

MENSAGEM Nº 807

Senhores Membros do Senado Federal,

Nos termos do art. 52, incisos V, VII e VIII, da Constituição, proponho a Vossas Excelências seja autorizada a contratação de operação de crédito externo, com a garantia da República Federativa do Brasil, no valor de US\$ 80,000,000.00 (oitenta milhões de dólares dos Estados Unidos da América), de principal, entre o Estado de Mato Grosso e o Banco Internacional para Reconstrução e Desenvolvimento - BIRD, cujos recursos destinam-se ao financiamento do Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso, de conformidade com a inclusa Exposição de Motivos do Senhor Ministro de Estado da Fazenda.

Brasília, 7 de agosto de 2024.

Brasília, 19 de Julho de 2024

Senhor Presidente da República,

1. O Excelentíssimo Senhor Governador do Estado do Mato Grosso (MT) requereu a este Ministério a garantia da República Federativa do Brasil para contratação de operação de crédito externo a ser celebrada com o Banco Internacional para Reconstrução e Desenvolvimento - BIRD, no valor de US\$ 80.000.000,00 (oitenta milhões de dólares dos EUA) de principal, para o financiamento do Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso.
2. A Constituição Federal de 1988 estabeleceu meios de controle, pelo Senado Federal, das operações financeiras externas de interesse da União, dos Estados, do Distrito Federal e dos Municípios, consoante o artigo 52, incisos V, VII e VIII, tendo a Câmara Alta disciplinado a matéria mediante a Resolução nº 48, de 21 de dezembro de 2007, e alterações, e a Resolução nº 43, de 2001, e alterações, todas do Senado Federal.
3. O Programa foi identificado como passível de obtenção de financiamento externo pela Comissão de Financiamentos Externos - COFIEEX, de que trata o Decreto nº 9.075, de 6 de junho de 2017.
4. A Secretaria do Tesouro Nacional prestou as devidas informações sobre as finanças externas da União, bem como analisou as informações referentes ao Mutuário, manifestando-se favoravelmente ao oferecimento da garantia da República Federativa do Brasil à referida operação de crédito, haja vista que o mutuário cumpre os requisitos legais para ambos. Adicionalmente, informou que o Mutuário recebeu classificação "A" quanto à capacidade de pagamento.
5. A seu turno, a Procuradoria-Geral da Fazenda Nacional pronunciou-se pela legalidade das minutas contratuais e pela regularidade na apresentação de comprovações requeridas pela legislação, visando ao encaminhamento do processo ao Senado Federal, para fim de autorização da operação de crédito em tela, bem como à concessão de garantia por parte da União, ressalvando que, previamente à assinatura dos instrumentos contratuais, deve ser verificado o disposto na Portaria Normativa MF nº 500, de 2 de junho de 2023 (adimplência do ente), o cumprimento substancial das condições especiais de efetividade, bem como seja formalizado o contrato de contragarantia.
6. Em razão do acima exposto, dirijo-me a Vossa Excelência para solicitar o envio de Mensagem ao Senado Federal, a fim de submeter à apreciação daquela Casa o pedido de contratação e de concessão da garantia da União ao Ente em tela referente à operação financeira descrita nesta Exposição de Motivos, observadas as ressalvas acima.

Respeitosamente,

*Assinado eletronicamente por: Fernando Haddad*



PRESIDÊNCIA DA REPÚBLICA  
Casa Civil

OFÍCIO Nº 873/2024/CC/PR

Brasília, na data da assinatura digital.

A Sua Excelência o Senhor  
Senador Rogério Carvalho  
Primeiro Secretário  
Senado Federal Bloco 2 – 2º Pavimento  
70165-900 Brasília/DF

**Assunto: Crédito externo.**

Senhor Primeiro Secretário,

Encaminho Mensagem do Senhor Presidente da República relativa à proposta para que seja autorizada a contratação de operação de crédito externo, com a garantia da República Federativa do Brasil, no valor de US\$ 80,000,000.00 (oitenta milhões de dólares dos Estados Unidos da América), de principal, entre o Estado de Mato Grosso e o Banco Internacional para Reconstrução e Desenvolvimento - BIRD, cujos recursos destinam-se ao financiamento do Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso, de conformidade com a inclusa Exposição de Motivos do Senhor Ministro de Estado da Fazenda.

Atenciosamente,

RUI COSTA  
Ministro de Estado



Documento assinado eletronicamente por **Rui Costa dos Santos, Ministro de Estado da Casa Civil da Presidência da República**, em 13/08/2024, às 20:50, conforme horário oficial de Brasília, com fundamento no § 3º do art. 4º, do [Decreto nº 10.543, de 13 de novembro de 2020](#).



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**DOCUMENTOS PARA O SENADO**

**ESTADO DO MATO GROSSO**  
**X**  
**BIRD**

Projeto de Desenvolvimento Sustentável da  
Agricultura Familiar de Mato Grosso

**PROCESSO SEI/ME N° 17944.105303/2023-65**



**PARECER SEI Nº 1551/2024/MF**

Parecer Público. Ausência de informação classificada como de acesso restrito pelos artigos 23 e 31 da Lei nº 12.527, de 18 de novembro de 2011 – LAI.

