

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

BRAZIL

LIVE AND SUSTAINABLE AMAZON (METAREILÁ)

(BR-T1665)

PROJECT DOCUMENT

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PROJECT SUMMARY

Operation Type:	Technical Cooperation
Sector:	AGRICULTURE AND RURAL DEVELOPMENT AND RURAL DEVELOPMENT
Subsector:	SUSTAINABLE AGRICULTURAL DEVELOPMENT
TC Taxonomy:	Client Support
Project Number under the Operational Support Taxonomy:	N/A
Technical Responsible Unit:	PTI/ARD-Agriculture and Rural Development Division
Unit with Disbursement Responsibility (UDR):	CSC/CBR-Country Office Brazil
Executing Agency:	Associacao Metareila Do Povo Indigena Surui

PROJECT OBJECTIVE

The general objective of the TC is to promote the sustainable management and conservation of the Sete de Setembro Indigenous Territory. This will be achieved by enhancing territorial monitoring capacities; developing sustainable bioeconomy products; restoring degraded lands; and strengthening local governance—especially the roles of women and youth.

FINANCIAL INFORMATION

Financing Type	Fund	Amount in US\$
TCN - Nonreimbursable	AMZ - Amazon Bioeconomy and Forest Management Fund	910,000
Total IDB Financing		910,000
Counterpart Financing		34,000
Total Project Budget		944,000
Donors:	N/A	
Disbursement Period:	36 months	
Execution Period:	33 months	

ADDITIONAL FINANCIAL INFORMATION

N/A

I. JUSTIFICATION AND OBJECTIVE

- 1.1 **Diagnostic.** The Sete de Setembro Indigenous Territory (SSIT), located in Rondônia, Brazil, is inhabited by the Paiter Suruí people (PSP) and spans over 248.000 ha¹. As of 2022, the territory has 1.490 inhabitants spread across multiple villages. Even though most of the territory maintains its forest cover and the provision of the ecosystem services associated with it, this community faces significant challenges related to environmental conservation, sustainable use of natural resources, and economic development. The PSP have deep connection to their land and rely on its resources for their livelihoods. However, the increasing pressure from illegal logging, mining, and some unsustainable agricultural practices has led to the degradation of their territory and deforestation². These activities pollute water sources, destroy habitats, and disrupt the traditional way of life of the Paiter Suruí and are enabled by a lack of sustainable economic alternatives within their territory. These pressures jeopardize both the environment and the well-being of the community. Despite the increase in deforestation, forest cover still represents 96,5% of the SSIT. Hence, efforts should be strengthened to reverse the trend in the deterioration of its resources, before the damage spreads within the territory.
- 1.2 The main economic activity and source of income for the families in IT is small-scale agricultural production, both food crops for family consumption and cash crops to be sold in the market. For the market, the main crops are coffee, banana, cacao and Amazonian nut. The main food crops are banana, manioc, *cará* (yam), papaya, *pupunha* (peach palm), corn, peanuts, Amazonian nut, among others.
- 1.3 Significant challenges remain in **monitoring their territory and achieving economic and financial autonomy**. The ongoing threats from illegal activities require constant vigilance and robust governance structures. Strengthening their capacity for environmental monitoring and management is crucial, but equally important is the development of economic activities that align with their conservation goals and respect their culture and objectives. Despite these challenges, the Paiter Suruí maintain a strong community organization and have led pioneering initiatives such as territorial monitoring using georeferencing technologies, the establishment of [an indigenous fire prevention brigade](#) (with over 40 youth trained in 2023 in collaboration with the Brazilian Institute of Environment and Renewable Resources (IBAMA)/ National Center to Prevent and Combat Forest fires (Prevfogo), and the implementation of a REDD+ project that has generated carbon credits. By enhancing their organizational capacities, accessing existing credit lines, and improving their access to markets, the PSP can conserve their territory more efficiently.
- 1.4 In response to these existing challenges, the PSP have developed a Territorial and Environmental Management Plan (PGTA, 2024) that outlines strategies for the conservation and sustainable use of their land. It foresees the implementation of

¹ The SSIT was made official by Decree 88.867 of October 18, 1983.

