

Annual Review Template

Title: Low-carbon Agriculture for avoided deforestation and poverty reduction Phase II (Rural Sustentavel)			
Programme Value £ (full life): 37.42		Review date: November 2023	
Programme Code: GB-GOV-7-ICF-PO013-LCP2	Start date: December 2016	End date: April 2026	

Summary of Programme Performance

Year	2017	2018	2019	2020	2021	2022
Overall Output Score	No annual review	No annual review	B	No annual review	No annual review	A
Risk Rating	Moderate	Moderate	Moderate	Major	Major	Major

DevTracker Link to Business Case:	DevTracker Programme GB-GOV-7-ICF-PO013-LCP2 Documents (fcdo.gov.uk)
DevTracker Link to results framework:	DevTracker Programme GB-GOV-7-ICF-PO013-LCP2 Documents (fcdo.gov.uk)

A. SUMMARY AND OVERVIEW [1-1 ½ pages]

This is the fourth Annual Review (AR) of the £37.42 million Defra-funded International Climate Finance (ICF) programme “**Low-carbon Agriculture for avoided deforestation and poverty reduction Phase II**” (“**LCA Phase II**”) in Brazil, or “*Rural Sustentavel*” to use its Brazilian name. This Annual Review covers activities carried out by the programme between 1st January 2022 and 31st December 2022.

A1. Description of programme [1-2 paragraphs]

Rural Sustentavel’s primary purpose is to: support the promotion of low-carbon agriculture (LCA) in small and medium-scale farms to reduce greenhouse gases (GHG) through avoided deforestation, increase producers’ income and quality of life, increase the number of producers adopting sustainable practices, and lead to policy replications in Brazil and overseas.

The following activities are delivered by the project in order to promote the adoption of LCA technologies:

- **Training** for local producers to build their capacity to apply LCA technologies (online introductory and advanced courses and funding of master's degrees).
- **Technical Assistance** for local producers to help make the transition to LCA technologies and low-carbon production systems.
- **Technical Assistance** for farmer organisations to target collected benefits and strengthen LCA value chains.
- **Capacity building** aimed at the general public and public sector professionals to increase awareness about the role of LCA in mitigating GHG emissions.
- **Policy Engagement** aimed at government officials to encourage more policies on sustainable and productive agriculture.

The programme has three projects operating in different biomes in Brazil: PRS Amazon, PRS Cerrado and PRS Caatinga. Each project has separate budgets, implementing agencies, timelines and activities, seen in Figure 1. All three projects share the same overarching theory of change: that providing small- and medium-scale farmers and landowners with alternative means of production and income generation reduces the rate of deforestation.

Figure 1: Description of the three biomes where programme activities occur.

Biome name	Description	Implementing agency	Key components
Cerrado	Tropical savanna	The Brazilian Institute of Development and Sustainability (IABS)	1. Strengthening local capacities in low-carbon agriculture 2. Promotion of low-carbon technologies and practices 3. Development of value chains and access to markets
Caatinga	Dry tropical forest	The Brazilian Foundation for Sustainable Development (FBDS)	1. Knowledge generation of the Caatinga biome 2. Promoting low-carbon sustainable productive arrangements 3. Creation of a sustainable legacy in the Caatinga
Amazon	Tropical rainforest	The Brazilian Institute of Development and Sustainability (IABS)	1. Developing sustainable business models 2. Market development 3. Knowledge sharing

A2. Summary supporting narrative for the overall score in this review [1-2 paragraphs]

The overall score for the 2022 Annual Review for Rural Sustentavel is an **A** as the programme was delivering outputs and making progress towards outcomes in line with expectations.

In 2022, Rural Sustentavel activities were reported against two outcomes. These were Outcome 2 (Number of people with improved livelihoods) which was under target and Outcome 5 (Number of farm adopting LCA technologies) which was over target.

The score for this AR is based on the results of the four outputs with nine indicators, seen in Figure 2. Of the nine output indicators the majority exceeded expectations. Although three were not met, two were less than 10% from achieving the 2022 target (Output Indicators 1.4 and 2.1).

Figure 2: Rural Sustentavel performance indicators for 2022

	Output Indicators	Outcome Indicators	Total
Number of Indicators met	1	0	1
Number of indicators exceeded	5	1	6
Number of indicators under target	3	1	4

Overall, this year saw an increase in the implementation of field-based activities. Whilst the prolonged effects of the pandemic made achieving some targets a challenge, it also provided the opportunity for

useful innovations, such as the use of virtual platforms for engaging with farmers, technical agents and schools which allowed progress to be made towards meeting and exceeding targets.

A3. Major lessons and recommendations for the year ahead [1/2 page]

The following lessons were identified during the reporting period:

- In Cerrado, landowners with smaller than anticipated farms participated in the programme; and the technology favoured by most farmers was 'recovery of degraded pastures' rather than integrated crop-livestock-forestry systems, which has fewer environmental benefits. Taken together, this meant that the environmental benefits delivered in Cerrado were 70-80% lower than anticipated. The revision of targets for PRS Cerrado raised questions as to whether the project and overall programme was still delivering value for money (VfM) and to what extent.
- Whilst there has been success in the delivery of many outcome and output indicators, there is a lack of evidence that these will achieve the long-term programme goals. There is concern that programme activities such as the delivery of training, will not lead to on-farm implementation and that the current log frame indicators do not allow this to be adequately monitored.
- Whilst the programme ran field days focused on gender specific issues, overall, the programme does not have enough consideration for the Gender Equality and Social Inclusion (GESI) of project activities nor does it consistently track the work already being conducted. Some output indicators do provide disaggregated data for gender (1.1 for example), but others are due to report on these statistics at the end of the programme.
- The delivery partner for the programme has strict environmental and safeguarding policies. However, in 2022, the safeguarding information in key communication materials such as the Annual and Quarterly reports were not sufficient.

Based on these lessons, this review makes the following recommendations to ensure continued progress. A summary of all recommendations in this Annual Review is included in Annex D.

- To provide confidence that the programme is still delivering value for money despite the revision of targets for PRS Cerrado, it is recommended a benefit-cost ratio be carried out by Defra.
- To ensure the programme design can deliver the long-term changes, we recommend that IDB work with the Defra programme team to revise the log frame and where necessary, update and realign programme activities and monitoring methods. This should be completed in the first half of 2024.
- To ensure programme activities are properly targeting and addressing issues related to gender, equality and social inclusion, we recommend a review into which output data sets can be disaggregated by these fields, an evaluation of the Caatinga project to understand how gender equality and social inclusion was considered in the project design and delivery, and the creation of a gender equality and social inclusion workplan to improve and monitor the promotion of promote gender equality and social inclusion through the programme. This should be delivered in the first half of 2024.
- We recommend that going forward the quarterly and annual reports contain project level safeguarding updates/issues which also reflect Defra's safeguarding standards. We recommend that these reports provide a dedicated section on how safeguarding policies are being reflected in each project to understand how this complies with Defra's ICF safeguarding standards. This should be completed by Q2 2024.

B: THEORY OF CHANGE AND PROGRESS TOWARDS OUTCOMES [1-2 pages]

B1. Summarise the programme’s [theory of change](#), including any changes to outcome and impact indicators from the original business case. [1/2 page]

Overall, the Theory of Change remains the same (Annex A). The programme still aims for transformational change in the agriculture and land use sector across key biomes in Brazil by supporting the adoption of sustainable LCA practises. Through technical assistance and capacity building, Rural Sustentavel increases the number of farmers using LCA, contributes to climate and biodiversity objectives through avoided deforestation and improves economic resilience of small and medium farms by reducing the pressure to clear standing forest to expand agricultural or grazing activities. Overall, this provides a reduction in GHG emissions whilst improving the quality of life for farmers and farm businesses.

Observations from 2022 resulted in a significant revision of some targets for PRS Cerrado (Figure 3) as part of a no-cost extension to overcome Covid-19 delays. The revised targets call into question how impactful the changes will be for the overall achievement of GHG reductions (KPI 6) and hectares of deforestation avoided (KPI 8).

Rationale for target revisions:

We believe the programme still delivers effective behaviour change, considering the revision of targets in PRS Cerrado. There were two key factors for the revision of these targets.

Observation 1

The original programme design estimated the average area per farm to implement LCA would be 100 hectares (of the 500 average landholding), resulting in the 300,000-hectare initial goal. However, the programme’s intervention area has many smallholder producers (77%) with an average property size of 135 hectares. As GHG emission reductions are related to the size of properties and its natural vegetation cover (ACN) area, smaller properties have, less absolute values of area (in ha) covered by natural vegetation, affecting the expected results.

Observation 2

The amount of GHG emission mitigated is also closely related to the type of LCA tech implemented. Systems which involve forestry components have higher tCO2 avoided than the recovery of degraded pastures. IDB’s review of PRS Cerrado targets estimated that 70% of the producers decided to work with Recovery of Degraded Pastures which has affected results.