Operação de crédito externo a ser contratada entre o Estado do Mato Grosso (MT) e o Banco Internacional para Reconstrução e Desenvolvimento - BIRD, no valor de US\$ 80.000.000,00 (oitenta milhões de dólares dos EUA) de principal, para o financiamento do Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso.

Operação sujeita à autorização do Senado Federal. Constituição Federal, art. 52, incisos V e VII; Decreto-lei nº 1.312, de 1974; Decreto-lei nº 147, de 1967; Lei Complementar nº 101, de 4 de maio de 2000; Resoluções do Senado Federal nºs 48, de 2007, e 43, de 2001, ambas com alterações.

Processo SEI nº 17944.105303/2023-65

**I**

1. Sob análise desta Procuradoria-Geral da Fazenda Nacional - PGFN proposta de contratação de operação de crédito externo, com garantia da República Federativa do Brasil, para exame e parecer das minutas contratuais que antecede a análise autorizativa do Senado Federal de que trata o art. 52, inciso V, da Constituição da República, com as seguintes características:

MUTUÁRIO: Estado do Mato Grosso (MT);

MUTUANTE: Banco Internacional para Reconstrução e Desenvolvimento - BIRD;

GARANTIDOR: República Federativa do Brasil;

NATUREZA DA OPERAÇÃO: empréstimo externo;

VALOR: até US\$ 80.000.000,00 (oitenta milhões de dólares dos EUA), de principal;

FINALIDADE: financiamento parcial do Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso.

2. Preliminarmente, cumpre-nos informar que a presente manifestação restringe-se às questões estritamente jurídicas, nos termos do art. 11, incisos V e VI, alínea “a”, combinado com o art. 13 da Lei Complementar nº 73, de 1993, e do Enunciado de Boa Prática Consultiva CGU/AGU nº 07, de modo que não alcança aspectos de natureza técnica e os ligados à conveniência e oportunidade dos gestores, partindo-se da premissa, em relação aos aspectos de natureza técnica, de que foram analisados adequadamente pelo(s) agente(s) público(s) competente(s).

3. Do ponto de vista jurídico, importa observar que as formalidades prévias à contratação são aquelas prescritas na Constituição Federal; no Decreto-Lei nº 1.312, de 15 de fevereiro de 1974; na Lei Complementar nº 101, de 4 de maio de 2000; na versão atualizada das Resoluções do Senado Federal nº 43, consolidada e republicada em 10 de abril de 2002, e nº 48, de 21 de dezembro de 2007; na Portaria nº 497, de 27 de agosto de 1990, alterada pela Portaria nº 650, de 1º de outubro de 1992, ambas do então Ministro da Economia, Fazenda e Planejamento (MEFP), como se acham em vigor; na Portaria Normativa MF nº 500 de 2 de junho de 2023; e nos demais dispositivos legais e regulamentares pertinentes.

## II

### Análise da STN

4. A Secretaria do Tesouro Nacional – STN/ME emitiu o Parecer SEI nº 1315/2024/MF, aprovado em 30/04/2024 (SEI nº 41552149). No referido Parecer constam (a) a verificação dos limites e condições para contratação da operação de crédito; (b) a análise dos requisitos legais e normativos referentes à concessão da garantia da União; e (c) as informações relativas aos riscos para o Tesouro Nacional.

5. No tocante à verificação dos limites e condições para contratação da operação de crédito e para a concessão de garantia pela União, em conformidade com o parágrafo 6º do art. 32 da Lei de Responsabilidade Fiscal ("LRF") e Portaria Normativa MF nº 500, de 02/06/2023, estabeleceu a STN o prazo de **270 dias**, contados a partir de 29/04/2024, para validade da análise daquela Secretaria (limites e condições para contratação da operação de crédito e para a concessão de garantia pela União).

6. Segundo informa a STN, o Chefe do Poder Executivo do Ente prestou informações e apresentou comprovações por meio documental e por meio de formulário eletrônico, mediante o Sistema de Análise de Dívida Pública, Operações de Crédito e Garantias da União, Estados e Municípios – SADIPEM (Portaria STN nº 9/2017), assinado pelo Chefe do Poder Executivo em 18/04/2024 (SEI 41530892), ressaltando-se a apresentação dos seguintes documentos: Lei nº 12.115, de 18/05/2023 que autoriza a operação (SEI 38456808); (b) Parecer técnico-jurídico (SEI 41090636); (c) Parecer do Órgão Técnico (SEI 41531214); (d) Certidão do Tribunal de Contas competente (SEI 41531225); e (e) Comprovante de Publicação do RREO - Anexo 12 (SIOPS) (SEI 41531379).

7. O mencionado Parecer SEI nº 1315/2024/MF concluiu no seguinte sentido:

#### IV. CONCLUSÃO

57. Tomando-se por base os dados da documentação constante dos autos, e considerando a verificação dos limites e condições da RSF nº 43/2001, o ente **CUMPRE** os requisitos prévios à contratação da operação de crédito, conforme dispõe o art. 32 da LRF.

58. Em relação à garantia da União, tomando-se por base os dados da documentação constante dos autos e considerando a verificação dos limites e condições da RSF nº 48/2007, entende-se que o ente **CUMPRE** os requisitos legais e normativos apontados na seção III.I, necessários para a obtenção da garantia da União.

