

## TC ABSTRACT

### I. Basic Project Data

▪ Country/Region:	BRAZIL/CSC - Southern Cone
▪ TC Name:	Building Synergies to Support the Interstate Legal Amazon Consortium
▪ TC Number:	BR-T1606
▪ Team Leader/Members:	DINIZ LAHUD, LEONARDO (INT/TIN) Team Leader; SERRAO ACIOLI, ELLEN CRISTINA Alternate Team Leader; RIBEIRO, KARISA MAIA; TUANY KAORI NAKAMA MISSINE; TAKAES SANTOS INAIE (CSD/ACU); QUEIROZ FENYVES, KATIA (CSD/CCS); ELISA TAVARES (CSC/CBR); NATHALIE TIBA (INT/TIN); DA SILVA SPANEMBERG, GILSON (CSC/CBR); ESTEVES, YASMIN (INT/INT); AVILA, KRYSIA A (LEG/SGO); HELGUERO MARIA (INT/TIN)
▪ Taxonomy:	Client Support
▪ Number and name of operation supported by the TC:	N/A
▪ Date of TC Abstract:	26 Feb 2024
▪ Beneficiary:	Interstate Consortium for Sustainable Development of the Legal Amazon
▪ Executing Agency:	INTER-AMERICAN DEVELOPMENT BANK
▪ IDB funding requested:	US\$500,000.00
▪ Local counterpart funding:	US\$0.00
▪ Disbursement period:	24 months
▪ Types of consultants:	Individuals; Firms
▪ Prepared by Unit:	INT/TIN - Trade & Investment
▪ Unit of Disbursement Responsibility:	CSC/CBR - Country Office Brazil
▪ TC included in Country Strategy (y/n):	No
▪ TC included in CPD (y/n):	No
▪ Alignment to the Update to the Institutional Strategy 2010-2020:	Social inclusion and equality ; Economic integration; Institutional capacity and rule of law; Environmental sustainability

### II. Objective and Justification

- 2.1 The main objective of this Technical Cooperation is to build synergies that promote and reinforce in a coordinated way the actions of the Interstate Legal Amazon Consortium for the sustainable and integrated development of the Amazon region. Through the partnership between the IDB and the Consortium, the discourse of the region's public managers becomes more unified and states in the Legal Amazon become politically stronger to attract more solid projects that lead to development on a sustainable and inclusive basis. This TC will also leverage the private sector through the cooperation in the Amazon region in the context of investment opportunities and synergies between the public and the private sectors. The specific objectives of this Technical Cooperation include: i) supporting the strengthening of land Institutes and Secretariats through coordinated actions that contribute to the acceleration of land regularization processes in the states of the Brazilian Legal Amazon; ii) supporting the development of initiatives to analyze and improve the business environment of bioeconomy chains; iii) carrying out diagnoses of the fiscal situation of the states in the Legal Amazon that can support public managers in their investment decision-making

processes; and iv) disseminating and sharing knowledge and experiences with strategic stakeholders.

- 2.2 Famous for its biodiversity, extension and rivers, the Amazon occupies around 40% of the territory of South America and represents the largest tropical forest in the world. In addition to Brazil, it extends to eight other countries: Bolivia, Colombia, Ecuador, Guyana, French Guiana, Peru, Suriname and Venezuela. Considering its full extent, its territory covers approximately 8.4 million km<sup>2</sup> and is home to approximately 33 million inhabitants, of which around 3 million are indigenous.
- 2.3 The Amazon is the largest biome in Brazil, having a territory of 4.2 million km<sup>2</sup>, with 2500 species of trees and 30,000 different plant species. The Legal Amazon area corresponds to almost 60% of the Brazilian territory and extends across nine states in the country, being home to 29 million Brazilians.
- 2.4 The natural richness of the forest contrasts with the low socioeconomic levels presented by Amazonian populations. The land issue in the Amazon influences the vulnerability of lands that suffer from illegal activities, since, for example, the grabbing of public lands in the region contributes to deforestation, legal insecurity and social violence. The Legal Frameworks for Land Regularization are fundamental and, in this sense, actions must be a priority in the formulation and enforcement of public policies designed for the Amazon, aiming at environmental protection, tackling the climate crisis, economic growth and social inclusion. In this context, the bioeconomy stands out as an important initiative that promotes land regularization.
- 2.5 On the occasion of the Amazon Summit in August 2023, the IDB and the Interstate Consortium for Sustainable Development of the Legal Amazon (or simply the Interstate Legal Amazon Consortium) signed a Letter of Intent with the aim of expanding joint work and exploring the channeling of financial and technical cooperation resources to support projects that promote integrated sustainable development of the Brazilian Legal Amazon. This cooperation must be aligned with an Action Plan that is being constructed jointly, but which already highlights efforts such as 1) development of projects aimed at a low-carbon economy; 2) encouraging fundraising and investments aimed at promoting the region's bioeconomy and biodiversity; 3) identification of financial solutions to accelerate land regularization processes; 4) strengthening the institutional capacity and governance of the Consortium through the exchange of best practices between associated states, among others.
- 2.6 The Interstate Legal Amazon Consortium is constituted as a public association and is formed by the nine Amazonian states. Its main task is to accelerate the sustainable development of the Legal Amazon in an integrated and cooperative manner, considering regional opportunities and challenges. Transforming the Legal Amazon into a competitive region is the fundamental objective for which the governors of the nine Amazon states decided to establish the Consortium, reformulating the political guideline to deal with the challenges and obstacles that limit the full development of the region.