Conclusion

Despite the significant reduction in expected outcomes for PRS Cerrado, the programme is still expected to deliver strong VfM. Even if the project were to deliver no reductions in GHG emissions, it is still estimated to deliver a benefit cost ratio above 1, meaning it incurs more benefits than costs over the lifetime of the project (ecosystem services and livelihood impacts). While the estimated reduction in GHG emissions has decreased significantly, they remain one of the core outcomes and consequent benefits of the project. Including even these revised GHG reductions therefore greatly increases the value of the project benefits and the VfM of the project.

The value placed on reductions in GHG emissions has also significantly increased since the original investment in 2016 and extension in 2020, which offsets the lower-than-expected reduction in GHG emissions. Overall, the project is still considered to deliver VfM.

Figure 3 - Revised targets for PRS Cerrado with re-adjusted funds

	Period	Original targets from start of programme	CURRENT SITUATION	WITH NO-COST EXTENSION	Predicted change from original target
			(with existing resources \$23M)	(i.e., with the final instalment of \$5.5M)	
LCA tech area implemented (ha)	4 years	300,000	55,855	63,634	-79%
Avoided GHG emission through LCA tech (tCO2e)	4 years	6,048,000	544,382	844,756	-86%
Avoided deforestation (ha)	4 years	25,960	6,525	7,859	-70%
	20 years	129,800	32,624	31,436	-76%
Avoided deforestation GHG emission reduction (tCO2e)	4 years	5,711,200	1,435,461	1,729,064	-70%
	20 years	28,556,000	7,177,305	8,645,320	-70%
TOTAL GHG emission mitigated (tCO2e)	4 years	11,759,200	1,979,843	2,573,820	-78%
	20 years*	34,604,000	7,721,687	9,490,076	-73%

*Considering that the LCA area implemented and as consequence the mitigated GHG emission is maintained for 20 years.

B2. Describe where the programme is on/off track to contribute to the expected outcomes and impact. What action is planned in the year ahead? [1/2 page]

The programme produced mixed results in 2022. Whilst most output indicators (67% of those measured) met or exceeded targets, there were some areas which were off target, attributable to pandemic delays and original PRS Cerrado projections, all of which are being addressed.

The no-cost extension for PRS Cerrado was designed to include around 500 new producers and achieve 63,634 hectares of LCA tech implemented. It is expected to target MUs which are defined as rural properties that will adopt low-carbon agriculture technologies as a result of support through this programme.

Outcome Indicators

Of the seven other outcome indicators, six will be reported against from 2023 and one from 2025. This is in line with the conclusion of the projects and delivery of outputs.

The aim of Outcome 2 is to help improve the livelihoods of beneficiaries who adopt low carbon agriculture technologies. This will include farmers, farmers' family members, technical agents, students and other people who benefit from the programme. An 'improved livelihood' is measured as individuals who have better market access, increased production or increased income as a result of attendance in Rural Sustentavel activities.

Whilst progress towards this outcome was lagging behind the 2022 indicator (by c.26%), the expected results at the end of the project will be higher. Currently only the head of the family is captured in the data, however, the livelihoods of the whole family will improve even if only the head of the household incorporates LCA practises as. This data is due to be produced by Q4 2023. Also, activities aimed at

improving livelihoods such as increased sustainable supply chains are not due to take place until 2023 onwards, after farmers have been trained on LCA practises.

Outcome 5 seeks to increase the awareness of LCA methods amongst small and medium-sized farms. This indicator is measured by the executing agencies, and it refers to the number of MUs implemented by this programme. The use of virtual platforms helped to exceed this outcome target by 68% in 2022.

Figure 4: 2022 Outcome indicator results

Outcome Level Results			
Indicator(s)	Milestone (2022)	Achieved (2022)	Progress
Outcome 2 [Number of people with livelihood benefits protected or improved as a result of Rural Sustentavel]	Total: 12,703 PRS Cerrado: 8,703 PRS Caatinga: 4,000 PRS Amazon: 0	Total: 9,428 PRS Cerrado: 7,921 PRS Caatinga: 1,507 PRS Amazon: 0	Under Target
Outcome 5 [Number of farms adopting LCA technologies as a result increased capacities and/or awareness]	Total: 1,000 PRS Cerrado: 0 PRS Caatinga: 1000 PRS Amazon: 0	Total: 1,680 PRS Cerrado: 324 PRS Caatinga: 1,356 PRS Amazon: 0	Exceeded Target

B3. Justify whether the programme should continue, based on its own merits and in the context of the wider portfolio [1 paragraph]

The VfM review conducted in 2023, concluded that despite the significant reduction in targets for PRS Cerrado, overall, the programme still delivers effective change as well as VfM (see section E2). The programme contributes to the UK Government’s international climate objectives and is aligned with the recent Integrated Review. It also supports commitments made under Defra’s 25-Year Environment Plan to protect international forests by supporting sustainable agriculture. It aligns with the government’s COP26 Sustainable Agriculture campaign and is also complementary to the government’s COP26 Forests, Agriculture and Commodity Trade (FACT) dialogues on shifting global markets in internationally traded commodities. The programme supports Brazil in achieving its Nationally Determined Contribution (NDC).

Defra’s investment in Rural Sustentavel (totalling £67 million over ten years and two phases) has demonstrated to Brazil the UK’s willingness to support their LCA transition. The programme also increases engagement with important institutions and government bodies such as MAPA, EMBRAPA and IDB, which whilst difficult to quantify in terms of value, offers a constructive means of UK-Brazilian collaboration on sustainable land management and supports continued investment in the programme. In 2022, the Defra team met with officials from MAPA (the Brazilian agricultural ministry) who expressed their thanks for the support that Defra’s funding provides to the roll-out of their primary LCA policy (Plano ABC+). The programme gives the UK a platform to engage with Brazil as it steps up global climate leadership through the G20 Presidency and COP30 in 2025.

In addition to the measurable outcomes and outputs that the programme will achieve (e.g. Improving farmer’s livelihoods and reducing emissions), the programme is a useful way of demonstrating the UK’s commitment to working in partnership with Brazil. It is also providing useful insights into the sustainable agricultural transition that can be replicated in other countries or other programmes. Rural

Sustentavel is Defra’s largest investment in sustainable agriculture and fills a programming gap that is not met through FCDO’s portfolio of agricultural investments. Agriculture and land use change is a leading cause of deforestation and biodiversity loss, Rural Sustentavel is an initiative aiming to reverse that trend.

C. DETAILED OUTPUT SCORING [aim for 1 page per output]

Output Title	Strengthened capacity of farmers, technical assistants and stakeholders in low carbon agriculture.		
Output number:	1	Output Score:	A
Impact weighting (%):	25%	Weighting revised since last AR?	[If Yes, up or down?]

Gender and Age distribution statistics below:

- 60% of farmers trained on LCA were men, and 40% women. The age breakdown was as follows: under 15 (0.5%), 15-29 (9%), 30-44 (23%) 45-59 (42%) and over 60 (25%).
- 71% of technical agents trained on LCA were men and 29% were women. The age breakdown was as follows: under 15 (0%), 15-29 (22%), 30-44 (44%) 45-59 (24%) and over 60 (7%).
- 58% of field days and LCA workshops were held with men and 42% with women. The age breakdown was as follows: under 15 (10%), 15-29 (24%), 30-44 (21%) 45-59 (26%) and over 60 (14%), however some participants did not indicate their age.
- 53% of students and young people trained on low carbon agriculture were men and 47% women. The age breakdown was under 15 (33%), 15-29 (53%), 30-44 (3%) 45-59 (1%) and over 60 (0%).

Indicator(s)	Milestone(s) for this review	Progress
1.1a Number of farmers trained on low carbon agriculture	Cerrado: 1057 Caatinga: 1450 Amazon: 200 Total: 2707	Cerrado: 3967 Caatinga: 1356 Amazon: 0 Total: 5323 - Exceeded
1.2 Number of technical agents trained on low carbon agriculture	Cerrado: 1366 Caatinga: 59 Amazon: 75 Total: 1500	Cerrado: 680 Caatinga: 151 Amazon: N/A Total: 831 – Under target
1.3 Field days and workshops delivered on low carbon agriculture	Cerrado: 272 Caatinga:12 Amazon: N/A Total: 284	Cerrado: 272 Caatinga: 81 Amazon: N/A Total: 353 - Exceeded
1.4 Number of young people trained on low carbon agriculture	Cerrado: 3316	Cerrado: 3274 - Under target

C1. Briefly describe the output’s activities and provide supporting narrative for the score. [1/2 page]

In 2022, there were four indicators which measured progress towards delivering Output 1 (Strengthened capacity of farmers, technical assistants, and stakeholders in low carbon agriculture). These indicators were assessed against activities undertaken in PRS Cerrado and PRS Caatinga, as PRS Amazon only entered implementation in late 2022. We expect early results for PRS Amazon in 2023.