59. Considerando o disposto na Portaria Normativa MF nº 500, de 02/06/2023, o prazo de validade da presente verificação de limites e condições para contratação da operação de crédito e para a concessão de garantia pela União é de **270 dias**, contados a partir de 29/04/2024, uma vez que o cálculo dos limites a que se referem os incisos I, II e III do art. 7º da RSF nº 43/2001 resultou em percentuais de comprometimento inferiores a 80%.

60. Ressalte-se que deverão ser observados os dispostos no inciso VI do artigo 21 da RSF nº 43/2001 e no § 4º do artigo 10 da RSF nº 48/2007.

61. Encaminhe-se o presente pleito para manifestação conclusiva do Secretário do Tesouro Nacional, acerca da oportunidade e conveniência da concessão da garantia da União, relativamente aos riscos para o Tesouro Nacional, nos termos do art. 6º, I, “a” da Portaria MEFP nº 497/1990.

### **Aprovação do projeto pela COFIEIX**

8. Foi autorizada a preparação do Projeto pela Comissão de Financiamentos Externos – COFIEIX, por meio da Resolução COFIEIX nº 8, de 07/04/2022 (SEI 38456809), publicada em 25/04/2024.

### **Existência de autorização legislativa para a contratação de operação de crédito externo e oferta de contragarantia à garantia a ser prestada pela União**

9. A Lei Estadual nº 12.115, de 18/05/2023 (SEI 38456808), autorizou o Poder Executivo a contratar a presente operação de crédito e a vincular, como contragarantias à garantia da União, as cotas de repartição constitucional previstas nos artigos 157 e 159, I, a e II, complementadas pelas receitas tributárias estabelecidas no art. 155, nos termos do § 4º do art. 167, todos da Constituição Federal, bem como outras garantias em direito admitidas.

10. Conforme análise realizada pela Coordenação-Geral de Haveres Financeiros – COAFI/STN, e informada à Coordenação-Geral de Operações de Crédito de Estados e Municípios - COPEM/STN, mediante o Ofício SEI nº 24898/2024/MF, de 25/04/2024 (SEI 41551216 fls. 3/7), as contragarantias oferecidas pelo ente foram consideradas suficientes para ressarcir a União, caso esta venha a honrar compromisso na condição de garantidora da operação.

11. Em cumprimento ao art. 40, §1º, da LRF, o Ente deverá assinar contrato de contragarantia com a União previamente à concessão da garantia.

### **Situação de adimplência do Ente e regularidade em relação ao pagamento de precatórios**

12. A situação de adimplência do Ente, bem como a regularidade em relação ao pagamento de precatórios, deverão estar comprovadas por ocasião da análise jurídica para fim de assinatura do contrato, conforme determinam o art. 25, IV, a, c/c o art. 40, §2º, ambos da LRF, o art. 10, §4º, da Resolução nº 48, de 2001, bem como a Portaria Normativa nº 500, de 2 de junho de 2023.

### **Parecer Jurídico da Procuradoria-Geral do Mutuário**

13. Para fim do disposto na Portaria MEFP nº 497, de 1990, alterada pela Portaria MEFP nº 650, de 1º de outubro de 1992, a Procuradoria-Geral do Estado emitiu o Parecer SEFAZ-PRO-2024-04921, aprovado pelo Subprocurador-Geral de Aquisições e Contratos em 20/06/2024 e pelo Procurador-Geral do Estado, em 20/06/2024 (SEI 43096948), onde concluiu pela legalidade e viabilidade do contrato de empréstimo a ser celebrado com o Mutuante.

### **Cumprimento das condições de efetividade especiais prévias ao primeiro desembolso**

14. Com relação a este item, a STN afirmou que:

46. As condições de efetividade do contrato a serem observadas estão discriminadas no Artigo IX das Condições Gerais (SEI 38628848 fls. 31/32) e no Artigo V do Contrato de Empréstimo (SEI 38628206 fls. 112/113). O ente da Federação terá um prazo de 120 dias a partir da assinatura do contrato para cumprir as condições de efetividade, conforme cláusula 5.02 do Contrato de Empréstimo (SEI 38628206 fl. 113).

47. Registre-se que o Governo Federal exige que as instituições credoras de operações de crédito externo de entes subnacionais informem o cumprimento

substancial das condições de efetividade por parte dos mutuários como condicionante à assinatura dos contratos. Tal exigência minimiza os riscos para o Tesouro Nacional, uma vez que possibilita ao ente iniciar a execução do projeto logo após a formalização do contrato de empréstimo e, com isso, não incorrer em pagamento desnecessário de comissão de compromisso.

15. Cumpre registrar, aqui, que as condições de desembolso passíveis de cumprimento e, portanto, exigíveis antes da assinatura do contrato de garantia em questão, são apenas as condições **especiais** de efetividade, conforme estipuladas na Cláusula 5.01 das Disposições Especiais do contrato de empréstimo externo (SEI 38628206 fl. 113).

16. Foi juntada ao processo a tradução das minutas contratuais, conforme consta no Doc SEI nº 43097002.

### **Registro de Operações Financeiras do Registro Declaratório Eletrônico (ROF/RDE)**

17. A STN informou que a operação de crédito sob análise está inscrita no Registro de Operações Financeiras do Registro Declaratório Eletrônico (ROF/RDE) nº TB145258 (SEI 41551202).

