

Cover Page for Project/Program Approval Request

1. Country/Region:	Brazil	2. CIF Project ID#:	(Trustee will assign ID)
3. Source of Funding:	<input checked="" type="checkbox"/> FIP	<input type="checkbox"/> PPCR	<input type="checkbox"/> SREP
4. Project/Program Title:	<i>FIP- Sustainable production in areas previously converted to agricultural use project (under the low carbon emission agriculture plan)</i>		
5. Type of CIF Investment:	<input checked="" type="checkbox"/> Public	<input type="checkbox"/> Private	<input type="checkbox"/> Mixed
6. Funding Request in million USD equivalent:	<i>Grant: \$10.62</i>		<i>Non-Grant:</i>
7. Implementing MDB(s):	<i>IBRD</i>		
8. National Implementing Agency:	<i>National Service for Rural Learning (Serviço Nacional de Aprendizagem Rural - SENAR)</i>		
9. MDB Focal Point and Project/Program Task Team Leader (TTL):	<i>Headquarters- Focal Point: Gerhard Dieterle</i>		<i>TTL: David Tuchsneider</i>
10. Project/Program Description (including objectives and expected outcomes):			
<p>The Project Development Objective is to promote the adoption of selected sustainable low carbon emission agricultural technologies by mid-sized producers in the Cerrado. This will be achieved through a pilot training and technical assistance program aimed at reducing the technological knowledge gap.</p>			
11. Consistency with Investment Criteria:			

(a) Climate change mitigation potential: The low carbon emission technologies promoted by the project have a proven effect on generating GHG emissions reductions in the agriculture sector, in particular through soil carbon sequestration. This is particularly important for the Cerrado biome, where soil organic carbon represents the most substantial carbon pool (estimated to account for up to 70% of total carbon stocks). Besides its contribution to carbon sequestration through expansion of improved agricultural practices, the project is also expected to contribute to the stabilization of the agricultural frontier through increased productivity gains in existing lands. Preliminary calculations, in line with Brazilian estimates, indicate a direct project contribution of approximately 4.6 MtCO₂eq to Brazil's GHG objectives for the agriculture sector to 2020. If potential indirect contributions from avoided deforestation are also taken into account, the GHG mitigation potential is much larger (around 20 MtCO₂eq), though such estimates are still uncertain due to the assumptions involved.

(b) Demonstration potential at scale: The project has enormous potential for transformational change as it is linked to Brazil's Sector Plan for the Mitigation and Adaptation of Climate Change for a Low Carbon Emission Agriculture (the ABC Plan), one of the sector plans stipulated in Brazil's National Climate Change Policy in order to reach its voluntary mitigation targets by 2020. Project design is focused on testing, measuring and learning. By demonstrating the added value of training and technical assistance in increasing the adoption rates of ABC technologies, the project can be a replicable model for expanding low carbon agriculture in Brazil. If the dissemination and training program promoted by the project is considered successful, the agencies involved in ABC Plan implementation are expected to incorporate its approach and lessons in order to scale up implementation.

(c) Cost-effectiveness: The economic analysis shows that the ABC Plan technologies are economically and financially feasible and attractive (compared to conventional technologies) and economically and environmentally sustainable. Based on the GHG estimates in the PAD, and considering only the direct GHG impacts of the project from 2014 to 2020, the cost-effectiveness of the project in terms of GHG mitigation is estimated at 2.56 US\$/tCO₂e. If these GHG impacts would be sustained over the following 10 years (from 2021 to 2030), then the cost per tCO₂e saved would only be 0.67 US\$/tCO₂e. (This amount represents only the training and technical assistance costs related to project implementation though, and not the full cost of adopting the ABC Plan technologies.)

(d) Implementation potential: The actions supported by the project are fully in line with Brazil's National Climate Change Policy. The project has established clear institutional and implementation arrangements. MAPA has delegated management of the project to SENAR, an institution with over twenty years of experience in planning, carrying out and supervising training programs and education of rural professionals in Brazil. EMBRAPA will provide technical support for training instructors and technicians in ABC Plan technologies and control the quality of the technology adoption. A tripartite Project Monitoring Committee (composed of MAPA, EMBRAPA and SENAR) will accompany overall project implementation. Detailed implementation arrangements are provided in Annex 3.1

(e) Integrating sustainable development (co-benefits): The project is expected to generate several environmental, socio-economic, and institutional co-benefits (see Annex 6 for a detailed description). Though likely to be limited due to the small scale of the project compared to the size of the Cerrado biome, they are indicative of the nature of co-benefits that could be achieved through large-scale implementation of the ABC program catalyzed by the transformational impacts of the project.