² Some members of the PSP have been involved in these activities, as enablers allowing outsiders to take advantage of the SSIT resources, for example, by working for illegal miners or raising cattle (owned by outsiders) within the SSIT. In return, they receive a small fraction of the income stemming from these activities.

different public policies and the National Policy for Territorial and Environmental Management of Indigenous Territories, known as PNGATI. This plan integrates traditional knowledge with modern practices and serves as a model for other indigenous communities in the Brazilian Amazonia. The PGTA has six programs: (i) territorial and environmental protection and monitoring; (ii) indigenous health; (iii) indigenous education; (iv) economic development and sustainable production; (v) cultural appreciation; and (vi) strengthening the indigenous associations and Paiter governance. Relevant inputs for the PGTA and for the preparation of this TC were also the [Sete de Setembro Indigenous Territory Territorial Diagnostic \(2023\)](#) and a [Tourism Plan for the Sete de Setembro Indigenous Territory \(2024\)](#).

- 1.5 The PGTA identified that there is still an ample margin to improve in the knowledge and adoption of sustainable practices in agricultural production while increasing productivity. Some members of the PSP have ventured into the production of specialty Amazonian coffee (Robusta Amazonico).³ This initiative aims to create a sustainable and profitable agricultural practice that aligns with their conservation goals, if managed adequately. The coffee produced by the Paiter Suruí is known for its unique flavor and high quality, attracting interest from both national and international markets. The IDB is currently supporting the Paiter Suruí through activities of the Rural Sustentável Amazonia project (BR-T1462) which provides technical assistance in three states of the Brazilian Amazonia. It includes among its beneficiaries, coffee producers from the SSIT associated to the Cooperative for the Production and the Development of the Paiter-Surui People (COPAITER), aiming to enhance the productivity and sustainability of coffee cultivation. This collaboration provides the PSP with resources and expertise to improve their agricultural practices and increase their access to markets.
- 1.6 Another important component of the PGTA is the promotion of sustainable tourism. The PSP have developed ecotourism initiatives that showcase their rich cultural heritage and the biodiversity of their territory. These initiatives, in which women have a key role, provide an alternative source of income for the community and raise awareness about the importance of preserving the Amazonian culture and rainforest.⁴ The implementation of these initiatives has positioned the Paiter Suruí as leaders in indigenous sustainable tourism in the state of Rondônia.
- 1.7 The proposed project aims to address key challenges faced by the Paiter Suruí people in the management of their territory. Considering that these challenges are interrelated⁵, the proposed solution has an integrated approach in the sustainable use and conservation of the SSIT, along with institutional capacity strengthening and training as cross-cutting elements that can support the different priorities and programs of the PGTA. An important characteristic of the proposed solution is that the Paiter Suruí people will be at the center of the project, by defining the priorities

³ [Café Robusta Amazônico Produzido em Terras Indígenas Recebe Pontuação Máxima de 100 Pontos.](#)

⁴ A Sete de Setembro Indigenous Territory Tourism Plan was developed in 2024.

⁵ For example, one of the key drivers towards unsustainable and even illegal activities that affect the environmental situation of the territory is the lack of sustainable economic alternatives. Similarly, the lack of capacity of the Paiter Surui people to monitor their territory and alert the authorities about illegal activities provides opportunities for those activities to be developed unchallenged.

and activities, planning their execution and implementing them directly whenever possible.