### **III**

18. O empréstimo será concedido pelo BIRD, organismo internacional do qual o País faz parte, e as cláusulas estipuladas são as usualmente utilizadas por esse organismo, conforme consta das Minutas do Contrato de Empréstimo, das Normas Gerais e do Contrato de Garantia (Doc SEI nº 38628206 e nº 38628848).

19. Foi, no mais, observado o disposto no art. 8º, da Resolução nº 48/2007, do Senado Federal, que veda disposição contratual de natureza política, atentatória à soberania nacional e à ordem pública, contrária à Constituição e às leis brasileiras, bem assim que implique compensação automática de débitos e créditos.

20. O mutuário é o Estado do Mato Grosso, pessoa jurídica de direito público interno, a quem incumbe praticar os atos de natureza financeira previstos contratualmente. Compete-lhe, ainda, fazer constar, oportunamente, em suas propostas orçamentárias, os recursos necessários ao pagamento dos compromissos assumidos.

21. A concessão da garantia da União para a operação de crédito em exame depende de autorização do Senado Federal, nos termos do disposto no art. 52, inciso V, da Constituição Federal, pelo que se propõe o encaminhamento do assunto à consideração do Senhor Ministro de Estado da Fazenda para que, entendendo cabível, encaminhe a matéria para exame do Senado Federal, sob a ressalva de que, previamente à assinatura dos instrumentos contratuais, sejam tomadas as seguintes providências: (a) seja verificado o cumprimento substancial das condições especiais de efetividade do contrato de empréstimo; (b) seja verificado o cumprimento do disposto na Portaria Normativa MF nº 500, de 02/06/2023 (adimplência do Ente); e (c) seja formalizado o respectivo contrato de contragarantia entre o Mutuário e a União.

É o parecer.

À consideração superior.

Brasília, na data da assinatura eletrônica.

Documento assinado eletronicamente

**FABIANI FADEL BORIN**

De acordo. À consideração superior.

Documento assinado eletronicamente

**FABIOLA INEZ GUEDES DE CASTRO SALDANHA**

Coordenadora-Geral de Operações Financeiras da União

De acordo. Encaminhe-se ao exame do Sr. Subprocurador-Geral da Fazenda Nacional.

Documento assinado eletronicamente

**MARCO AURÉLIO ZORTEA MARQUES**

Procurador-Geral Adjunto Fiscal, Financeiro e Societário, Substituto

Portaria de Pessoal PGFN/MF Nº 1319, de 27 de junho de 2024

Aprovo o Parecer. Retorne o processo ao Apoio/COF para encaminhamento ao Gabinete do Senhor Ministro da Fazenda, por meio da Secretaria Executiva deste Ministério.

Documento assinado eletronicamente

**FABRÍCIO DA SOLLER**

Subprocurador-Geral da Fazenda Nacional



Documento assinado eletronicamente por **Fabiola Inez Guedes de Castro Saldanha, Coordenador(a)-Geral**, em 28/06/2024, às 23:18, conforme horário oficial de Brasília, com fundamento no § 3º do art. 4º do [Decreto nº 10.543, de 13 de novembro de 2020](#).



Documento assinado eletronicamente por **Fabiani Fadel Borin, Procurador(a) da Fazenda Nacional**, em 29/06/2024, às 10:15, conforme horário oficial de Brasília, com fundamento no § 3º do art. 4º do [Decreto nº 10.543, de 13 de novembro de 2020](#).



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**Referência:** Processo nº 17944.105303/2023-65

SEI nº 41886750



**PARECER SEI Nº 1315/2024/MF**

Parecer Público. Ausência de informação classificada como de acesso restrito pelos artigos 23 e 31 da Lei nº 12.527, de 18 de novembro de 2011, Lei de Acesso à Informação – LAI.

Operação de crédito externo, com garantia da União, entre o Estado do Mato Grosso (MT) e o Banco Internacional para Reconstrução e Desenvolvimento - BIRD, no valor de US\$ 80.000.000,00.

Recursos destinados ao financiamento do Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso.

VERIFICAÇÃO DE LIMITES E CONDIÇÕES PARA CONTRATAÇÃO DE OPERAÇÃO DE CRÉDITO E PARA CONCESSÃO DE GARANTIA DA UNIÃO.

Processo SEI nº 17944.105303/2023-65

**I. RELATÓRIO**

1. Trata o presente parecer da solicitação feita pelo Estado do Mato Grosso para a verificação do cumprimento dos limites e condições necessários à contratação de operação de crédito externa com o Banco Internacional para Reconstrução e Desenvolvimento - BIRD e de pedido de concessão de garantia da União, nos termos da Lei Complementar nº 101, de 04/05/2000 - Lei de Responsabilidade Fiscal (LRF), da Resolução do Senado Federal nº 43/2001 (RSF nº 43/2001) e da Resolução do Senado Federal nº 48/2007 (RSF nº 48/2007), com as seguintes características (SEI 41530892):

