidos; iv) Relatórios de revisão de meio termo e das missões de supervisão.	- O Governo de Estado do Maranhão comprometido a divulgar a metodologia e os resultados do Projeto (H); - Ambiente propício à articulação de politicas publicas e programas no MDA, MDS e Colegiados Territoriais (H).
Produto 3.1 Sistema de M&A gerando estatísticas frequentes de indicadores de resultado do Projeto.	i) Implementação de um sistema de Monitoramento e Avaliação (M&A) para quantificar os resultados do Projeto e para gerar metodologias utilizáveis por instituições do Governo, compatível com o sistema comum de M&A (Monitoramento e Avaliação) do FIDA Brasil; ii) Realização de 5 estudos e sistematizações, no intuito de compartilhar experiências bem sucedidas e inovações oriundas do Projeto e úteis para outros programas e instituições; iii) Aplicação de pelo menos 2 questionários (linha de base e avaliação final) para obtenção de amostra domiciliar representativa da área de cobertura do Projeto com estatísticas sobre ativos, nível de renda, segurança alimentar, condição de moradia, convívio com mudança climática e gestão ambiental e participação de jovens e mulheres.		

Hierarquia de Objetivos	Principais Indicadores[3] e Metas	Meios de verificação	Hipóteses(H) e riscos (R)
Produto 3.2: Divulgação dos resultados do Projeto para entidades públicas, privadas e da sociedade civil, com vistas ao acompanhamento e cruzamento do cumprimento das metas do Projeto com as políticas públicas existentes.	i) Apresentação de 3 relatórios anuais com evolução de indicadores de resultado na área de cobertura do projeto; ii) Realização de pelo menos 3 ações de comunicação e divulgação (seminários) das experiências exitosas do Projeto, com entidades publicas, da sociedade civil e privadas, de âmbito nacional e internacional; iii) Realização, a partir do ano três, de um evento anual de diálogo sobre as políticas públicas de desenvolvimento rural e territorial, com participação de entidades governamentais, da sociedade civil e do setor privado, em nível municipal, territorial, estadual e da região Nordeste.		

Concept Note: Productive transformation of the Zona da Mata and Agreste territories in the Northeastern state of Pernambuco

A. Possible geographic area of intervention and target groups

1. The tentative area of intervention covers four Development Territories defined by the Pernambuco state government: Mata Sul, Mata Norte, Agreste Central and Agreste Setentrional. Two of them (Mata Sul and Agreste Central) are part of the Territories of Citizenship Programme of the federal government. The four territories include 88 municipalities that represent 48% of the 185 municipalities of Pernambuco.

2. The target population includes about 465,000 rural people living in conditions of poverty and extreme poverty, accounting for 62% of the rural population of the project area. The project will tentatively benefit directly 35,000 families living in land reform settlements and in rural communities comprised by family farmers and landless families. Special attention will be paid to traditional communities, especially afrodescendants (quilombolas), communities of fishermen, women, young people and families of workers historically linked to the sugarcane monoculture industry. The project will also have indirect beneficiaries, especially from the improved capacities of state government agencies dealing with rural development and family farming.

B. Justification and rationale

3. Pernambuco is the second largest state in the Northeast region in terms of GDP and GDP per capita and one of the most industrialized, also having a dynamic irrigated agriculture. However, industry is concentrated in the Recife metropolitan area and irrigated agriculture in the state's southwest. Most of the state is predominantly rural and is characterized by high levels of rural poverty. Pernambuco has three clearly defined regions with marked differences in their economic, social and environmental features: Zona da Mata (Forest Zone), Agreste, and Sertao (Semiarid). While the Sertão has concentrated the attention of federal and state public policies, the Agreste and Zona da Mata are characterized by high levels of unemployment and rural poverty.