Some of the training provided to farmers, technical agents and young people included:

- Introductory Distance Learning Course: Climate Change and Sustainable Rural Development in the Cerrado
- Professional master’s degree
- LCA training for youth
- Advanced Distance Online Learning Course

1.1a Number of farmers trained on low carbon agriculture

Most of the training provided to farmers was conducted through in-person field days which were prioritised in 2022, made possible through the easing of Covid-19 restrictions. The delivery of this activity exceeded expectations as almost four times more farmers participated in training activities than originally expected. This is in part due to utilising distance learning capacity for the introductory courses. By the end of 2022, the introductory Cerrado course alone had 966 registered participants, of which 441 had already completed the course and received a certificate. PRS Caatinga also produced relatively high numbers of farmers trained despite the results being under-target by less than 7%.

1.2 Number of technical agents trained on low carbon agriculture.

For technical assistance agents (ATECs), they made up the largest group of applicants (43%) to the online courses. Training for ATECs was prioritised in early 2022 as it was a mandatory requirement for those who would work for the project. It is important to highlight that the project suffered an estimated 18-month delay due to Covid-19 restrictions which meant that this indicator was affected by significantly less engagement with beneficiaries than expected. However, this challenge created an opportunity as it allowed the delivery partner to shift towards virtual platforms for some of the activities, helping to reach a larger audience. Recognising the challenge of meeting these targets, the executing agencies are scheduled to promote additional training events to maximise the agents trained.

1.3 Field days and workshops delivered on low carbon agriculture.

In 2022, 272 field days were held throughout all states involved in PRS Cerrado, with the participation of 12,226 people. Compared with 2021, this was a considerable increase. In 2021, only 12 field days took place because of the pandemic. In March 2022, to align with International Women's Day, four gender-focused field days were run covering the role of women in agriculture. These field days were held on properties managed by women. An important discovery from PRS Caatinga was the importance of adopting an implementation strategy as this provided great support for the planning and implementation of the field days and helped to exceed the original target.

1.4 Number of young people trained on low carbon agriculture.

The interest from schools in the 'Low Carbon Agriculture training for the youth' was very high with 126 schools demonstrating interest in enrolment, and 44 being selected for participation. Training for young people was slightly under target by 42. This is due to a challenge in obtaining school enrolment data and removing duplicates during analysis. Due to the high interest and the previous challenge with data collection being identified at an early stage, we don't foresee any further issues in achieving or exceeding this target.

Overall, the indicators for Outcome 1 were difficult to execute during the pandemic, however, 2022 allowed both PRS Cerrado and PRS Caatinga to implement the required field activities, contributing to the large increase in the number of farmers who received training in low-carbon technologies.

C2. Describe any changes to this output during the past year, and any planned changes as a result of this review. [1 paragraph]

It was observed that whilst targets were well exceeded in 2022, the overall progress is off track and there is a concern this training won't translate to on-farm implementation. The 2022 increase is attributable to the ability to reach a wider base of participants because of the online capacity and so to address overall progress, the targets for PRS Caatinga have been increased for the following year.

- For PRS Caatinga, this output was largely impacted by the Covid-19 pandemic and the ability to hold face-to-face engagement. As such, more courses were made available online and

throughout 2022, the online introductory courses continued to grow, serving as a valuable tool to reach more people. It is planned to keep utilising online capacity to continue maximising the current reach.

- For PRS Cerrado, there were challenges in meeting targets. Until the start of 2023, the executing agency calculated this indicator by counting the number of participants in training events, not recording the individuals trained. This led to some double-counting and skewed the results. Going forward, the agents trained will be recorded to ensure accuracy of the results.
- For PRS Amazon, the targets were revised specifically to capture indigenous farmers trained on LCA tech, as it is expected that indigenous communities will be important beneficiaries.

C3. Progress on recommendations from the previous AR (if completed), lessons learned this year and recommendations for the year ahead [1-2 paragraphs]

There are no recommendations from the previous AR.

As part of the effort to educate and inform perceptions of the benefits of LCA practises, one of the successes has been the master’s degree course. After the approval of the master’s degree programme, 26 people were selected from 174 pre-registered applicants. A second edition was then offered, which saw a significant increase in participants from the four states in the project, especially among the ATECs. The training of farmers on LCA tech also highlighted several key lessons learned which helped to exceed the target. Firstly, the delivery partners found increased participation in training activities when stakeholders who rural farmers trusted were involved. This included municipal secretariats, rural organisations and local productive arrangements. Secondly, allowing flexibility in the implementation process allowed PRS Caatinga to shift its focus towards organisations who had previous experience working within sustainable practises.

Whilst these indicators are effective at monitoring training participation, they don’t necessarily provide information relating to the effectiveness of the training or whether this training has supported the long-term goal of implementing LCA practices. This review recommends working with the Defra programme team to revise Output 1 indicators to ensure monitoring captures if capacity has been strengthened for participants of training events. This should include further monitoring to ensure the quality of training supports on-farm implementation such as ‘% of training participants who can identify how they have used the training 6 months later’.

Output Title	Increased agricultural productivity and areas with sustainable land use, through LCA implementation, in already deforested and degraded areas		
Output number:	2	Output Score:	A
Impact weighting (%):	60%	Weighting revised since last AR?	[If Yes, up or down?]

Indicator(s)	Milestone(s) for this review	Progress
2.1 Hectares of land brought under sustainable management	Caatinga: 1000	Caatinga: 939 – Under target
2.3 Number of studies assessing the impact of low carbon technology in the environment and supply chains	Caatinga: 1	Caatinga: 1 - On target

C1. Briefly describe the output’s activities, and provide supporting narrative for the score.

In 2022, there were two indicators which measured progress towards delivering Output 2 (Increased agricultural productivity and areas with sustainable land use, through LCA implementation, in already deforested and degraded areas). These activities focused on restoring deforested areas or degraded pastures in PRS Caatinga. Activities were not due to be carried out in PRS Cerrado and PRS Amazon in 2022, so there were no targets to deliver against.

For indicator 2.1, the total area was an estimation of the MUs within the project. 939 hectares of land were brought under sustainable management, against a target of 1,000. Sustainably managed land is defined as the increase in the percentage of native or secondary forest within the project areas.

Due to Covid-19 delays, the project did not manage to start the implementation of low-carbon technologies in the chosen MUs until later than expected, meaning the target was not achieved. However, because of the relatively small discrepancy (6.1%) and its circumstances, we anticipate that this target will be met in future years.

For indicator 2.3, one study was delivered against a target of one. The study was titled “*Consolidating Professional Qualification of Technical Assistance and Rural Extension for Low Carbon Agriculture Technologies in the Semiarid Region*” and focused on the impact of low carbon technology on the environment with specific reference to the unique socioeconomic context of the Caatinga biome. Through this process, IDB identified that rural access to technical assistance is very low, and this helped to explain the lack of knowledge about sustainable practices and subsequent low productivity amongst farmers. The results from this study helped to inform the preparation of project activities in PRS Caatinga by identifying knowledge gaps of the ATECs, which allowed training days to be tailored appropriately.

C2. Describe any changes to this output during the past year, and any planned changes as a result of this review.

Firstly, some of the approved Demonstrating Units (DU) previously included, decided to leave the project (sale or lease the property). The plan was to replace these DUs, but the project found it difficult to find replacement options. Secondly, although IDB started to help to improve capacity building in the area, the actual implementation of integrated systems was not possible in 2022. However, with the time extension, the targets will be postponed until 2025 to ensure this output is comprehensively delivered.

C3. Progress on recommendations from the previous AR (if completed), lessons learned this year and recommendations for the year ahead

There are no recommendations from the previous AR. For indicator 2.1, PRS Caatinga’s increased focus on delivering educational activities had a positive impact across other outputs. For example, the studies developed by PRS Caatinga allowed more effective training programme for ATECs, which was created after identifying knowledge gaps.

Output Title	Market barriers for farmers reduced, through the development of value chains and increased access to markets		
Output number:	3	Output Score:	A+
Impact weighting (%):	10%	Weighting revised since last AR?	[If Yes, up or down?]

Indicator(s)	Milestone(s) for this review	Progress
3.1 Number of farmer’s organisations strengthened through improved capacity and/or benefits	Caatinga: 10	Caatinga: 20 - Exceeded

C1. Briefly describe the output’s activities and provide supporting narrative for the score. [max 1/2 page]

In 2022, Rural Sustentavel delivered against Output Indicator 3.1 which looked to strengthen the capacity and/or collected benefits of farmers’ organisations in the Caatinga biome. A ‘strengthened’ organisation will be measured upon completion of the project, through several indicators, including:

- Increase in sales price.
- Increase in the number of products marketed through the organisation.
- Increase in institutional financial management (or profit margin).