- a. **Credor:** Banco Internacional para Reconstrução e Desenvolvimento - BIRD;
- b. **Valor da operação:** US\$ 80.000.000,00 (oitenta milhões de dólares dos EUA);
- c. **Valor da contrapartida:** US\$ 20.000.000,00 (vinte milhões de dólares dos EUA);
- d. **Destinação dos recursos:** Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso;
- e. **Juros:** SOFR acrescida de spread variável divulgado periodicamente pelo banco;
- f. **Atualização monetária:** Variação cambial
- g. **Liberações previstas:** US\$ 500.000,00 em 2024; US\$ 21.000.000,00 em 2025; US\$ 28.000.000,00 em 2026; US\$ 15.500.000,00 em 2027; US\$ 10.000.000,00 em 2028 e US\$ 5.000.000,00 em 2029
- h. **Aportes estimados de contrapartida:** US\$ 500.000,00 em 2024; US\$ 5.000.000,00 em 2025; US\$ 5.000.000,00 em 2026; US\$ 5.500.000,00 em 2027; US\$ 2.500.000,00 em 2028 e US\$ 1.500.000,00 em 2029
- i. **Prazo de carência:** até 66 meses
- j. **Prazo de amortização:** até 234 meses
- k. **Prazo total:** até 300 meses
- l. **Periodicidade:** Semestral
- m. **Sistema de Amortização:** Constante
- n. **Lei autorizadora:** nº 12.115, de 18/05/2023 (SEI 38456808)
- o. **Demais encargos e comissões:** Comissão de abertura (front-end fee) de 0,25% aplicado sobre o montante do empréstimo; Comissão de compromisso de 0,25% a.a. aplicado sobre o saldo não desembolsado do empréstimo; Sobretaxa de exposição (exposure surcharge) de 0,5% a.a., aplicável no caso de o limite de exposição do banco ao país ser excedido, em relação ao excesso, multiplicado pela proporção do empréstimo em relação ao total de empréstimos do banco no país sujeitos à cobrança desse encargo; Juros de mora: acréscimo de 0,5% à taxa de juros em caso de mora.

2. Por intermédio do Sistema de Análise da Dívida Pública, Operações de Crédito e Garantias da União, Estados e Municípios (SADIPEM), de que trata a Portaria nº 1.349, de 08/04/2022, da Secretaria do Tesouro Nacional (STN), foram submetidas a esta STN informações para comprovação do contido nos arts. 21 a 25 da RSF nº 43/2001, sob a forma de formulário eletrônico disponibilizado pelo ente no SADIPEM, assinado em 18/04/2024 pelo Chefe do Poder Executivo (SEI 41530892). Os seguintes documentos foram enviados eletronicamente como documentos anexos no SADIPEM:

- a. Lei Autorizadora (SEI 38456808);
- b. Parecer do Órgão Jurídico (SEI 41090636);
- c. Parecer do Órgão Técnico (SEI 41531214);
- d. Certidão do Tribunal de Contas competente (SEI 41531225);
- e. Declaração de cumprimento do art. 48 da LRF em 2024 (SEI 41531306);
- f. Comprovante de Publicação do RREO - Anexo 12 (SIOPS) (SEI 41531379)

**II. VERIFICAÇÃO DE LIMITES E CONDIÇÕES PARA CONTRATAÇÃO DA OPERAÇÃO DE CRÉDITO**

3. O ente interessado, em cumprimento do disposto no § 1º do art. 32, da LRF, bem como do inciso I, do art. 21, da RSF nº 43/2001, encaminhou Parecer do Órgão Técnico (SEI 41531214), em que atestou a relação custo-benefício e o interesse econômico social da operação, bem como apresentou a análise das fontes alternativas de financiamento. A propósito, conforme a Nota nº 436/2013 - STN/COPEM, de 13/6/2013 (SEI 41317419 fls. 1/2), é possível entender demonstrada a relação custo-benefício nos pareceres técnicos que apresentem os benefícios de forma qualitativa.

4. O ente interessado, em cumprimento do disposto no § 1º do art. 32, da LRF, bem como do inciso I, do art. 21, da RSF nº 43/2001, mediante o Parecer do Órgão Jurídico (SEI 41090636) e Declaração do Chefe do Poder Executivo efetuada no SADIPEM (SEI 41530892), atestou que cumpre os requisitos para contratação do empréstimo e concessão da garantia da União prescritos na citada Resolução e na Lei Complementar nº 101/2000. Ademais, tendo em vista o disposto no inciso III do art. 21 da RSF nº 43/2001, a comprovação do cumprimento do inciso II do § 1º do art. 32 da LRF foi realizada por meio dos citados Parecer Jurídico e Declaração do Chefe do Poder Executivo, atestando a inclusão dos recursos provenientes da operação pleiteada no orçamento vigente.

5. De acordo com as disposições sobre a matéria, constantes das RSF nºs 40/2001 e 43/2001, foram verificados os seguintes limites quantitativos, considerando-se o valor e os dispêndios da operação sob exame:

a. Limite referente ao art. 6º, § 1º, Inciso I da RSF nº 43/2001 - **receitas de operações de crédito em relação às despesas de capital - exercício anterior. Enquadrado**, conforme quadro abaixo:

Exercício anterior	
Despesas de capital executadas do exercício anterior (SEI 41090736 fl.3)	7.644.728.279,84
"Inciso I - Despesas realizadas (dedução relativa ao art. 33 da LRF - operações de crédito nulas)"	0,00
"Inciso II - Despesas realizadas para empréstimo ou financiamento (incentivo fiscal) a contribuinte"	0,00
"Inciso III - Inversões financeiras na forma de participação acionária em empresas não controladas"	0,00
Despesas de capital executadas do exercício anterior ajustada (SEI 41090736 fl.3)	7.644.728.279,84
Receitas de operações de crédito do exercício anterior (SEI 41090736 fl.2)	18.833.070,37
ARO, contratada e não paga, do exercício anterior	0,00
Receitas de operações de crédito do exercício anterior ajustada (SEI 41090736 fl.2)	18.833.070,37

b. Limite referente ao art. 6º, § 1º, Inciso II da RSF nº 43/2001 - **receitas de operações de crédito em relação às despesas de capital - exercício corrente. Enquadrado**, conforme quadro abaixo:

Exercício corrente	
Despesas de capital previstas no orçamento (SEI 41091995 fl. 3)	5.079.720.646,38
"Inciso I - Despesas previstas (reserva relativa ao art. 33 da LRF - operações de crédito nulas)"	0,00
"Inciso II - Despesas previstas para empréstimo ou financiamento (incentivo fiscal) a contribuinte"	0,00
"Inciso III - Inversões financeiras na forma de participação acionária em empresas não controladas"	0,00
Despesa de capital do exercício ajustadas (SEI 41091995 fl. 3)	5.079.720.646,38
Liberações de crédito já programadas (SEI 41530892 fl. 28)	1.764.430.235,70
Liberação da operação pleiteada (SEI 41530892 fl. 28)	2.491.650,00
Liberações ajustadas (SEI 41530892 fl. 28)	1.766.921.885,70

c. Limite referente ao art. 7º, Inciso I da RSF nº 43/2001 - **montante global das operações realizadas em um exercício financeiro (MGA) em relação à receita corrente líquida (RCL). Enquadrado**, conforme quadro abaixo (SEI 41530892 fls. 31/32)

Ano	Desembolso Anual (R\$)		Projeção da RCL (R\$)	MGA/RCL (%)	Percentual do limite de endividamento (%)
	Operação pleiteada	Liberações programadas			
2024	2.491.650,00	1.764.430.235,70	31.896.976.037,53	5,54	34,62
2025	104.649.300,00	166.408.238,88	32.222.574.234,17	0,84	5,26
2026	139.532.400,00	229.882.434,60	32.551.496.074,59	1,13	7,09
2027	77.241.150,00	227.030.636,52	32.883.775.485,89	0,93	5,78
2028	49.833.000,00	202.345.132,41	33.219.446.741,51	0,76	4,74
2029	24.916.500,00	0,00	33.558.544.464,75	0,07	0,46

\* Projeção da RCL pela taxa média de 1,020780767% de crescimento do PIB nos últimos 8 anos.

d. Limite referente ao art. 7º Inciso II da RSF nº 43/2001 - **comprometimento anual com amortizações, juros e demais encargos (CAED) em relação à RCL. Enquadrado**, conforme quadro abaixo (SEI 41530892 fls. 32/33)

Ano	Comprometimento Anual (R\$)		Projeção da RCL (R\$)	CAED/RCL (%)
	Operação pleiteada	Demais Operações		
2024	3.111.568,33	1.297.545.468,02	31.896.976.037,53	4,08
2025	9.662.489,13	1.149.834.805,49	32.222.574.234,17	3,60
2026	19.412.848,80	1.139.755.246,59	32.551.496.074,59	3,56
2027	24.254.358,96	1.021.779.746,23	32.883.775.485,89	3,18
2028	26.855.377,45	776.291.285,85	33.219.446.741,51	2,42
2029	47.170.523,67	770.706.924,09	33.558.544.464,75	2,44
2030	44.939.967,85	622.263.620,62	33.901.103.632,33	1,97
2031	42.832.521,40	526.398.101,94	34.247.159.578,01	1,66
2032	40.906.705,93	301.645.360,39	34.596.747.996,23	0,99
2033	38.988.343,74	265.064.550,50	34.949.904.945,78	0,87
2034	37.241.510,91	254.372.759,71	35.306.666.853,55	0,83
2035	35.599.724,70	204.360.041,99	35.667.070.518,26	0,67
2036	34.091.920,55	199.163.757,41	36.031.153.114,27	0,65
2037	32.595.773,12	193.673.220,88	36.398.952.195,39	0,62
2038	31.218.469,78	189.310.437,24	36.770.505.698,79	0,60
2039	29.914.104,21	127.528.292,00	37.145.851.948,89	0,42
2040	28.699.305,84	110.099.651,00	37.525.029.661,32	0,37

2041	27.498.357,55	98.949.123,93	37.908.077.946,91	0,33
2042	26.376.397,85	95.563.442,19	38.295.036.315,74	0,32
2043	25.304.992,29	64.884.224,80	38.685.944.681,16	0,23
2044	24.291.103,08	60.435.924,67	39.080.843.364,00	0,22
2045	23.297.071,07	58.527.366,86	39.479.773.096,64	0,21
2046	22.353.529,61	56.668.292,48	39.882.775.027,27	0,20
2047	21.445.921,63	47.844.058,20	40.289.890.724,09	0,17
2048	20.362.285,70	13.830.062,79	40.701.162.179,65	0,08
Média até 2027 :				3,60
Percentual do Limite de Endividamento até 2027 :				31,34
Média até o término da operação :				1,23
Percentual do Limite de Endividamento até o término da operação :				10,67

\* *Projeção da RCL pela taxa média de 1,020780767% de crescimento do PIB nos últimos 8 anos.*

e. Limite referente ao art. 7º, Inciso III da RSF nº 43/2001 - **relação entre a Dívida Consolidada Líquida (DCL) e a RCL. Enquadrado**, conforme quadro abaixo:

Receita Corrente Líquida (RCL) (SEI 41090751 fl. 10)	30.899.152.410,07
Dívida Consolidada Líquida (DCL) (SEI 41090751 fl. 10)	-6.127.242.617,24
Operações de crédito contratadas autorizadas e em tramitação (SEI 41530892 fl. 34)	2.590.096.678,11
Valor da operação pleiteada (SEI 41530892 fl. 34)	398.664.000,00
Saldo total da dívida líquida (SEI 41530892 fl. 34)	-3.138.481.939,13
Saldo total da dívida líquida/RCL (SEI 41530892 fl. 34)	-0,10
Limite da DCL/RCL (SEI 41530892 fl. 34)	2,00
Percentual do limite de endividamento (SEI 41530892 fls. 33/34)	-5,08%

6. Salienta-se que a projeção da RCL constante nas alíneas "c" e "d" do item anterior tem como base a RCL do Demonstrativo da Receita Corrente Líquida (RREO - 1º Bimestre de 2024), homologado no Sistema de Informações Contábeis e Fiscais do Setor Público Brasileiro - SICONFI (SEI 41091995). Adicionalmente, assinalamos que os dados referentes à relação DCL/RCL (alínea "e" do item anterior) têm como fonte o Demonstrativo da Dívida Consolidada Líquida (RGF - 3º Quadrimestre de 2023), homologado no SICONFI (SEI 41090751).

7. Considerando as alterações na RSF nº 43/2001 introduzidas pela RSF nº 36/2009, o limite a que se refere o item "d" foi calculado para (i) todos os exercícios financeiros em que há pagamentos previstos da operação pretendida; e, quando o prazo de amortização supera 2027, para (ii) os exercícios financeiros em que há pagamentos até o final da operação pleiteada, sendo considerado para fins de verificação de limites o período que resultou no cálculo mais benéfico para o Ente. Dessa forma, considerou-se o comprometimento anual de 1,23%, relativo ao período de 2024-2048.

8. Em conclusão, no que diz respeito aos requisitos mínimos aplicáveis à operação, o Estado do Mato Grosso atendeu a todas as exigências previstas nos artigos 6º, 7º e 21 da RSF nº 43/2001. Relativamente ao cumprimento dos limites estabelecidos nas RSF nº 40 e 43, de 2001, registramos:

- Receita de operações de crédito menor que a despesa de capital (exercício anterior): **Enquadrado**;
- Receita de operações de crédito menor que a despesa de capital (exercício corrente): **Enquadrado**;
- MGA/RCL menor que 16%: **Enquadrado**;
- CAED/RCL menor que 11,5%: **Enquadrado**;
- DCL/RCL menor que 2,0: **Enquadrado**.

9. Nos termos do § 1º do art. 32 da RSF nº 43/2001, a comprovação do cumprimento dos requisitos de que tratam o art. 16 e o inciso VIII do art. 21, da RSF nº 43/2001, passou a ser responsabilidade da instituição financeira ou do contratante, conforme seja o caso, por ocasião da assinatura do contrato, não havendo mais verificação prévia desses requisitos por parte da STN. Ademais, também deverá ser observada a adimplência relativa a precatórios, requisito tratado no artigo 97, § 10, inciso IV, e no artigo 104, parágrafo único, ambos do Ato das Disposições Constitucionais Transitórias (ADCT).

10. No que concerne ao art. 21, inciso IV, da RSF nº 43/2001, a Certidão do Tribunal de Contas competente (SEI 41531225) atestou o cumprimento pelo ente do disposto na LRF relativamente ao último exercício analisado (2022), ao exercício não analisado (2023) e ao exercício em curso (2024).

11. No que tange ao limite disposto no caput do art. 167-A da Constituição Federal de 1988, a Certidão do Tribunal de Contas competente, atualizada até o último RREO exigível, atestou o cumprimento do referido limite pelo ente (SEI 41531225).

12. Quanto ao atendimento dos arts. 48, 51, 52 e 55 da LRF, verificou-se junto ao Serviço Auxiliar de Informações para Transferências Voluntárias - CAUC (SEI 41550196), atualizado pelo SICONFI nos termos da Portaria STN nº 642, de 20/09/2019, que o ente homologou as informações e encaminhou suas contas ao Poder Executivo da União. Adicionalmente, também houve consulta ao histórico do SICONFI (SEI 41550245).

13. Em consulta ao CAUC, verificou-se que os itens 3.2.3 e 3.2.4, referentes aos Anexos 8 e 12 do RREO - SIOPE e SIOPS, estão desabilitados. Nesse sentido, como meio de comprovação da publicação, a verificação dos requisitos foi realizada por meio de consulta aos sites do SIOPS (SEI 41551210) e do SIOPE (SEI 41550218), onde foi verificado que houve a entrega dos relatórios no exercício anterior e até o último bimestre exigível do exercício em curso (2024). Para a verificação do cumprimento da publicação do Anexo 12 em 2024, foi enviado a publicação do "Anexo 12" referente ao RREO do 1º bimestre de 2024 no SADIPEM (SEI 41531379).