- 1.8 The proposed project aims to address key challenges faced by the Paiter Suruí people in the management of their territory. Considering that these challenges are interrelated⁶, the proposed solution has an integrated approach in the sustainable use and conservation of the SSIT, along with institutional capacity strengthening and training as cross-cutting elements that can support the different priorities and programs of the PGTA. An important characteristic of the proposed solution is that the Paiter Suruí people will be at the center of the project, by defining the priorities and activities, planning their execution and implementing them directly whenever possible
- 1.9 **Objective.** The general objective of the TC is to promote the sustainable management and conservation of the SSIT. This will be achieved by enhancing territorial monitoring capacities; developing sustainable bioeconomy products; restoring degraded lands; and strengthening local governance—especially the roles of women and youth.
- 1.10 This TC is consistent with the IDB Group’s Institutional Strategy: Transformation for Greater Scale and Impact 2024 (CA-631) and is aligned with the objectives: (i) reduce poverty and inequality, by supporting sustainable productive activities among low income beneficiaries; and (ii) address climate change – zero deforestation in the Amazon– by promoting environmentally and economically sound alternatives to unsustainable practices in it SSIT. It is also aligned with the operational focus areas: (i) biodiversity, natural capital and climate action, by enhancing natural resource management efforts and capacity in the SSIT and promoting biodiversity-based sustainable production; and (ii) gender equality and inclusion of diverse population groups, in particular, of Indigenous Peoples, by directly benefiting the Paiter Surui indigenous people.
- 1.11 This TC is aligned with the Brazil and IDB Group Strategic Agreement. Country Strategy 2024-2027 (GN-3243-3) through (i): Pillar 1, enabling green transition and strengthening climate resilience by supporting the strategic objective (SO) of strengthening environmental conservation and the recovery of degraded lands, as well as the SO of promoting the sustainable use of natural resources through low-carbon agriculture and the bioeconomy; and (ii) Pillar 3, advancing a new social agenda for prosperity and inclusion by supporting the SO of strengthening policies for the protection and welfare of women and diverse populations (promotion of gender equality and the inclusion of diverse groups). In addition, it will contribute to the *Gender and Diversity Sector Framework (GN-2800-13)*. Likewise, the Program is articulated with the Gender and Diversity Action Plan 2022–2025 of the IDB Group (GN-3116-1). It is aligned with the IDB’s “Amazonia Forever” program, by promoting specific actions to strengthen initiatives led by Indigenous peoples in the Brazilian Amazon, with a focus on deforestation and the bioeconomy; as well

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as supporting cross-cutting areas: inclusion of women, indigenous peoples; strengthening of institutional capacities and the conservation of biodiversity and forests.

- 1.12 The TC complies with the Amazon Bioeconomy and Forest Management Fund operational manual. It is especially aligned with its pillar Amazon Positive Value Chains by supporting smallholders to sustainably enhance productivity; enhancing a sustainable and inclusive bioeconomy; supporting indigenous peoples as stewards of forests; and revitalizing degraded landscapes.
- 1.13 The TC will search for synergies with other projects currently in execution in the Amazon region. Among them, BR-T1462, Strengthening Sustainable Value Chains in the Amazon; BR-G1013 (Structuring and Piloting of the Pará Payment for Environmental Services Program – Pará PSA2), aimed at promoting forest conservation by strengthening the livelihoods of indigenous, quilombola, and traditional communities in the state of Pará; BR-T1567, Institutional strengthening of the MMA in support of Brazil's bioeconomy; BR-T1612, Technical support to Banco do Brasil in preparing the BB Amazonia Program; BR-T1598 (Support project for quilombola bioeconomy and georeferencing of territories in the Legal Amazon), whose objective is to support the quilombola bioeconomy and the georeferencing of territories in the Legal Amazon; BR-T1615, which aims to strengthen the capacity of the Ministry of Indigenous Peoples (MPI) and the National Foundation of Indigenous Peoples (FUNAI), bodies responsible for Indigenous policy, for the development of the Integrated Plan for Indigenous Well-Being of the peoples of the Amazon region; RG-T4683 (Tools for Development with Identity of Indigenous Peoples in the Amazon); and, RG-T4685 (Promotion of a collaborative and resilient bioeconomy in the Amazon with Indigenous women), whose objective is to promote the leadership of Indigenous women in the Amazon.