4. The Zona da Mata has been suffering for the last 15 years from serious social problems related to the decline of the traditional production of sugarcane. Between the 16th and the 20th century, it was one of the most important world producers of sugarcane. Sugarcane production experienced a sharp decline, especially in the last two decades, because of lower competitiveness than other regions like Brazil's Centre-South, lack of investments in industrial infrastructure and negative effects of climate change (higher temperatures and frequency of droughts). Many sugarcane companies have gone bankrupt since the 1990s, leaving thousands of workers unemployed. To deal with this situation, the federal and state governments created land settlements in the lands previously owned by the sugarcane companies. However, most families have faced difficulties to reconvert from labourers to autonomous farmers.

5. The Agreste is a transitional region between the Zona da Mata and the Sertão, with higher annual rainfall but affected by extreme events (drought and floods). Its social organization is characterized by the dominant presence of family farming, which have developed diversified production systems based on agriculture and livestock. However, productivity is low and family farmers experience problems of access to markets, extension services and credit. Non-agricultural economic activities are an important source of employment and income, especially among women.

6. The federal and state governments have been implementing a wide range of policies and programmes, including rural credit, agricultural extension, and public procurement of products produced by family farmers, among others. Several obstacles have limited their effectiveness and impact, including insufficient coordination between different agencies, difficulties of the rural population to access existing programmes, and weak capacities of the rural poor to identify their problems and priorities, among others. In addition, government programs are hampered by weak state government agencies.

C. Key project objectives

7. The Project objective will be to contribute to rural poverty reduction, promoting sustainable and inclusive development. Specific objectives will be: a) increase income of the rural poor, mainly through the reconversion and diversification of agricultural and livestock production and the development of non-agricultural activities, with a particular concern for environmental sustainability and the access to markets in favourable conditions; b) strengthen the capacities of rural families and their organizations to manage their natural resources and production systems, access public policies and programmes, participate effectively in policy decision-making, and manage their associative projects; and c) strengthen capacities of state government agencies for implementing and evaluating rural poverty reduction policies and programmes.

D. Ownership, Harmonization and Alignment

8. The project objectives are aligned with the general objective of the Brazil Without Extreme Poverty federal programme of increasing income and living conditions of extremely poor families, and with the specific objectives of its Production inclusion and Access to Services components: a) promote access to water for human consumption and productive use; and b) promote access to technical assistance, seed distribution and credit for productive development. The project is also aligned with the Territories of Citizenship programme, which aims at promoting economic development and the universal access to public programmes. In addition, it is aligned with federal and state government programmes dealing with the negative effects of the decline of sugarcane in the Zona da Mata, including the creation of land reform settlements by the National Institute of Colonization and Land Reform (INCRA) and the construction of social infrastructure funded by various programmes. In the Agreste Setentrional and Agreste Central, the project will also be aligned with land titling programmes implemented by the Land Institute of Pernambuco (ITERPE).

9. IFAD identified potential co-financing opportunities of project activities with the Bank of Northeast Brazil (BNB), the National Bank of Economic and Social Development (BNDES) and the Latin American Development Bank (CAF).

E. Components

10. The Project components will be:

d) Production development and access to markets. The objective will be to strengthen income generation from agricultural and non-agricultural activities. The main tasks will include (i) financing on- and off-farm investments (e.g. in infrastructure and equipment) to support agricultural diversification by the introduction of fruits and vegetables, livestock raising, small agroprocessing facilities, and non-agricultural activities; (ii) permanent technical assistance focused on supporting economic diversification, reducing negative environmental effects of agricultural practices and promoting farmers' adaptation to climate change; and (iii) improving and diversifying family farmers' access to markets.

e) Development of Rural Organizations. The objective will be to develop and strengthen the capacities of beneficiaries and their organizations to participate in the planning processes at their rural communities and land reform settlements;

to access public policies and programmes (including land regularization); to better participate in local policy-making entities at the local level (e.g. Municipal Councils, Territorial Collegiates); and better manage their associative projects. Activities will include: financing small investments for organizations (e.g. small fruit processing facilities); community mobilization; training and technical assistance to families and organizations; and an operational model based on the transfer of project funds to beneficiary organizations to implement their initiatives, rather than the project unit performing all the necessary procurement of goods and services.