### III. Description of Activities and Outputs

- 3.1 **Component I: Component 1. Support the strengthening of Land Institutes and Secretariats through coordinated actions that contribute to the acceleration of land regularization processes in the States of the Brazilian Legal Amazon.** The objective of this component is to identify and point out paths and potential solutions that lead to improvements within the stages involved in land regularization among the Legal Amazon States. This partnership will provide for the strengthening of Land Institutes and Secretariats based on the promotion of land regularization of rural properties.

- 3.2 **Component II: Component 2. Support the development of initiatives to analyze and improve the business environment of bioeconomy chains.** The objective of this component is to identify commercial opportunities to promote the region's bioeconomy chains and leverage the private sector as well. Specifically, the activities include: i) systematization of public policies and programs to promote bioeconomy businesses in the Legal Amazon; ii) subsidize states in the preparation of their State Bioeconomy Plans or strategies; iii) guidance on structuring the business environment for bioeconomy products from the Amazon region.
- 3.3 **Component III: Component 3. Carry out diagnoses of the fiscal situation of the states in the Legal Amazon.** The objective of this component is to produce studies and diagnoses about the fiscal situation of the states of the Legal Amazon that can support public managers in their investment decision-making processes. Specifically, the activities include i) mapping of fiscal aspects of the states, including survey of financial income and expenses; ii) preparation of a situational report mapping the public finances of the states in the Legal Amazon.
- 3.4 **Component IV: Component 4. Disseminate and share knowledge and experiences with strategic stakeholders.** The objective of this component is to organize activities and events to disseminate and share the lessons learned and results generated throughout this Technical Cooperation at the Legal Amazon states level, including workshops, webinars, conferences, materials for social media, among others. This component also includes the systematization of the obtained results and recommendations for the next steps.

#### IV. Budget

##### Indicative Budget

Activity/Component	IDB/Fund Funding	Counterpart Funding	Total Funding
Component 1. Support the strengthening of Land Institutes and Secretariats through coordinated actions that contribute to the acceleration of land regularization processes in the States of the Brazilian Legal Amazon	US\$120,000.00	US\$0.00	US\$120,000.00
Component 2. Support the development of initiatives to analyze and improve the business environment of bioeconomy chains	US\$200,000.00	US\$0.00	US\$200,000.00
Component 3. Carry out diagnoses of the fiscal situation of the states in the Legal Amazon	US\$100,000.00	US\$0.00	US\$100,000.00
Component 4. Disseminate and share knowledge and experiences with strategic stakeholders	US\$80,000.00	US\$0.00	US\$80,000.00
<b>Total</b>	<b>US\$500,000.00</b>	<b>US\$0.00</b>	<b>US\$500,000.00</b>

#### V. Executing Agency and Execution Structure

- 5.1 This is a Client Support TC and it consists of a Bank's own initiative, resulting from its experience and expertise. The Bank will be the executing entity of this TC through its

Investment and Trade Division (INT/TIN) at Brazil Country Office (CBR) and will have an execution period of 24 months. The TC Team Leader and Alternate Team Leader are responsible for supervising the correct execution of this operation. The execution of the TC is coordinated with the relevant divisions of the Bank, including IDB Invest and IDB Lab.

- 5.2 The Team Leader, a Sector Lead Specialist, will be responsible for the supervision of the TC and will act as a focal point, with the support of the Project Team Members. The TC monitoring and supervision will be in accordance with the IDB policies and procedures and through the Technical Cooperation Monitoring and Reporting System (TCM).
- 5.3 In response to the request from the beneficiary, this TC will be executed by the Bank, through the Trade and Investment Division (INT/TIN), given the highly technical nature of the activities and the fact that it needs a high level of coordination and interdependence, engaging multiple levels of government (federal and state) and entities. Moreover, INT/TIN has gained invaluable know-how and experience in the execution of trade and investment promotion activities. The requesting entity does not have the necessary technical, operational, or institutional capacity to duly and timely execute the activities provided in this project.

## **VI. Project Risks and Issues**

- 6.1 The risks that can be anticipated include: i) potential changes in the joint (BID+Legal Amazon Consortium) Action Plan used as the basis for this Technical Cooperation; ii) changes in the technical staff involved in implementing the agreed actions, causing delay or non-implementation; iii) political, social, and economic pressures facing the Legal Amazon states that can impact the dialogue or even cause resistance to some specific topics under this Operation.

## **VII. Environmental and Social Aspects**

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