TC ABSTRACT

I. Basic Project Data

▪ Country/Region:	BRAZIL/CSC - Southern Cone
▪ TC Name:	Support for the implementation of the Low Carbon Agriculture Plan (ABC+) in the State of Pará
▪ TC Number:	BR-T1577
▪ Team Leader/Members:	HINTZE, LUIS HERNANDO (CSD/RND) Team Leader; DAMIANI MARTI, OCTAVIO JORGE (CSD/RND) Alternate Team Leader; LEVY, DENISE URIAS (CSD/RND); QUEIROZ FENYVES, KATIA (CSD/CCS); MILENA MARRARA (CSC/CBR); MURGUIA BAYSSE, JUAN MANUEL (CSD/RND); CELESTE MARZO, CRISTINA (LEG/SGO); DE SOUSA, FERNANDO HENRIQUE (CSD/RND); RESTREPO, LISA SOFIA (CSD/RND)
▪ Taxonomy:	Operational Support
▪ Number and name of operation supported by the TC:	Decarbonize Pará: Policy Reform Project for Sustainable Development in the Amazon - BR-L1613
▪ Date of TC Abstract:	03 Apr 2024
▪ Beneficiary:	State of Pará - Secretaria de Estado de Desenvolvimento Agropecuária e da Pesca
▪ Executing Agency:	ESTADO DO PARA
▪ IDB funding requested:	US$850,000.00
▪ Local counterpart funding:	US$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Firms
▪ Prepared by Unit:	CSD/RND - Env, Rural Dev & Disaster Risk
▪ Unit of Disbursement Responsibility:	CSC/CBR - Country Office Brazil
▪ TC included in Country Strategy (y/n): ▪ TC included in CPD (y/n):	No Yes
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Productivity and innovation ; Environmental sustainability

II. Objective and Justification

2.1 To encourage sustainable and low carbon land use in small and medium-scale farmers and increase the resilience and productivity of Amazonian production systems by promoting adoption of sustainable practices in the cocoa and açaí production chains (technological change), contributing to the implementation of the Pará State Low Carbon Agriculture Plan (ABC+).

2.2 Pará has been the largest GHG emitter of all Brazilian states and in 2021 accounted for 40% of deforestation in Brazilian Amazônia. In recent years, the Government of Pará (GP) has made important efforts to promote policy changes, with the aim of reducing GHG emissions and deforestation and promoting sustainable and inclusive development. The GP has committed to transition towards a decarbonized and climate-resilient economy. As part of those efforts, Pará developed the State Plan for Climate Change Adaptation and Low Carbon Emission in the Agricultural Sector aiming to sustainable development 2020-2030 (PLCAP), to promote a sustainable agricultural production that favors climate change adaptation and control of greenhouse gas emissions, along with increases in efficiency and resilience. The

PLCAP is coordinated by the Agricultural Secretariat of the State of Pará (SEDAP) and it intends to incentive the adoption of LCA technologies, promote technical assistance, and involve the members of the value chains and the financial sector. Açaí and cacao are key products from Pará's socio-biodiversity, as they represent the second and fourth place in terms of their agriculture production value. Pará is Brazil's main producer of açaí 94% of the national production) and cacao (53%). However, the growing demand for cocoa and açaí has led, in some cases, to the expansion of areas with unsustainability practices. The adoption of sustainable practices and innovations that allow for greater resilience is limited among small and medium-sized producers.

Small producers in Pará face a lack of technical assistance to improve productivity and the sustainability of their agroforestry systems, lack of commercialization channels that encourage quality and sustainability and pressure from unsustainable and illegal activities. There is also a lack of information for the effective implementation of public policy oriented toward environmental and economic sustainability.