f) Institutional strengthening. The objective of this component will be to contribute to improve the capacities at the state level for the design, implementation, monitoring and evaluation of rural development and poverty reduction policies and programmes. It will include: (i) a Monitoring and Evaluation system that quantifies project results; (ii) knowledge management activities, including studies that analyse successful and innovative experiences and methodologies applied by the Project, exchanges with other projects and agencies, workshops, among others; (iii) communication activities aimed at disseminating results about best practices and attracting the interest of government and non-government agencies; and (iv) policy dialogue activities, including the organization of - and support to - policy dialogue platforms, both at the state level and with other Northeast states.

F. Preliminary Environmental and Social category

11. The Project is expected to be classified in the environmental and social category C. As it would not generate negative social and economic impacts, specific environmental studies are not envisaged at this stage. This relates with several features of the expected Project strategy of intervention, including: (i) use of organic/agro ecological production technologies and application of natural resource conservation practices, including special attention for areas previously occupied or affected by sugarcane monoculture; one of the main objectives will be to promote sustainable production systems in lands continuously cultivated with sugarcane; (ii) investments in infrastructure and equipment will be small-scale, channelled through beneficiary organizations, and accompanied by technical assistance and training that includes the issues of environmental and natural resources conservation; c) on-farm technical assistance that applies participatory techniques, values local knowledge, and takes into account the specific features of different types of beneficiaries. The project will take advantage of the experience and innovative practices applied by the Dom Helder Camara Project in the Sertão region of Pernambuco.

G. Preliminary Climate Risk classification

12. The climate risks of project activities are evaluated as medium. Climate change studies predict an increase in average temperatures in vast areas of Northeast Brazil, which should affect negatively sugarcane, which is cultivated without irrigation. In addition, the Agreste territories are also experiencing lower rainfall and longer dry periods. The project will carry out several activities that will help families in the project area adapt to the effects of climate change: a) promote diversification into other production systems based on the use of agroecological practices, use of seeds adapted to local conditions, agroforestry production, soil conservation practices, multiple cropping and crop rotation; b) financing of water storage infrastructure for cattle production and on-farm small-scale irrigation –including the recycling of greywater for home gardens-- especially for the organic production of vegetables; c) focus of technical assistance on methods to reduce the vulnerability of production systems to climate change; d) the project may support the implementation of a climate information and alert system.

H. Costs and financing

13. The estimated total cost of the Project will be US$40 million for a period of up to seven years: US$20 million (50%) will be financed by an IFAD loan; US$16 million (40%) will be government counterpart funding; and US$4 million (10%) will be beneficiary contribution. The breakdown between project components will be defined during the design phase.

I. Organization and management

14. The project will be implemented by the Secretariat of Agriculture and Agrarian Reform (SARA) of the State Government of Pernambuco, through its Executive Secretariat of Family Farming (SEAF), which is responsible for the implementation of public programmes supporting family farming. Key agencies in implementation that are part of the SARA structure are the Pernambuco Land Institute (ITERPE) and the Pernambuco Agricultural Research Institute (IPA), which also provides technical assistance and rural extension services. The project will also work closely with the National Institute for Colonization and Agrarian Reform (INCRA) in the activities targeting land reform settlements.

J. Monitoring and evaluation indicators

15. The project will follow IFAD's requirements and those of the State of Pernambuco with regard to design, monitoring and evaluation of public programmes and projects. A plan for monitoring, evaluation and knowledge management will be formulated during the design phase, including a matrix of objectives, a framework of indicators and outcomes and an evaluation strategy. The plan is expected to generate inputs for knowledge management by compiling, systematizing and analysing the main lessons learned from implementation and thus providing inputs for policy dialogue activities and scaling-up.