Initially, workshops were organised with each of the 42 Productive Organisations (OSPs) to better understand the specific needs of the individual organisations and their affiliated properties (MUs). These workshops provided significant inputs for the creation of business plans and to identify the key collective benefits.

The field activities carried out with rural associations showed substantial progress in 2022. Against a log frame target of ten, IDB and the executing agencies managed to strengthen 20 farmers’ organisations. In addition to promoting the development and improvement of small producers, the Productive Local Arrangements (APLs) enabled them to provide better infrastructure for processing goods and improved market access for the community.

In September, six of the organisations that provide technical assistance and participated in the training process became members of the ABC Caatinga Network. This collective aims to promote research on LCA technologies in the Caatinga, helping to benefit students, researchers, family farmers and the surrounding community.

C2. Describe any changes to this output during the past year, and any planned changes as a result of this review. [1 paragraph]

Originally, this indicator had a target of 13 to be achieved in 2022 by PRS Cerrado, however, this had to be re-assigned to future years of the project. This was due to a delay which impacted the initiation of field activities.

This output is not scheduled to be reported on in PRS Cerrado and PRS Amazon until 2024 and 2025 respectively, and based on the success in 2022, we will review if the targets should be increased.

C3. Progress on recommendations from the previous AR (if completed), lessons learned this year and recommendations for the year ahead [1-2 paragraphs]

There are no recommendations from the previous AR, as this output was not being reported on in 2021. Going forward, we recommend working with the Defra programme team to revise the Output 3 indicator to ensure we can monitor progress towards reducing market barriers for farmers. This should be included in an updated the log frame in the first half of 2024.

Output Title	Improved partnerships between project stakeholders (e.g. executing agencies, government) and strengthened dialogue on LCA
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Output number:	4	Output Score:	A+
Impact weighting (%):	5%	Weighting revised since last AR?	[If Yes, up or down?]

Indicator(s)	Milestone(s) for this review	Progress
4.1 Number of workshops organised by Rural Sustentavel to promote policy dialogue	25	26 - Exceeded
4.2 Number of international stakeholders aware about Rural Sustentavel	N/A	50 – Exceeded expectations but no official target to monitor against

C1. Briefly describe the output’s activities and provide supporting narrative for the score. [max 1/2 page]

Output 4 is comprised of two output indicators, 4.1 and 4.2, that together determine progress towards strengthening stakeholder partnerships, the discourse of LCA and market access for sustainable agriculture products. They are measured at an overall programme level rather than being project specific.

For indicator 4.1, the objective of the workshops was to engage and share programme results with local stakeholders, whilst for indicator 4.2, the number of international stakeholders refers to an estimation of stakeholder participation at the launch of Amazonia project at COP27.

The executing agencies conducted nine policy workshops with public organisations at the federal, state and municipal levels to disseminate results, explore cooperation and funding opportunities. The first event was held in the House of Representatives which was titled: “Exhibition on the Caatinga Biome”. Workshops were also delivered by virtual webinars to public organisations, private companies and NGOs to disseminate knowledge about challenges and opportunities within each biome.

To engage international stakeholders, IDB, The Brazilian Ministry of Agriculture, Livestock and Food Supply (MAPA) and the Governor’s Legal Amazon Consortium jointly announced the launch of PRS Amazon at COP27 in Sharm El-Sheikh. This was delivered to at least 50 international stakeholders, despite this indicator not having an initial estimated target. A strategy on the objectives and target audience of the activities of PRS Amazon was developed, which will be used as a guide during the implementation of activities in the region.

C2. Describe any changes to this output during the past year, and any planned changes as a result of this review. [1 paragraph]

For indicator 4.1, the original objective of the programme was to organise eight seminars with policymakers (at federal, state, and municipal level) over the whole programme period. However, due to the restrictions imposed by Covid-19, these meetings started to be held in an online format. Attendance and discussions were good, and some face-to-face meetings were held in 2022 to maintain engagement.

C3. Progress on recommendations from the previous AR (if completed), lessons learned this year and recommendations for the year ahead [1-2 paragraphs]

There are no recommendations from the previous AR.
For indicator 4.1, the engagement with the Federal government (MAPA) has been essential for the development of all the activities mentioned. According to MAPA, the project execution and the

information gathered during this process will allow a better alignment between national public policies, state plans and project activities, supporting the strengthening of the ABC+ plan as a whole and involving actors and initiatives that allow the creation of synergies.

With regards to indicator 4.2, the key recommendation is to develop a strategy on what the objectives and target audience of these activities should be, to help guide the efficient implementation target. An exercise should also be undertaken within the next year to map out future opportunities/events to engage with international stakeholders. Targets should then be devised based on this mapping exercise. This should be completed by the end of Q2 2024.

We recommend working with the Defra programme team to revise the Output 4 indicators to ensure we can monitor progress towards improved partnerships and strengthened dialogue, and long-term goal of policy replications. This should be included in an updated log frame in the first half of 2024.

D: RISK [½ to 1 page]

Overview of risk management [1/2 - 1 page]

Risks associated with impact and reaching milestones have been described in each output section. However overarching or notable risks have been summarised below. At the conclusion of this Annual Review, the programme is considered to have an overall risk rating of **Major**.

There are two primary levers for monitoring and managing programme risk. The first is through regular reporting from IDB. We use monthly checkpoint meetings, quarterly reports and an annual overview report to monitor project level progress, risks and mitigation strategies.

The second, is the 2021 risk register, which was created in response to a recommendation from AR19. This is a more detailed document used to inform and monitor mitigation efforts in response to some of the larger challenges such as Covid-19 related delays.

The main risks facing the programme during the 2022 reporting period were as follows:

- In 2022, programme activities were focussed on the delivery of workshops and training with the aim of strengthening capacity and understanding of LCA practices. Without considered targeting of training and follow-up monitoring to understand the effectiveness, there is a risk that training activities do not lead to implementation on-farm.
- If new farming techniques are implemented following the strengthening of capacity, there is a risk that livelihoods won't be improved, or these farming practices won't be economically sustainable if they don't provide access to new markets and/or greater profits.
- Following delays to the delivery of the revised programme targets, there is a risk to the ability of the programme to deliver long-term environmental and social change.
- The revision of targets for PRS Cerrado raises questions as to whether the project and overall programme is still delivering VfM and to what extent. As the case for a no-cost extension for PRS Cerrado would be accompanied by a full Benefit-Cost-Ratio, we recommend a review of the VfM delivered by these revised targets. This should be carried out by the end of Q2 2023.
- All IDB financed operations adhere to environmental and safeguarding policies. The quarterly and annual reports should contain project level safeguarding updates/issues; however, detail has not been sufficient in 2022 reports. We recommend that these reports provide a dedicated section on how safeguarding policies are being reflected in each project, to understand how

this complies with Defra’s ICF safeguarding standards. This should be completed by the end of Q2 2024. The safeguarding policies are as follows:

- Environmental and Safeguards Compliances Policy (OP-703)
- Gender Equality in Development (OP-761)
- Indigenous Peoples Policy (OP-765)
- Involuntary Resettlement Policy (OP-710)
- Disaster Risk Management Policy (OP-704)

E: PROGRAMME MANAGEMENT: DELIVERY, COMMERCIAL & FINANCIAL PERFORMANCE [1 ½ - 2 pages]

Summarise the performance of partners and Defra, notably on commercial and financial issues. [max 1 page]

The programme management has been mostly satisfactory over the last year. We meet with IDB on a monthly basis to discuss progress of the project. We receive quarterly reports which highlight the key achievements in delivering targets from the previous three months, as well as any challenges faced. The creation of the risk register and the consistent reporting through monthly checkpoint meetings, quarterly reports and the annual report, has allowed progress and any issues to be monitored more closely, although we recognise this can further improved as detailed above.

There was a senior official visit to Brazil in 2022, with visits to PRS Cerrado and PRS Amazon and meetings with government officials in Brazil. This was an opportunity to review the project and risk management of Rural Sustentavel and discuss how to enhance and improve monitoring and evaluation of the impacts of the programme.

Post is very active in the programme’s steering committee, which includes the delivery partner, executing agencies and Brazilian government officials, where they discuss individual project progress and project management. We have weekly discussion with post about the programme where we discuss key issues and key updates from the UK and Brazilian side.

The management of this programme from Defra’s side was under-resourced from late 2022. This caused minor issues for monitoring and resulted in the 2021 annual review not being completed, however the performance against output indicators was still submitted by IDB and overview of the programme performance from this year can be found in Annex B and C. These resourcing gaps have since been filled and increased monitoring and engagement with all programme partners is already underway.