(f) Safeguards: The project is expected to have an overall positive impact as it seeks to reduce the negative effects of agricultural activities on the environment mainly through capacity-building and rural extension activities. Potentially adverse social and environmental impacts are expected to be small, and they can be avoided or minimized through mitigation measures. The project prepared an environmental and social management framework (ESMF) to assess any potential issues that could arise during project implementation and guide the application of World Bank Safeguard Policies.

Please see Annex 6 of the Project Appraisal Document for further elaboration on how the project addresses FIP objectives and investment criteria.

12. Stakeholder engagement:

Rural producers with medium-sized farms and field technicians are the main beneficiaries and principal stakeholders of the project. Other relevant stakeholders are state and local governments and extension agencies and representative bodies, such as farmer organizations, cooperatives and associations. The target population is about 12,000 producers with medium-sized farms with areas between 4 and 70 fiscal units (a fiscal unit covers between 5 and 100 hectares depending on the municipality) and 160 field technicians in nine of the eleven Cerrado States: Bahia, Distrito Federal, Goiás, Mato Grosso, Mato Grosso do Sul, Maranhão, Minas Gerais, Piauí e Tocantins. Project specific consultations during the preparation phase were held with representatives of key stakeholders (NGO, specialists from universities, research centers and civil society organizations, local farmer unions and state farmer federations) on January 23-24, 2013. The meetings were attended by 32 representatives of the main stakeholders. An interactive process of public consultation was also carried out through the MAPA and SENAR websites to get feedback about potential environmental and social risks and mitigation measures for a period of 28 days (December 2013/January 2014). Interested parties were able to access the report and to submit their suggestions and critical comments.

During its implementation, the project will carry out: (i) 15 low-carbon agriculture dissemination events addressing potentially interested producers, farmer organizations and federations, entrepreneurs, financial intermediaries and service providers; (ii) 600 short-term training courses (56 hours of training spreading over three months) for producers with medium-sized farms; and, (iii) a field technical assistance program for 1,600 medium farmers that will be assisted during two years by an especially trained group of 160 technical assistants, who will receive between 126 and 246 hours of training over a period of two years. Additionally, the project will implement a communication strategy that includes maintaining a project website by SENAR (<http://www.senar.org.br>) informing society and stakeholders on the project content, scheduled activities, events, project progress, monitoring results, results of exchange events, et cetera, and the production and dissemination of printed and audio-visual materials (brochures, publications, videos), including materials to be used in distance learning. Finally, the project will carry out annual events among project stakeholders, who will be engaged on project monitoring and evaluation to assess and document the lessons learned from the project.

13. Gender considerations:

A gender analysis was conducted during preparation in order to understand the role of women in the mid-sized farming systems in the Cerrado. According to the 2006 Agricultural Census (IBGE), 27 percent of landholders in the Cerrado area are women. Detailed data on ownership by farm size were not available but the existent data showed that male ownership and professional management tends to increase with property size. In the context of training participation conducted by SENAR, nearly 30 percent of total participants are women. The participation of women increases significantly in nutrition, food safety, health, and handicraft courses provided by SENAR. Since 2010, SENAR promotes trainings specifically designed to women in rural areas aiming to strengthen their participation in the business decision making process, including topics in business and financial management, leadership, public relations and planning, as well as information on labor rights, environmental, and phyto and livestock sanitary issues. Due to the environmental nature of the Project, which aims at increasing awareness and adoption of sustainable productive technologies and the reduction of deforestation pressures in the agricultural areas of the Cerrado, no targets on female participation have been adopted by the project and, therefore, no specific gender oriented interventions are contemplated in project design. However, given the importance of understanding the role of women in the adoption of low carbon technologies in mid-sized farms, SENAR's monitoring of participation, training, learning and adoption will be disaggregated by gender.

14. Indicators and Targets (consistent with results framework):

Core Indicator	Target
Indicator One: The increase in the agricultural area using the technologies recommended by the ABC Plan in relation to the total productive area of the participating producers	15%

Indicator Two: The increase in the number of participating producers adopting at least one selected technology compared with the control group	15% above control group	
Indicator Three: Number of direct beneficiaries (percentage female)	12,000	
Indicator Four: Sets of lessons learned from the project incorporated annually by MAPA, SENAR and EMBRAPA and disseminated to the rural extension institutions of Brazil	4	
Indicator Five:		
15. Co-Financing:		
	<i>Amount (in USD million):</i>	<i>Type of contribution:</i>
• Recipient (SENAR)	0.50	Cash and in kind
• MDB		
• Bilateral (EU fully blended)		
• Others (please specify)		
Co-Financing Total:	0.50	
16. Expected Board/MDB Management approval date:		
On or around June 18, 2014.		