K. Risks

16. Potential risks include: (i) an adverse social context, in particular in the Zona da Mata, characterized by land reform beneficiaries who continue to work as wage workers in sugarcane, having sometimes less interest in performing farming activities; (ii) a weak local institutional setting compared to other territories of Pernambuco, where civil society organizations are stronger and local and territorial entities, such as Municipal Councils and Territorial Collegiates, are more active; and (iii) lack of IFAD's experience in the Zona da Mata.

L. Timing

17. Once feedback and approval is received from the Operational Strategy and Policy Guidance Committee (OSC), project preparation will be done tentatively between October 2016 and March 2017. The project proposal would be submitted the IFAD Executive Board at one of its 2017 sessions.

Projeto do Governo de Estado de Pernambuco e o FIDA - Marco Lógico – Nota Conceito

Hierarquia de Objetivos	Principais Indicadores[4] e Metas	Meios de verificação	Hipóteses (H) e Riscos (R)
Objetivo Final - Metas			
Contribuir para a redução da pobreza rural, melhorando o desenvolvimento sustentável com um enfoque territorial e visando à efetividade das políticas públicas	v) Redução de 15% da população em situação de pobreza e extrema pobreza nos municípios de intervenção do Projeto; vi) Redução de 50% na pobreza extrema entre beneficiários de investimentos produtivos; vii) Aumento de 10 % do recurso das políticas públicas para o desenvolvimento rural acessado nos municípios de intervenção do Projeto; iii) Aumento de 15% dos ativos físicos das famílias beneficiárias.	iii) Censos do IBGE. iv) Pesquisas linha de base e avaliação final.	
Objetivo de Desenvolvimento do Projeto			
As famílias beneficiárias melhoram a segurança alimentar e aumentam sua renda mediante a implementação de atividades produtivas rentáveis e sustentáveis.	vii) 35.000 famílias rurais na área do Projeto serão beneficiadas por melhor informação sobre políticas e programas públicos; dentre elas, 20.000 terão acesso aos mesmos; iii) 60% das famílias beneficiárias aumentam sua renda anual em 20%, quando comparada à linha de base; ix) 80% das famílias ligadas historicamente à indústria canavieira aumentam sua renda anual em 20%, quando comparada à linha de base; x) 50% dos beneficiários do Projeto são mulheres; xi) 80% das famílias beneficiárias melhoram o estado nutricional das crianças ou redução de 30% da população em situação de carência nutricional.	iv) Sistema de Monitoramento e Avaliação do Projeto; v) Pesquisas linha de base e avaliação final; vi) Relatório final do Projeto.	- Continuidade das políticas vigentes, principalmente aquelas dirigidas para o combate à pobreza e a inclusão econômica e produtiva (H); -Estabilidade macroeconômica (H).
COMPONENTE 1: Desenvolvimento produtivo e acesso a mercados			

[4] Todos os dados se desagregam por gênero, etnia e geração.