E2. Assess the VfM of this output compared to the proposition in the Business Case, based on performance over the past year [max 1 page]

Introduction:

The Rural Sustentavel (LCA Phase II) programme is a pivotal initiative aimed at fostering LCA, mitigating GHG emissions, whilst increasing the income of producers and endorsing sustainable agricultural practices across Brazil. As per standard practice, VfM assessments compare current progress of the programme outputs against the approved programme targets. In addition, progress is assessed through consideration of Economy, Efficiency, Effectiveness, and Equity.

This assessment is taken against the programme’s revised approved targets rather than original targets. As set out in Section B1, despite the reductions in some targets from previous years, the project is still assessed to deliver VfM under the revised targets.

Economy:

The Rural Sustentavel programme is underpinned by a robust financial framework. As part of the agreement in December 2016, Defra contributed £30 million to IDB for the execution of Rural Sustentavel, in addition to the outstanding balance of £7.8 million from Rural Sustentavel Phase 1. This results in a total contribution from Defra of £39.2 million. This programme operates across diverse biomes in Brazil, with the programme delivering a tailored set of activities and budget for each biome to ensure that the funds are best utilised to achieve the desired outcomes.

The IDB have a wide-ranging background of providing financial and technical support to drive progress towards sustainable and inclusive development amongst other aims, dating back to 1959. The programme is managed by an IDB in-country team in Brazil and IDB has robust procurement policies in place to ensure activities and inputs are procured appropriately and able to function in the appropriate region.

Furthermore, the programme's alignment with various international climate objectives and Defra's 25-Year Environment Plan supports a strategic allocation of resources. The programme has also delineated clear targets associated with the existing budget and the potential additional resources, offering transparency in budgetary considerations.

Efficiency:

As set out above, the fund has so far received US\$48m (£37.8 million) in contributions from Defra from 2017-2021. It has also generated US\$1.2m (£947,000) in income from investments, with administrative expenses of US\$2m (£1.57 million) over that period. Of this available resource, US\$39.1m (£30.86 million) has been allocated to five approved projects, with two increases in these allocated funds set to be approved in 2023. Of this approved funding, c34% (US\$13m) has been disbursed to date (c28% of Defra total programme funding), reduced by PRS Amazon which was only approved in late 2021.

PRS Cerrado and PRS Caatinga were approved in mid-2019 and have disbursed 41% and 66% of the approved funding respectively. Considering the delays to the projects caused by the Covid-19 pandemic, it appears likely the approved project funding will be utilised as planned by the end of 2024. Plans are also in place to utilise the unallocated funding to increase the funds available under PRS Cerrado (\$5.5m) and PRS Amazon (\$2.5m) for approval in 2023.

Table 1 - Rural Sustentavel project funding allocations and disbursement to date (2017-2022)¹

Project	Approved funding	Disbursed funding	Disbursed %
MATOPIBA Kick off project	\$0.2m	\$0.2m	100%
Caatinga	\$5.0m	\$3.3m	66%
Cerrado	\$23.0m	\$9.4m	41%
Amazon	\$9.6m	\$0.1m	1%
Monitoring and evaluation	\$1.2m	\$0.3m	27%
Total allocated funding	\$39.1m	\$13.3m	34%
Unallocated	\$9.2m	N/A	N/A

¹ 2022 Annual report

Through this disbursed funding, outputs are beginning to be delivered on the ground, particularly for PRS Caatinga and PRS Cerrado which commenced in 2019. As set out within the effectiveness section below and output overviews above, the projects are largely on track to deliver the desired outcomes of the overall programme. The delivery partner has taken steps to ensure strong data collection and analysis to tailor project design and delivery in order to ensure capacity and resource is being best directed to deliver on the objectives.

Despite the challenges posed by the Covid-19 pandemic, the programme adapted by shifting to virtual platforms for engagement, which not only maintained but, in some cases, exceeded target engagements. This demonstrates an ability to adjust operations to maintain efficiency under unforeseen circumstances.

Effectiveness:

The effectiveness of the Rural Sustentavel programme, i.e., how well outcomes are being achieved with the resources provided, is demonstrated by progress against its targets. Seven of the targets with estimated results under the output and outcome indicators have been met (one) or exceeded (six) in 2022. Although four were not met, two were less than 10% from achieving the 2022 target (Output Indicators 1.4 and 2.1).

The two indicators notably under their 2022 targets were Outcome Indicator 2a (26% below) and Output Indicator 1.2 (45% below). Both are closely linked, with the rationale for failing to deliver on their 2022 targets set out in the relevant sections of this review. Neither are expected to prevent the programme from achieving its overall targets at the end of the programme period, with the programme outputs effectively resulting in the intended impacts.

Table 2 - Summary table of programme performance against indicator targets²

	Output Indicators	Outcomes	Total
Number of Indicators delivered against	1	0	1
Number of indicators exceeded	5	1	6
Number of indicators not delivered	3	1	4

Equity:

Equity remains at the forefront of the programme's objectives. Brazil's 2017 Agricultural Census indicated that smallholders represent 77% of all farming establishments in Brazil, however, they only occupy 23% of all cropland. In the Caatinga and Cerrado specifically, it is estimated that 24 and 18% of smallholdings are women-led, 53% and 28% respectively are illiterate, and 68% in Caatinga and 44% of smallholder production in the Cerrado is produced for self-consumption rather than commercially sold.³ By targeting support at both small- and medium-sized farms, tailoring activities in each biome for the unique needs of those regions and communities, the programme promotes an inclusive approach to sustainable agriculture.

For example, the programme recognised that producers in the Caatinga regularly navigate water scarcity, unlike those in the Cerrado and Amazon biomes. This led to a partnership with EMBRAPA

² Note: this table only includes indicators for which data (milestone and planned results are available for and that have been estimated.)

³ <https://www.climatepolicyinitiative.org/publication/smallholders-in-the-caatinga-and-the-cerrado-a-baseline-analysis-for-a-rural-just-transition-in-brazil/#N2>

to research the most optimal LCA technologies for the region. The knowledge of local producers who have traditionally navigated water scarcity was included in the study. Furthermore, to ensure indigenous groups are included as beneficiaries in the Amazon, at least 20 of the 300 producers that receive improved credit from PRS Amazon must come from indigenous communities.

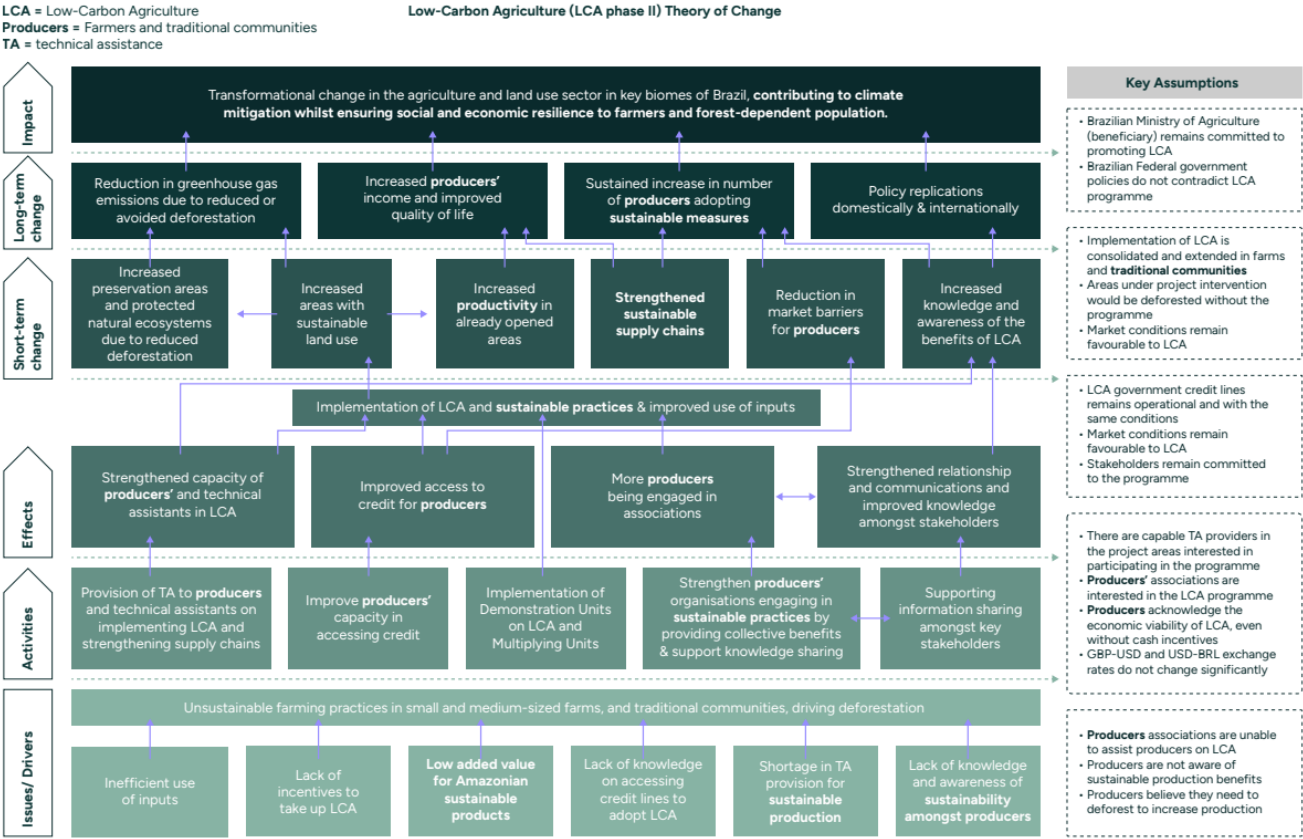
The programme has made efforts to engage a wide range of beneficiaries, from farmers to technical agents to young people. The focus on training and capacity-building ensures that these beneficiaries have the tools and knowledge they need to benefit from the programme. In March 2022, gender-focused field days were organised, some of which were tailored to empower women and highlight the role of women in agriculture and family farming. This demonstrates the programme's commitment to promoting gender equity in its operations. In order to improve the equality and accessibility to LCA technologies, Rural Sustentavel should start to collect data on the gender of those supported by each project.