II. COMPONENTS

- 2.1 **Component I: Environmental Monitoring and Management.** The component will enhance the capacity of the Paiter Suruí community to monitor and manage their natural resources effectively. It will finance consulting services and equipment (computers, remote sensing software, equipment for field data collection, GPS, drones, camera traps, etc.) in support of: (i) the collection and analysis of data on animal species in the SSIT; (ii) the implementation of a territorial and environmental surveillance laboratory to be managed directly by the Paiter Suiruí; (iii) training of at least 20 Indigenous researchers in data geoprocessing, drone management, and territorial monitoring; (iv) biomonitoring and forest fire control campaigns in SSIT; and (v) the development and implementation of a SSIT territorial monitoring protocol.
- 2.2 The territorial and environmental monitoring protocol, which will be a key knowledge product of this component (and will be accompanied by a database, thematic maps, and a final technical report summarizing results) will establish methodological and operational directives for the TISS protection and management, promoting an adequate framework for the fire brigades, environmental agents and bio-monitors. The aim is to create a technical instrument that unifies procedures, strengthens territorial governance, and contributes to the effectiveness of environmental monitoring and conservation actions.
- 2.3 **Component II: Promoting the Sustainable Use of the SSIT's natural resources.** The component will strengthen the economic activities in the SSIT to procure long-term financial stability of their production systems and alignment with conservation goals. It will finance technical assistance to promote the adoption of best practices (in production and processing) and improve the sustainability of biodiversity-based products, forest production systems; artisanal handicrafts, the restoration of degraded lands with integrated systems and the installation of a native-trees nursery that will provide seedlings for restoration efforts. A technical assistance and rural extension (ATER) plan will be developed and implemented, adapting it to the specific socio-economic and cultural context of the SSIT. The project might provide key equipment and inputs (identified by productive plans developed by the ATER) needed for the transition to more sustainable production systems. It will also provide training opportunities in entrepreneurship, financial literacy, access to credit and available public programs, processing of non-timber forest products, restoration, sustainable agroforestry and market access, among other issues. Special attention will be given to improving the management of the Amazonian nut, for which a detailed production assessment (including georeferenced mapping) and a strategic plan for the product's certification and commercialization will be provided. Also, support for the management and the recovery of degraded lands with sustainable productive activities will be provided. Finally, the component will support SSIT efforts to develop and promote sustainable tourism as an alternative source of income for the Paiter Suruí community, especially for women. The project will finance training for community members; the preparation of marketing strategies and the improvement of existing small-scale structures. Also, an event with the participation of other indigenous groups to disseminate the project experiences will take place. The main knowledge

products of this component will be a Restoration Protocol, the final ATER report, and a manual on sustainable production systems for the SSIT.

- 2.4 **Component III: Project Management and Strengthening Institutional Capacities.** The component will support AM to adequately perform as the project executing agency; strengthening the AM's institutional and administrative as well as ensure long-term sustainability and resilience. The component will finance a project coordinator to manage and implement the project, as well as capacity-building workshops for community leaders, which will provide training for PSP leaders and representatives (including ten additional local indigenous organizations) to improve their technical and organizational capacities to support the SSIT sustainable management. These training courses will apply participatory methodologies and culturally adapted content, focusing on sustainable development, territorial management, leadership, project preparation, management, auditing, and accountability. It will also prepare a practical sustainability roadmap identifying potential funding sources and partnerships with public programs such as the national school food program (PNAE, for its acronym in Portuguese), Payment for Environmental Services, and national and state-level bioeconomy and restoration initiatives. To promote scalability to other Indigenous Territories, the lessons learned, methodologies and protocols developed by the project (including participatory monitoring, restoration, and sustainable production models) will be published and shared. Beyond AM, the component will help strengthening the institutional and fiduciary management capacity of ten additional local Indigenous organizations.
- 2.5 **Other costs.** Other costs include: (i) administrative costs; (ii) two support personnel, one for administrative tasks and the other for field activities; (iii) final financial audit; and (iv) final project evaluation.
- 2.6 **Expected Results.** Key expected results for this TC are: (i) 150 families with improved production or commercialization of their production; (ii) improved capacity to directly manage projects and resources; and (iii) environmental monitoring and management system for the SSIT operated directly by the PSP and their organizations.
- 2.7 **Beneficiaries.** The project aims to benefit both direct and indirect stakeholders within the SSIT and beyond. The direct beneficiary of this TC is the executing agency, the Associação Metareilá do Povo Indígena Suruí. The indirect and intended final beneficiaries are the approximately 1,490 inhabitants of the Paiter Suruí community, spread across 38 villages, which will benefit from an improved management of their territory; and the 100 families with sustainable agriculture plans supported by the project. The AM will be strengthened so it can continue supporting the PPS efforts to manage their land. The TC aims for a minimum of 40% female participation in all training activities supported by the project.