Hierarquia de Objetivos	Principais Indicadores[4] e Metas	Meios de verificação	Hipóteses (H) e Riscos (R)
Objetivo específico 1: As famílias diversificam e incrementam a produção sustentável e a inserção nos mercados.	iv) 70 % das famílias e organizações econômicas que receberam o apoio do Projeto incrementam sua produção e valor de venda quando comparado com a linha de base; v) Pelo menos 70% das famílias beneficiárias acessam programas de compras públicas (PAA, PNAE); vi) Pelo menos 40% das famílias beneficiárias acessam mercados diferenciados (orgânico, comércio justo).	xi) Sistema de Monitoramento e Avaliação do Projeto; xii) Relatórios Técnicos de Progresso; xiii) Relatórios dos provedores de assessoria; xiv) Relatórios de revisão de meio termo e missões de supervisão.	- As políticas públicas de acesso a financiamento, apoio a comercialização e assessoria técnica permanecem ativas (H);
Produto 1.1: Projetos Produtivos inovadores nas áreas agrícolas e não agrícolas, baseados em práticas sustentáveis de gestão do recursos naturais são apresentados.	iv) São financiados 500 projetos produtivos que propiciem o uso e a gestão sustentável dos recursos naturais e diminuam a vulnerabilidade dos sistemas produtivos frente a variações climáticas; v) 80% dos projetos produtivos financiados continuam funcionando depois de dois anos; vi) Pelo menos 60 % das famílias adotam práticas agroecológicas e diversificam seus sistemas produtivos, principalmente na zona canavieira.		- Ocorrência de eventos climáticos extremos e/ou prolongados (R);
Produto 1.2: Capacidades técnicas locais para elaboração e apresentação de projetos fortalecidas.	iv) 35.000 famílias recebem serviços de assessoria técnica de forma continuada, de qualidade e apropriada (em conteúdo e quantidade). v) 50% das famílias beneficiadas introduzem pelo menos uma nova prática e/ou produção; vi) No final do Projeto 60% das famílias beneficiadas apresentam projetos para outras organizações financeiras.		-Continuidade de investimentos em acesso a água (H);
Produto 1.3: Mulheres, jovens e trabalhadores ligados historicamente à indústria canavieira com projetos produtivos sustentáveis e rentáveis.	iii) Pelo menos 60% do público beneficiário deste componente é constituído por mulheres; iv) Pelo menos 30% do público beneficiário das atividades produtivas agrícolas e não agrícolas é constituído por jovens, dentre os quais uma forte presença de populações historicamente ligadas à indústria canavieira na Zona da Mata pernambucana.		- Alocação oportuna de recursos da contrapartida (H); -Provedores continuam propícios à entrega de serviços de AT (H).

Hierarquia de Objetivos	Principais Indicadores[4] e Metas	Meios de verificação	Hipóteses (H) e Riscos (R)
COMPONENTE 2: Desenvolvimento das capacidades			
Objetivo específico 2: As organizações dos beneficiários têm suas capacidades de gestão operacional fortalecidas e aumentam sua participação na gestão das políticas públicas em nível local, territorial e estadual.	iv) 70% das organizações de beneficiários que receberam apoio do Projeto tem melhorado sua capacidade gerencial, administrativa e têm desenvolvido procedimentos transparentes e participativos, quando comparado com a linha de base; v) As organizações de beneficiários aumentam (em relação a linha de base) sua participação e representação nos espaços de gestão das políticas públicas em nível municipal, territorial e estadual; vi) 70 % das famílias que receberam o apoio do Projeto aumentam e diversificam o acesso as políticas públicas de desenvolvimento rural e de regularização fundiária, quando comparado com a linha de base.	v) Sistema de Monitoramento e Avaliação do Projeto; vi) Relatórios Técnicos de Progresso; vii) Atas das reuniões dos Conselhos Municipais e Territoriais; viii) Relatórios de revisão de meio termo e missões de supervisão.	- As políticas de estruturação territorial permanecem efetivas (H). - Alocação oportuna de recursos da contrapartida (H); -Provedores continuam propícios à entrega de serviços de AT (H).
Produto 2.1: População rural informada sobre programas e políticas públicas.	iii) 70.000 famílias (35.000 diretamente beneficiadas pelo Projeto e 35.000 que participam somente de capacitações) dos municípios de intervenção, informadas sobre as modalidades de acesso sobre programas e políticas públicas; iv) 70% das 35.000 famílias atendidas pelo dispositivo de assessoria técnica aumentam seu acesso aos programas e políticas públicas.		
Produto 2.2: Organizações beneficiárias do projeto fortalecidas.	iii) 70% das organizações comunitárias e econômicas apoiadas acessam outras fontes de financiamento; iv) 80% das organizações comunitárias e econômicas apoiadas participam nos Colegiados Territoriais e dos Conselhos Municipais de Desenvolvimento.		
Produto 2.3: Organizações de mulheres, de jovens e trabalhadores ligados historicamente à indústria canavieira fortalecidas e com melhor participação nos espaços de gestão das políticas publicas.	iii) 80 % das organizações de mulheres, jovens e trabalhadores ligados historicamente à indústria canavieira apoiadas pelo Projeto acessam a fontes de recursos específicos; iv) 90 % das organizações de mulheres, jovens e trabalhadores ligados historicamente à indústria canavieira apoiadas pelo Projeto participam nos Colegiados Territoriais e dos Conselhos Municipais de Desenvolvimento.		