Conclusion:

As per the VfM review in 2023, the Rural Sustentavel programme demonstrates good VfM across the four dimensions of Economy, Efficiency, Effectiveness, and Equity. While there are areas for improvement, especially in meeting certain targets and the need to rapidly scale up activities under PRS Amazon, the programme's adaptability, stakeholder engagement, and focus on equity position it well to deliver on its objectives. Many indicators have targets in place from 2023 onwards which will enable even greater scrutiny of the programme's performance. The data-driven approach of the programme to assessing avoided deforestation and the detailed field surveys for sustainable agricultural practices give confidence in the estimates of the programme's impacts and subsequent recommendations for development.

Date of last narrative financial report		Date of last audited annual statement	
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Annex A – Theory of Change



Annex B – Annual Review 2022 Recommendations

Recommendation 1: Establish and report baseline data for Outcome Indicators 1, 7 and 8 within the first half of 2024. As baseline data was not collected at the time, work with the Defra programme team and MEL supplier to agree an acceptable methodology for asking sampled beneficiaries to estimate change in income etc over time retrospectively, using appropriate techniques to anchor recollection of the baseline period.

Recommendation 2: Work with the Defra programme team to revise Outcome Indicators to ensure they can demonstrate progress towards the long-term goal of reducing producer poverty and update the log frame accordingly in the first half of 2024. This should include the consideration of reporting numbers of people rather than percentage change.

Recommendation 3: For Outcome and Output Indicators designed to monitor progress towards the long-term goal of reducing producer poverty, provide details on how programme activities are designed to target those in poverty status.

Recommendation 4: Work with the Defra programme team to revise the monitoring methods for outcomes which support progress towards the long-term goal of reducing GHG emissions, to ensure efficient reporting, and update the log frame accordingly in the first half of 2024.

Recommendation 5: Work with the Defra programme team to revise the Output 1 indicators to ensure monitoring captures whether capacity has been strengthened for participants of training events. This should include further monitoring to ensure the quality of training supports on-farm implementation such as ' % of training participants who can identify how they have used the training 6 months later'.

Recommendation 6: Work with the Defra programme team to revise Output 3 indicators to ensure they can monitor progress towards reducing market barriers for farmers and update the log frame accordingly in the first half of 2024.

Recommendation 7: Work with the Defra programme team to revise the Output 4 indicators to ensure they can monitor progress towards improved partnerships and strengthened dialogue, and long-term goal of policy replications, and update the log frame accordingly in the first half of 2024.

Recommendation 8: To ensure programme activities are properly targeting and addressing issues related to gender, equality and social inclusion, we recommend a review into which output data sets can be disaggregated by these fields, an evaluation of the Caatinga project to understand how gender equality and social inclusion was considered in the project design and delivery, and the creation of a gender quality and social inclusion workplan to improve and monitor the promotion of promote gender equality and social inclusion through the programme. This should be delivered in the first half of 2024.

Recommendation 9: We recommend that going forward the quarterly and annual reports contain project level safeguarding updates/issues which also reflect Defra's safeguarding standards. We recommend that these reports provide a dedicated section on how safeguarding policies are being reflected in each project to understand how this complies with Defra's ICF safeguarding standards. This should be completed by Q2 2024.

Annex E- Log Frame

Brazi: Low-Carbon Agriculture for Avoided Deforestation and Reduced Poverty Phase II: Cerrado, Caatinga & Amazon/ Rural Sustentavel (LCA Phase II)										
LOGFRAME										
24/4/2022										
<div>* LCA Phase II is carried out in three biomes in Brazil: Cerrado, Caatinga and Amazon.</div> <div>* Delivery partner: Inter-American Development Bank; Executing agencies: IABS (Cerrado and Amazon) and FBDS (Caatinga)</div> <div>* All baseline studies will be carried out before implemestation by August 2020.</div> <div>* Caatinga project is expected to complete by 2023. Cerrado project is expected to complete by February 2024. Amazon project is expected to complete by March 2024.</div> <div>* The term "low carbon agriculture" will be used to refer to the farming and land management practices relating to crop-livestock-forest integration (ICLF) and restoration of degraded pasture (RDP or RPD in portuguese). ICLF is a strategy aimed at maximizing positive environmental effects, combining productivity growth with natural resources conservation in the process of intensifying the use of deforested areas in Brazil. It is one of the six low-carbon technologies promoted under the Low-Carbon Agriculture Plan (Plano ABC) of Brazil. ICLF includes four different production systems (variations): (i) integrated crop-livestock or agro-pasture system, which integrates crop and livestock components in rotation, combination or succession in the same area and in a same crop year or for multiple years; (ii) integrated livestock-forest, forest-pasture, or silvopasture system, which integrates livestock and forest components in combination; (iii) integrated crop-forest or agroforestry system, which integrates crop and forest components through the combination of tree species and agricultural (annual or perennial) crops; and (iv) integrated crop-livestock-forest system, which integrates crop, livestock and forest components in rotation, combination or succession in the same area.</div> <div>*Multiplying Units (MUs) refers to rural properties that will adopt low-carbon agriculture technologies as a result of support through this programme.</div> <div>*Demonstration Units (DUs) refers to rural properties that have already adopted ICLF technology (see definition above) and will be used as a model to other producers to demonstrate the benefits of low-carbon agriculture through field days and training.</div> <div>*The term "farmers" will also include producers and extractivists from traditional communities in the Amazon project</div>										

Outcome Indicator 1	Notes			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
% increase in income for farmers participating in LCA Phase II	* Measured by executing agencies at the end of the project. * A survey will be carried out by Mar 2022 as a part of the baseline study, which will collect information on farmers' incomes. (This date is not valid for the Amazon project)	Original Plan	TOTAL								
			Cerrado Orig Plan				15%			15%	
			Caatinga Orig Plan				25%			25%	
			Amazon Orig Plan						15%	15%	
		Updated Plan	TOTAL								
			Cerrado						15%		15%
			Caatinga					25%			25%
			Amazon							15%	15%
		Achieved	TOTAL								
			Cerrado								
			Caatinga								
			Amazon								
Source											
LCA annual report and impact evaluation report											
Outcome Indicator 2.a	Notes			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
Number of people with livelihood benefits protected or improved	* Indicators per year are discrete. * A gender and income breakdown of planned results will be developed by Mar 2022 for the Caatinga and Cerrado's project. The Amazon project will have a different timeline as it had a latter approval. * Measured by executing agencies through questionnaires to beneficiaries. * This will include farmers, farmers' family members, technical agents, students and other people who benefit from the programme. This can include: improved farm management (financial and resources - water and energy), better market access and increased production and income. * It is estimated that 800 indigenous people out of a total of 2.960 people will have livelihood benefits protected or improved by the Amazon project (see outcome	Original Plan	TOTAL	0	0	10,410	12,048	2,708	550	1,895	27,611
			Cerrado Orig Plan			9,110	11,388	2,278			22,776
			Caatinga Orig Plan			1,300	575				1,875
			Amazon Orig Plan				85	430	550	1,895	2,960
		Updated Plan	TOTAL	0	0	947	12,703	10,888	4,591	1,895	31,024
			Cerrado	0	0	947	8,703	9,000	4,126		22,776
			Caatinga	0	0 -		4,000	1,543	-	0	5,543
			Amazon					345	465	1,895	2,705
		Achieved	TOTAL			963	9,428	0	0	0	10,391
			Cerrado			382	7,921				8,303
			Caatinga			581	1,507				2,088
			Amazon				0				0
Source											
LCA annual report and impact evaluation report											