III. BUDGET

- 3.1 The total cost of this TC is US\$944.000 distributed as follows: US\$910.000 financed by the Amazon Bioeconomy and Forest Management Fund (AMZ) and the remaining US\$34.000 in-kind contribution by the AM.

Budget in US\$			
Components	IDB/Fund Funding	Local	Total
Component 1: Environmental Monitoring and Management	161.000	11.000	172.000
Component 2: Promoting the Sustainable Use of the SSIT's natural resources	495.000	12.000	507.000
Component 3: Strengthening Institutional Capacities	104.000	11.000	115.000
Other costs, final evaluation and audit	150.000	-	150.000
Total	910.000	34.000	944.000

IV. EXECUTION STRUCTURE

- 4.1 **Executing Agency.** The executing agency for this project will be the Associação Metareilá do Povo Indígena Suruí (AM), created in 1989 and representing the Paiter Suruí Indigenous people, with strong community participation. Its governance structure includes a General Assembly, an Executive Board, and a Fiscal Council, allowing for transparency and stakeholders participation.
- 4.2 AM has successfully managed environmental, cultural, and socio-economic projects, administering funds from various public and private sources. Key partners have included *Fundo Brasileiro para a Biodiversidade* (FUNBIO), USAID, the Norwegian Embassy, *Instituto Socioambiental* (ISA), and *Fundação Amazônia Sustentável* (FAS). These collaborations have provided valuable experience, although there is still room for growth and strengthening.
- 4.3 AM has led projects in topics such as territorial monitoring of the Sete de Setembro Indigenous Land; cultural strengthening programs; environmental surveillance using technology (including drones and GPS); and reforestation and ecosystem restoration initiatives. Notably, Metareilá also coordinated the implementation of an innovative REDD+ (Reducing Emissions from Deforestation and Forest Degradation) project, generating carbon credits and securing income for Suruí families. The Suruí Forest Carbon Project, launched in 2009, was a pioneering initiative aimed at using carbon finance to support sustainable land management within the SSIT. With technical support from Forest Trends' Communities Initiative and other partners, the project sought to reduce deforestation and generate emissions reductions certified under the Verified Carbon Standard (VCS). During its first five years of operation, the project successfully reduced deforestation and generated 299,895 tCO_{2e} of reduced emissions, each representing one metric ton of carbon dioxide kept out of the atmosphere. The project also received a Gold certification from the Climate, Community & Biodiversity Alliance (CCBA) for its

social and environmental benefits beyond carbon. The proceeds from the sale of emissions reductions were used to finance sustainable community development initiatives, such as the harvesting of medicinal plants and the creation of artisanal handicrafts, enabling the Paiter-Surui to maintain their traditional practices while preserving the forest.

- 4.4 **Institutional Capacity.** AM and the PSP previous participation in different projects (some of them highly innovative like the Surui Carbon Forest Project) provided them with relevant experience coordinating complex activities as well as working with external agents and financial sources as key actors in sustainable development efforts. Direct execution of external resources by AM has been more limited and the administrative structure within the organization, lacking continuous staff personnel and detailed procedures, will need to be adapted and supported for the execution of this project. Therefore, this TC is designed to serve as an opportunity to consolidate and formalize its administrative and fiduciary management capacities. With the support from the TC and the Bank's supervision, is expected that AM will be able to fulfill its responsibilities as the execution agency. Additionally, AM operates under the traditional governance system of the Paiter Suruí people, which provides a solid framework of accountability and social oversight. The fiduciary management risk is thus considered medium, but it will have to be monitored closely by the Bank.
- 4.5 **Conditions Prior to First Disbursement.** Prior to the first disbursement it will be required that: (i) the Project Operations Manual is has been approved and socialized within the SSIT, in terms agreed with the Bank; (ii) the AM has opened a bank account for the exclusive management of the TC resources; and (iii) the project coordinator and the project administrative assistant have been selected.
- 4.6 **Procurement.** All procurement to be executed under this Technical Cooperation have been included in the Procurement Plan (Annex IV) and will be executed in accordance with the applicable policies and procedures for the Policies for the Procurement of Goods and Works Financed by the IDB (GN-2349-15) and the Policies for the Selection and Contracting of Consultants Financed by the IDB (GN-2350-15). In accordance with these policies and considering the private nature of the AM, the administration of project procurement will adhere to established private sector and commercial practices that the IDB deems acceptable. AM has a Manual of Administrative and Financial Procedures (2024) which will be used and improved upon to execute this project.
- 4.7 **Execution and Disbursement Period.** The execution and disbursement periods will be 33 and 36 months, respectively.
- 4.8 **Advance of Funds.** Disbursements will be made in US dollars. The Bank will give AM advance of funds based on the real needs of the TC's cash flow, according to the financial plan for this operation. Before any advance of funds, except for the first one, AM will be required to justify at least 80% of all previously non-justified accumulated balances coming from previous advances of funds. Initially, the Bank will provide funds advances to cover 120 days of the TC operation's expenses.
- 4.9 **Financial Management.** Financial supervision will be performed through a Final Audited Financial Report (AFR), within 120 days after the date of the last