Hierarquia de Objetivos	Principais Indicadores[4] e Metas	Meios de verificação	Hipóteses (H) e Riscos (R)
COMPONENTE 3: Fortalecimento institucional			
Objetivo específico 3: As instituições estaduais do Estado de Pernambuco têm suas capacidades de gestão e implementação das políticas públicas de desenvolvimento rural e combate a pobreza fortalecidas.	ii) Nos municípios de intervenção do Projeto, aumento de 30% (quando comparado com a linha de base) de acessos aos recursos dos Programas e Políticas de desenvolvimento rural e combate à pobreza.	v) Sistema de Monitoramento e avaliação do Projeto; vi) Relatórios Técnicos de Progresso; vii) Atas e documentos de comunicação produzidos; viii) Relatórios de revisão de meio termo e das missões de supervisão.	- O Governo de Estado do Pernambuco comprometido a divulgar a metodologia e os resultados do Projeto (H). - Ambiente propício à articulação de politicas públicas e programas no MDA, MDS e Colegiados Territoriais (H).
Produto 3.1 Sistema de M&A gerando estatísticas frequentes de indicadores de resultado do Projeto.	iv) Implementação de um sistema de Monitoramento e Avaliação (M&A) para quantificar os resultados do Projeto e para gerar metodologias utilizáveis por instituições do Governo, compatível com o sistema comum de M&A (Monitoramento e Avaliação) do FIDA Brasil; v) Realização de 5 estudos e sistematizações, no intuito de compartilhar experiências bem sucedidas e inovações oriundas do Projeto e úteis para outros programas e instituições; vi) Aplicação de pelo menos 2 questionários (linha de base e avaliação final) para obtenção de amostra domiciliar representativa da área de cobertura do Projeto com estatísticas sobre ativos, nível de renda, segurança alimentar, condição de moradia, convívio com mudança climática e gestão ambiental e participação de jovens e mulheres.		
Produto 3.2: Divulgação dos resultados do Projeto com entidades públicas, privadas e da sociedade civil, com vistas ao acompanhamento e cruzamento do cumprimento das metas do Projeto com as políticas públicas existentes.	iv) Apresentação de 3 relatórios anuais com evolução de indicadores de resultado na área de cobertura do projeto; v) Realização de pelo menos 3 ações de comunicação e divulgação (seminários) das experiências exitosas do Projeto, com entidades públicas, da sociedade civil e privadas, de âmbito nacional e internacional; vi) Realização a partir do ano três, de um evento anual de diálogo sobre as políticas públicas de desenvolvimento rural e territorial, com participação de entidades governamentais, da sociedade civil e do setor privado, em nível municipal, territorial, estadual e da região Nordeste.		

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Investing in rural people

Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for Brazil

Note to Executive Board representatives

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For: Review

Comments of the Independent Office of Evaluation of IFAD on the country strategic opportunities programme for Brazil

General comments

1. The Independent Office of Evaluation of IFAD (IOE) undertook a country programme evaluation (CPE) in Brazil in 2015. The associated agreement at completion point (ACP) was signed in December 2015. As per established practice, the ACP – containing a summary of the main CPE findings and recommendations – has been included as an appendix to the Brazil country strategic opportunities programme (COSOP) to be considered by the Board at its 117th session in April 2016.

2. IOE expresses appreciation to both the Government of Brazil and the Latin America and Caribbean Division of IFAD for their constructive engagement and cooperation throughout the CPE process. In particular, a key step in the CPE process was the organization of a national round-table workshop in Brasilia in October 2015, which provided an opportunity for multiple stakeholders to discuss the key findings and recommendations from the CPE, as well as to reflect on the main directions of the Brazil-IFAD partnership moving forward.