Outcome Indicator 2.b	Notes			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
Number of indigenous people with livelihood benefits protected or improved	* Indicators per year are discrete. * Measured by executing agencies. * Applicable to the Amazon project only.	Original Plan	Amazon Orig Plan					50	100	650	800
		Updated Plan	Amazon	0	0	0	0	50	150	650	800
		Achieved	Amazon				0				0
		Source									
		IDB progress reports									
Outcome Indicator 3a	Notes			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
Greenhouse gas emissions reduced through avoided deforestation (KPI 6)	* Indicators per year are discrete. * Measured in unit tCO2e (tonnes of carbon dioxide equivalent). * Baseline report will be prepared with EMBRAPA by Mar 2022 for the Caatinga and Cerrado's projects. The Amazon project will have a different timeline as it was approved latter. * Results for 2020 will not be measured as emission reductions cannot be accurately measured until a year after LCA technologies are implemented. * Cerrado: Measured by EMBRAPA * Caatinga: Measured by EMBRAPA	Original Plan	TOTAL	0	0	0	0	300	5,711,200	400,000	6,111,500
			Cerrado ORIG Plan						5,711,200		5,711,200
			Caatinga Orig Plan					300			300
			Amazon Orig Plan							400,000	400,000
		Updated Plan	TOTAL	0	0	0	0	300	1,435,461	400,000	1,835,761
			Cerrado						1,435,461		1,435,461
			Caatinga					300			300
			Amazon							400,000	400,000
		Achieved	TOTAL	-	-	-	-	-	-	-	-
			Cerrado								0
			Caatinga								0
			Amazon								0
		Source									
		LCA annual report and final report									
Outcome Indicator 3b				Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
Greenhouse gas emissions reduced through adoption of sustainable agricultural practices	* Indicators per year are discrete. * Measured in unit tCO2e (tonnes of carbon dioxide equivalent). * Cerrado: Measured by EMBRAPA * Caatinga: Measured by EMBRAPA * Amazon: Will focus on strengthening sustainable supply chains, adding value to it. The project will conduct a study to develop a methodology to measure the amount of emissions reductions from avoiding producers to change commodities production and/or deforesting to increase production.	Original Plan	TOTAL	0	5000	5,000	10,000	-	6,048,000	0	6,068,000
			Cerrado ORIG Plan						6,048,000		6,048,000
			Caatinga Orig Plan		5000	5,000	10,000				20,000
		Updated Plan	TOTAL	0	0	-	-	20,000	544,382	-	564,382
			Cerrado						544,382		544,382
			Caatinga					20,000			20,000
		Achieved	TOTAL	0	0	0	0	0	0	0	0
			Cerrado								0
			Caatinga								0
		Source									
		LCA annual report and final report									

Outcome Indicator 4	Notes			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project		
Number of hectares where deforestation has been avoided (KPI 8)	* Indicators per year are discrete. * Measured by EMBRAPA, using the [TBC] method according to the official KPI 8 methodology, for Cerrado project * The current figure for Cerrado is a very rough estimate (see Embrapa KPI 8 estimation note on 17 March 2020). An estimated figure for the Caatinga will be ready by June 2021. * Accurate estimates will be calculated once all MUs and DUs are selected. (which gives information on how much native or secondary forest there is in the project areas). The DUs will be selected by March 2021 and all MUs will be selected by September 2021.	Original Plan	TOTAL	0	0	150	50	0	26,960	1,000	28,160		
			Cerrado ORIG Plan						25,960		25,960		
			Caatinga Orig Plan			150	50				200		
			Amazon Orig Plan					1,000	1,000	2,000			
		Updated Plan	TOTAL	0	0	0	0	200	7,525	1,000	8,725		
			Cerrado						6,525		6,525		
			Caatinga					200			200		
			Amazon						1,000	1,000	2,000		
		Achieved	TOTAL				0	0	0	0	0		
			Cerrado								0		
			Caatinga								0		
			Amazon								0		
		Source											
		Progress reports from executing agencies. Supervision missions will verify reported figures and quality of implementation.											
Outcome Indicator 5	Notes												
Number of farms adopting low carbon agricultural technologies as a result of increased capacities and/or awareness	* Indicators per year are discrete. * Measured by executing agencies. * This refers to the number of MUs implemented by this programme. (The numbers presented by the Cerrado have already started implementation) * IDB supervision missions will verify reported figures and quality of implementation. * In the Amazon project the indicator will be measured by families and not farms, as some beneficiaries might not own a farm since they are involved in extractivist value chains. * It is estimated that 20 of the 600 families will be indigenous families in the Amazon project (ongoing)			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project		
		Original Plan	TOTAL	0	500	1,100	1,300	500	0	600	4,000		
			Cerrado Orig Plan		500	1,000	1,000	500			3,000		
			Caatinga Orig Plan			100	300				400		
			Amazon Orig Plan							600	600		
		Updated Plan	TOTAL	0	0	3,000	1,000	0	0	600	4,600		
			Cerrado			3000					3,000		
			Caatinga				1000				1,000		
			Amazon							600	600		
		Achieved	TOTAL			3,187	1,680	0	0	0	4,867		
			Cerrado			3,187	324				3,511		
			Caatinga				1,356				1,356		
			Amazon				0						
		Source	Progress reports from executing agencies										
		Outcome Indicator 6	Notes										
		Evidence of programmes / policies within and beyond Brazil that are either (i) using lessons learned from LCA Phase II or (ii) applying LCA Phase II mechanism	* This will measure qualitatively the extent of influence the programme has over domestic policies in Brazil (most notably Plano ABC and the NDC) as well as those beyond. * Methodology for measuring this will be established for the Caatinga and Cerrado's projects. (The Amazon project will have a different timeline as it has not been approved)			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
				Original Plan		0	TBD	TBD					TBD
Updated Plan						1					1		
Achieved						1					1		
Source													
Minutes from meetings with the Ministry of Agriculture, which will be part of IDB reports, quarterly progress reports and annual reports													

Outcome Indicator 7	Notes										
Participation % increase of farmers in rural organisations	* Indicators per year are cumulative. * Measured by executing agencies at the end of the project and also by the firm procured to carry out the evaluation. * A survey will be carried out in the second half of 2022 as a part of the baseline study, which will collect information about number of farmers participating in the selected rural organisations. (The Amazon project will have a different timeline as it has not been approved yet.) * FBDS will make a survey to access the participation increase, however, they don't feel comfortable to provide a number as this was not discussed during project development. *Amazon - A survey will be carried out by IABS to collect the number increase with the organizations.			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
		Original Plan	TOTAL								
			Cerrado Orig Plan				10%	20%			20%
			Amazon Orig Plan					2.5%	5%	5%	5%
		Updated Plan	TOTAL								
			Cerrado						20%		20%
			Amazon					2.5%	5%	5%	5%
		Achieved	TOTAL								
			Cerrado								
			Amazon								
		Source	IDB final report and evaluation report.								
Outcome Indicator 8	Notes										
% increase in productivity	*Indicator per year is cumulative and measured only in LCA Amazon . *Cerrado and Caatinga will measure the increase in income.			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
		Original Plan	Amazon Orig Plan							10%	10%
		Updated Plan	Amazon							10%	10%
		Achieved	Amazon								
		Source	IDB final report and evaluation report.								
Output Indicator 1.1.a	Notes										
Number of farmers trained on low carbon agriculture	* Indicators per year are discrete. * Measured by executing agencies. * It is estimated that 300 out of 1.500 producers in the Amazon project will be indigenous (see output indicator 1.1.b). ** Farmers that participated on field days			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
		Original Plan	TOTAL	0	2,200	2,800	950	1,050	500	0	7,500
			Cerrado Orig Plan		1,500	2,000	750	250			4,500
			Caatinga Orig Plan		700	800					1,500
			Amazon Orig Plan				200	800	500		1,500
		Updated Plan	TOTAL	-	-	443	2,707	8,300	500	-	11,950
			Cerrado			443	1,057	7,500			9,000
			Caatinga				1,450				1,450
			Amazon				200	800	500		1,500
		Achieved	TOTAL			274	5323	526	0	0	6,123
			Cerrado			274	3967	526			4767
			Caatinga			0	1356				1356
			Amazon			0	0				0
		Source	IDB progress reports								