SEDAP has been implementing, over several years, initiatives such as PROCACAU PROAÇAÍ, in collaboration with research institutions such as CEPLAC and EMBRAPA. These programs aim to promote and support the cocoa and açaí value chains, with a strong commitment to balancing production with environmental preservation. These efforts have generated notable advances, as the development of more efficient production arrangements and new genetic varieties that increase productivity, improve adaptation to climate change and reinforce resistance to pests. In the case of cocoa, the agroforestry production system has stood out as the most suitable and resilient, and the use of hybrid varieties, together with recommended agricultural practices, has resulted in high productivity rates and greater longevity of the plants. Regarding açaí, in addition to cultivation in agroforestry systems, the development of new varieties of higher productivity and a more compact size, lead to lower harvesting efforts and costs.

The TC will benefit from the progress of the other LCA funded operations (BR-T1378, BR-T1409, BR-T1462). A key difference with said TCs is in the execution arrangements. In this case, the TC will be executed at a state level, under guidance and in close cooperation with State public institutions.

The TC supports the PBL "Decarbonize Pará: Policy Reform Project for Sustainable Development in the Amazon" (BR-L1613), item 3.4 of the Policy Matrix – Climate Smart Agriculture by supporting Pará's LCA Plan.

III. Description of Activities and Outputs

3.1 **Component I: 1. Strengthening capacities and promotion of low carbon technologies and sustainable practices.** Aimed at expanding the adoption of LCA technologies and sustainable practices (SP) among small farmers, including indigenous and quilombola communities. It will finance: i) training to farmers and technical assistants through workshops, courses, and field days; ii) technical and managerial assistance to farmers to promote adoption of LCA and SP; iii) implementation of technical demonstration units. The project will promote the active participation of women in its activities.

3.2 **Component II: 2. Promoting market access through sustainable value chains. .** This component will provide key inputs for the promotion of smallholders' participation in sustainable value chains. It will finance: i) studies to determine the current use of sustainable and LCA practices in Pará and priority actions beyond the current TC; ii) support to the development of a traceability system for cacao and açaí value chains; iii) workshops and other knowledge exchange activities among value chain stakeholders to disseminate best practices.

3.3 **Component III: 3. Coordination and Administration.** It includes the costs of executing agency to maintain the project management unit, equipment, utilities, etc.

3.4 **Component IV: 4. Audit.** Financial audit

IV. Budget

Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
1. Strengthening capacities and promotion of low carbon technologies and sustainable practices	US$550,000.00	US$0.00	US$550,000.00
2. Promoting market access through sustainable value chains.	US$178,000.00	US$0.00	US$178,000.00
3. Coordination and Administration	US$102,000.00	US$0.00	US$102,000.00
4. Audit	US$20,000.00	US$0.00	US$20,000.00
Total	**US$850,000.00**	**US$0.00**	**US$850,000.00**

V. Executing Agency and Execution Structure

5.1 At the request of the beneficiary, the Executing Agency (EA) for the project is the Fundo Brasileiro para a Biodiversidade - FUNBIO- will be responsible for the technical, financial and fiduciary execution and administration of the Project. FUNBIO will execute the project through a Project Management Unit (PMU) to be created within its organizational structure and will allocate the necessary human and technical resources needed for project execution. Execution of TC activities will be done in close coordination with the focal points assigned by the SEDAP for this project. SEDAP will participate and support the project activities, searching synergies with PROCACAU and PROACAI programs, allowing them to expand their reach and results. The unit with disbursement responsibility will be CSC/CBR.

5.2 FUNBIO, a not-for profit private entity specialized in the fiduciary and operational management of environmental projects. FUNBIO has 27 years of experience in 479 projects, among them BR-G1004, the largest GEF project in the IDB portfolio.

VI. Project Risks and Issues

6.1 Main risks identified are: (i) The implementation of technical demonstration units will require coordination to establish arrangements with local institutions where the units will be located. The readiness of those arrangements at the project start will be important for project successful implementation; (ii) coordination issues associated with geographical distances and low accessibility and communication lines.

VII. Environmental and Social Aspects

7.1 This TC does not have applicable requirements of the Bank’s Environmental and Social Policy Framework (ESPF).