3. The Brazil COSOP is an important document. The country has the largest number of rural poor in Latin America and the Caribbean, the biggest financial allocation under IFAD's performance-based allocation system (PBAS), and six ongoing operations in their initial stages of implementation. Further activities are foreseen over the period of the Tenth Replenishment of IFAD's Resources (IFAD10) (2016-2018), including the financing of new investment projects and programmes.

4. IOE is generally satisfied that the CPE's recommendations have been incorporated into the new COSOP. The COSOP pays due attention to agricultural production, food security and nutrition alongside non-farm activities; lays the groundwork for the development of gender strategies and South-South and Triangular Cooperation (SSTC); ensures a focus on knowledge management and partnerships with a broader range of institutions working in the rural sector, and also multilateral organizations including the Rome-based agencies; tightens the link between lending and non-lending activities; and introduces a single monitoring and evaluation framework for the entire the project portfolio.

5. Based on the CPE and ACP, IOE wishes to underscore some issues for Management and Government to consider moving forward. These are set out in the section below.

Specific comments

6. An ambitious country programme commensurate with the demand for IFAD assistance. As mentioned above, IFAD currently has six ongoing investment projects in Brazil. Two further operations are foreseen in the IFAD10 period, one in the state of Maranhão, which has not benefited from IFAD assistance in the past. All eight operations are likely to be ongoing beyond the IFAD10 period.

7. This will pose significant challenges for IFAD in terms of monitoring, self-evaluation, and supervision and implementation support. A further challenge will be the need to meet the increasing demand to engage in non-lending activities and SSTC, while ensuring that investment operations are on track and are generating the desired results in terms of rural poverty reduction. The concern is whether in light of the available human and financial resources IFAD has the required capacity to deliver such an ambitious programme in the coming years.

8. Resource requirements. With regard to the above, the CPE had recommended that IFAD "cost" the new Brazil COSOP, in order to define the human and financial resources required (e.g. in terms PBAS allocations, regional and country grants,

and administrative budget) to achieve COSOP objectives. However, as mentioned in the ACP by Management, "pending the development of such a methodology, guidelines or approach, it will not be possible to apply this specific CPE recommendation to the new Brazil COSOP". IOE appreciates the difficulties faced in costing this COSOP but encourages Management to develop the required methodology/guidelines to facilitate such a process in future, for COSOPs in general.

9. Engagement of the private sector. The CPE found that there is potential to further expand the role of the private sector in IFAD operations, for example, in value addition to farm produce, provision of rural finance, supply of inputs and provision of technical assistance. This dimension will require more attention in the future, and IOE therefore appreciates the commitment made in the COSOP (paragraph 39) to strengthening partnership with the private sector across the country programme.

10. Monitoring and evaluation. IOE welcomes the attention devoted in the COSOP (paragraphs 31-32) to self-evaluation activities at the project level, across non-lending activities and at the COSOP level. The proposal to conduct COSOP annual reviews, a midterm review in 2019 and an independent evaluation of the COSOP in 2022, are also positive features.

11. A related concern raised by the CPE was the delay in collecting baseline data. Such data had not been collected for any of the six ongoing operations at the time of the CPE, though provisions were being made to do so. IOE underlines the importance of timely collection of baseline data for all projects (current and future), as this facilitates the assessment of the outcomes and impact of operations at an appropriate stage.

12. IFAD's decentralization. IFAD has an effective country office in Salvador de Bahia, run by three locally recruited staff members. The office's main focus is on supporting investment operations. The CPE recommended the outposting of the country programme manager (CPM) from headquarters to Brazil as a measure to further strengthen IFAD's role in non-lending activities and SSTC. IOE understands why this recommendation cannot be implemented in a timely manner, and appreciates Management's commitment to assess carefully the possibility of outposting the CPM to Brazil "under the current budget and staffing constraints, and as part of the overall decentralization strategy".

Final remarks

13. In general IOE finds the new Brazil COSOP to be a sound document and appreciates the concrete efforts made by both Management and the Government to follow up on the 2015 CPE recommendations.