Output Indicator 1.1.b	Notes										
Number of indigenous people trained on low carbon Agriculture	* Indicators per year are discrete. * Measured by executing agencies. * Applicable to the Amazon project only.			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
		Original Plan	Amazon Orig Plan					100	200	300	600
		Updated Plan	Amazon	-	-	-	-	100	200	300	600
		Achieved	Amazon								0
		Source	IDB progress reports								
Output Indicator 1.2	Notes										
Number of technical agents trained on low carbon agriculture	* Indicators per year are discrete. * Measured by executing agencies			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
		Original Plan	TOTAL	-	475	450	151	45	-	-	1,121
			Cerrado Orig Plan		400	400	76				876
			Caatinga Orig Plan		75	50					125
			Amazon Orig Plan				75	45			120
		Updated Plan	TOTAL	-	-	575	1,500	395	-	-	2,470
			Cerrado			34	1,366	350			1,750
			Caatinga			541	59	0			600
			Amazon			-	75	45			120
		Achieved	TOTAL			607	831	115	0	0	1,553
			Cerrado			66	680	115			861
			Caatinga			541	151	0			692
			Amazon				0	0			0
Output Indicator 1.3	Notes										
Field days and workshops delivered on low carbon agriculture	* Indicators per year are discrete. * Measured by executing agencies. * In Cerrado and Amazon, these are targeted to technical assistance providers and farmers. * In Caatinga, the number of field days have not been established yet. Targets will be defined by June 2021.			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
		Original Plan	TOTAL	0	0	462	327	126	28	0	943
			Cerrado Orig Plan			450	300	50	-		800
			Caatinga Orig Plan			12	12	6			30
			Amazon Orig Plan				15	70	28		113
		Updated Plan	TOTAL	-	-	35	284	242	385	-	946
			Cerrado			14	272	157	357		800
			Caatinga			21	12	-			33
			Amazon				0	85	28		113
		Achieved	TOTAL			12	353	130	0	0	495
			Cerrado			12	272	38			322
			Caatinga			0	81	92			173
			Amazon								0
Output Indicator 1.4	Notes										
Number of young people trained on low carbon agriculture	* Indicators per year are discrete * Measured by executing agencies. * Applicable to the Cerrado project only.			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
		Original Plan	Cerrado Orig Plan		1,200	1,500	1,000	200			3,900
		Updated Plan	Cerrado	-	-	-	3,316	4,484			7,800
		Achieved	Cerrado			42	3,274	999			4,315

Output Indicator 2.1	Notes										
Hectares of land brought under sustainable management	* Indicators per year are discrete * Measured by executing agencies. * Achieved results will show a breakdown of the variations of technologies implemented. *This refers to the area of MUs. <i>*Amazon project - considers area of properties and collective areas</i>			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
		Original Plan	TOTAL	-	-	100,400	200,200	-	3,000	3,000	306,600
			Cerrado ORIG Plan			100,000	200,000		-		300,000
			Caatinga Orig Plan			400	200				600
			Amazon Orig Plan						3,000	3,000	6,000
		Updated Plan	TOTAL	-	-	-	1,000	33,514	25,342	3,000	62,856
			Cerrado					33,514	22,342		55,856
			Caatinga				1,000				1,000
			Amazon						3,000	3,000	6,000
		Achieved	TOTAL	0	0	0	939	0	0	0	939
			Cerrado								0
			Caatinga				939				939
			Amazon								0
Output Indicator 2.2.a	Notes										
Number of farmers with improved access to rural credit	* Indicators per year are discrete. * Measured by executing agencies. * An assessment report will be made at the beginning of the projects and at the end of the projects, thus collecting direct information from producers. * FBDS will design a Caatinga Facility Fund in 2022 to provide grants and credit to small and medium farms. The planned number of farmers that this fund is expected to reach will be determined October 2021. *Amazon project - The project will provide training on credit and financial access, including environmental compliance needed to request a bank loan. A survey will be done with the participants to			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
		Original Plan	TOTAL	-	250	290	1,040	-	200	100	1,880
			Cerrado Orig Plan		250	250	1,000				1,500
			Caatinga Orig Plan			40	40				80
			Amazon Orig Plan						200	100	300
		Updated Plan	TOTAL	-	-	-	-	1,080	700	100	1,880
			Cerrado					1,000	500		1,500
			Caatinga					80			80
			Amazon						200	100	300
		Achieved	TOTAL				0	0	0	0	0
			Cerrado								0
			Caatinga								0
			Amazon								0
		Source	IDB progress reports								
Output Indicator 2.2.b	Notes										
Number of indigenous people with improved access to rural credit	* Indicators per year are discrete * Measured by executing agencies. * Applicable to the Amazon project only.			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
		Original Plan	Amazon Orig Plan						5	15	20
		Updated Plan	Amazon	-	-	-	-	-	5	15	20
		Achieved	Amazon								-
		Source	IDB progress reports								

Output Indicator 2.3	Notes										
Number of studies assessing the impact of low carbon technology in the environment and supply chains	* Indicators per year are discrete. * Measured by FBDS. * In Caatinga the studies will be regarding the impact of low carbon technology in the environment, due to its unique socioeconomic context. * In the Amazon, the studies will be regarding low carbon research, development and innovation ** In Cerrado, the studies are specific researches on low carbon agriculture led by EMBRAPA and universities from the participant states.			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
		Original Plan	TOTAL	0	6	0	0	3	3	0	12
			Caatinga Orig Plan		6						6
			Cerrado					-	0		0
			Amazon			-	-	3	3	0	6
		Updated Plan	TOTAL	0	4	0	1	4	35	0	44
			Cerrado						32		32
			Caatinga		4		1	1			6
			Amazon					3	3	0	6
		Achieved	TOTAL		5	0	1	0	0	0	6
			Cerrado								
			Caatinga		5		1				6
			Amazon								0
Source	Progress reports from executing agencies										
Output Indicator 3.1	Notes										
Number of farmer's organisations strengthened, though improved capacity and/or collected benefits	* Indicators per year are discrete. * Measured by executing agencies. *A strengthened organization will be measured by several indicators, including, but not limited to: - Increase in sales price - Increase in the number of products marketed through the organisation - Increase in the number of producers marketing through the organisation - Increase in institutional financial management (or increase in the organization profit margin) * It is estimated that 25% of the organizations (4 out of 15) in the Amazon region will be indigenous			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
		Original Plan	TOTAL	-	15	-	13	7	-	15	50
			Cerrado Orig Plan				13	7			20
			Caatinga Orig Plan		15						15
			Amazon Orig Plan							15	15
		Updated Plan	TOTAL	-	-	-	10	-	42	15	67
			Cerrado		-	-	-	-	42		42
			Caatinga		-		10	-	-		10
			Amazon			-	-	-	-	15	15
		Achieved	TOTAL			0	20	0	0	0	20
			Cerrado				0				0
			Caatinga				20				20
			Amazon								0
Source	IDB progress reports										
Output Indicator 3.2	Notes										
Number of low-carbon based productive chains supported	* Indicators per year are discrete. * Measured by executing agencies. * This refers to various actions which will support productive chains, such as certification of products, revision of legislation, etc. These will either improve access to existing or new markets. *Strenghtened supply chains will be measured by the an increase in sales price and/or an increase in the number of by-products			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project
		Original Plan	TOTAL	-	4	6	-	-	3	3	16
			Cerrado Orig Plan								0
			Caatinga Orig Plan		4	6					10
			Amazon Orig Plan						3	3	6
		Updated Plan	TOTAL	-	-	-	-	10	6	3	19
			Cerrado		-	-			3		3
			Caatinga		-	-	-	10			10
			Amazon					-	3	3	6
		Achieved	TOTAL				0	0	0	0	0
			Cerrado								0
			Caatinga								0
			Amazon								0
Source	IDB progress reports										

Output Indicator 3.3	Notes											
Number of new markets accessed	* Indicators per year are discrete. * Planned results for Cerrado will be determined by Mar 2022 * Measured by executing agencies.			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project	
		Original Plan	TOTAL	-	-	-	-	1	1	-	2	
			Cerrado Orig Plan								-	
			Caatinga Orig Plan								-	
			Amazon Orig Plan					1	1		2	
		Updated Plan	TOTAL		-	-	-	3	1	-	4	
			Cerrado								-	
			Caatinga				-	2			2	
			Amazon					1	1		2	
		Achieved	TOTAL				0	0	0	0	0	
			Cerrado								0	
			Caatinga								0	
			Amazon								0	
Source	IDB progress reports											
Output Indicator 4.1	Notes											
Number of workshops organised by LCA Phase II to promote policy dialogue	* Indicators per year are discrete. * Measured by the IDB. * This refers to the number of regional workshops to engage and share programme results with local stakeholders.			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project	
		Original Plan			2	2	2	2			8	
		Updated Planned			0	2	25	10	5	-	42	
		Achieved			18	15	26	15			74	
		Source	IDB progress reports									
Output Indicator 4.2	Notes											
Number of international stakeholders aware about LCA Phase II	* Indicators per year are discrete. * This indicator will be measured by the IDB. * This will also include international stakeholders involved in increasing awareness about sustainable value chains. *2022 figure is na estimation of stakeholders participating in the launch of Amazonia project at COP27			Baseline (2020)	2020	2021	2022	2023	2024	2025	End of Project	
		Original Plan			0	0	TBD	TBD		0		0
		Updated Planned						50		50	100	
		Achieved			-		50				50	
		Source	IDB progress and final reports and evaluation report									