disbursement of the project. The financial report shall be audited according to the terms of reference agreed with the IDB, by external auditors eligible to the Bank.

- 4.10 **Monitoring, Reporting, Supervision and Evaluation.** The executing agency will submit to the Bank progress reports up to 60 days after the end of each semester during the period of disbursements, including information about the project physical and financial execution, including all relevant information required to update the Technical Cooperation Monitoring and Reporting System (TCM). An intermediate evaluation will be submitted within 90 days after the date when 50% of the funds have been disbursed, or after 18 months since the effectiveness of the cooperation agreement. A final evaluation will be submitted within 90 days after the disbursement of 95% of the TC funds. The final evaluation will be prepared by independent consultants, financed by the TC, under terms agreed with the Bank, and will present details about physical and financial execution; will compare the TC achievements with the project execution plan and goals; assess how the use of the TC resources contribute to the project objectives; identify achievements and obstacles; and present lessons learned useful to similar projects.
- 4.11 The IDB team leader will be responsible for the technical supervision of the activities implemented by the executing agency, with support from the rest of the IDB team, including specialists from CSD/ACU and VPC/FMP. This will include: reviewing operational and procurement plans, meetings with the executing agency to discuss project progress and key issues, as well as visits to the executing agency if deemed necessary.

V. POTENTIAL RISKS

- 5.1 The main challenges of this project stem from the innovative nature of the executing arrangement for the project, in which an indigenous organization devoted to a specific indigenous group (PSP) and its land (SSIT), Metareilá Association, will act directly as the executing agency, holding fiduciary responsibilities and having to comply with IDB requirements, policies and procedures. While AM' previous experiences in other projects have generally involved the participation of an intermediary institution in key implementation or supervision roles, this TC will help improve its institutional and fiduciary management capacity. The project includes the recruitment of key staff and hiring of consultants, so AM will be able to balance and complement existing experience within the PSP and externally hired personnel. Under this arrangement, the project will require relevant support from the bank's fiduciary team, as well as the safeguards unit, with special attention to the cultural aspects involved in this work. Additionally, some of the activities to be financed by the TC will require the hiring of specialized external consultants for which the supply of potential providers willing to work in the SSIT could be limited.
- 5.2 **Intellectual Property.** Any knowledge product generated within the framework of this technical cooperation will be the property of the Bank and may be made available to the public under a creative commons license. However, the intellectual property of said products may also be licensed under an ad-hoc arrangement to the beneficiary or a third party, as deemed convenient by the Bank for the

successful implementation of the Project and in accordance with the applicable Bank's policies.

VI. EXCEPTIONS TO BANK POLICIES

6.1 None.

VII. ENVIRONMENTAL AND SOCIAL ASPECTS

7.1 This Technical Cooperation is not intended to finance pre-feasibility or feasibility studies of specific investment projects or environmental and social studies associated with them; therefore, this TC does not have applicable requirements of the Bank's Environmental and Social Policy Framework (ESPF). The Project will promote socially, environmentally and productively sustainable practices.

REQUIRED ANNEXES:

- Annex I: Request from Client
- Annex II: Results Matrix
- Annex III: Terms of Reference
- Annex IV: Procurement Plan