14. Em relação ao cumprimento dos incisos II e III do art. 48 da Lei Complementar nº 101, de 2000, foi encaminhada declaração de cumprimento do chefe do poder executivo (SEI 41531306 fl. 3), bem como comprovante de remessa para o Tribunal de Contas competente (SEI 41531306 fls. 1/2). Ainda, foi realizada consulta de regularidade na Plataforma Transferegov (SEI 41551155), conforme disposto pelo art. 22, inciso XV da Portaria Interministerial nº nº 424, de 2016.

15. Em atendimento aos preceitos da Portaria STN 1.350/2022, o ente encaminhou e homologou as informações relativas às dívidas públicas interna e externa de que tratam o § 4º do art. 32 da LRF e o art. 27 da RSF nº 43/2001, mediante o preenchimento do Cadastro da Dívida Pública (CDP) no SADIPEM. Em consulta recente (SEI 41550282 e 41550295), a situação do ente foi considerada regular.

16. Em relação à adimplência financeira com a União quanto aos financiamentos e refinanciamentos concedidos e às garantias honradas, o ente encontra-se Adimplente nesta data, conforme consulta ao Sistema de Acompanhamento de Haveres de Estados e Municípios (SAHEM), instituído por meio da Portaria do Ministério da Fazenda nº 106, de 28/03/2012, e disponível no endereço [sahem.tesouro.gov.br](http://sahem.tesouro.gov.br) (SEI 41550322 e 41551137).

17. Também em consulta ao SAHEM (SEI 41550322), verificou-se que o ente está entre aqueles com haveres controlados pela Coordenação-Geral de Haveres Financeiros (COAFI). Em decorrência disso, consultou-se o Relatório de Espaço Fiscal (SEI 41551146), em que se verificou que a operação não representa violação dos acordos de refinanciamento firmados com a União, nos termos do inciso IV do art. 5º da RSF nº 43/2001.

18. Relativamente às despesas com pessoal, na forma disciplinada pela LRF, e considerando a nova redação do § 3º do art. 23 daquela Lei, dada pela Lei Complementar nº 178/2021, sobre a qual a PGFN manifestou-se no PARECER SEI Nº 4541/2021/ME (SEI 41317476), destaca-se que, na presente análise, o limite referente às mencionadas despesas do Poder Executivo foi considerado como atendido até o último quadrimestre para o qual é exigível a publicação do RGF, com base na Certidão emitida pelo Tribunal de Contas competente (SEI 41531225), na declaração do Chefe do Poder Executivo preenchida e assinada eletronicamente no SADIPEM (SEI 41530892) e no respectivo Demonstrativo da Despesa com Pessoal contido no RGF mais recente homologado no SICONFI (SEI 41090751).

### III. VERIFICAÇÃO DOS REQUISITOS LEGAIS E NORMATIVOS E INSTRUÇÃO DE RISCOS REFERENTES À CONCESSÃO DA GARANTIA DA UNIÃO

19. No que se refere aos aspectos atinentes à concessão da garantia da União, dispostos na LRF, nas Resoluções do Senado Federal nº 40/2001, 43/2001 e 48/2007 e na Portaria MEFP nº 497/1990, este parecer trata estritamente:

- a. da verificação do cumprimento, pelo interessado, dos requisitos legais e normativos obrigatórios para a obtenção da garantia da União indicados na seção III.1; e
- b. da instrução do processo relativamente a seus riscos e demais informações indicadas na seção III.2, considerada subsídio necessário para que o Secretário do Tesouro Nacional se manifeste expressa e conclusivamente, de acordo com sua avaliação, sobre a oportunidade e conveniência da concessão da garantia da União, relativamente aos riscos para o Tesouro Nacional.

#### III.1. REQUISITOS LEGAIS E NORMATIVOS PARA CONCESSÃO DA GARANTIA DA UNIÃO

20. Entende-se que a verificação do cumprimento dos arts. 10, II, "c", e 11, parágrafo único, "j" e "l", da RSF nº 48/2007, foi realizada e atendida no item "II. VERIFICAÇÃO DE LIMITES E CONDIÇÕES PARA CONTRATAÇÃO DA OPERAÇÃO DE CRÉDITO" deste parecer.

#### RESOLUÇÃO DA COFIEIX

21. A Comissão de Financiamentos Externos (COFIEIX), por meio da Resolução nº 8, de 07/04/2022 (SEI 38456809), autorizou a preparação do Projeto no valor de até US\$ 80.000.000,00 provenientes do BIRD, com contrapartida de no mínimo 20% do total do Projeto.

#### DÍVIDA MOBILIÁRIA

22. Relativamente à observância do limite da dívida mobiliária do ente, conforme estabelecido no art. 10, inciso II, alínea "c" da RSF nº 48/2007, é de se informar que, até a presente data, o Senado Federal, no âmbito de sua competência constitucional, não dispôs sobre os limites da referida dívida mobiliária de estados, municípios e Distrito Federal. Entretanto, conforme definido nas RSF nº 40/2001 e 43/2001, a dívida pública consolidada inclui a dívida mobiliária, tendo sido o limite da primeira atestado na seção "II. VERIFICAÇÃO DE LIMITES E CONDIÇÕES PARA CONTRATAÇÃO DA OPERAÇÃO DE CRÉDITO".

#### OPERAÇÕES POR ANTECIPAÇÃO DE RECEITA ORÇAMENTÁRIA

23. No que tange ao limite referente às operações por antecipação de receita orçamentária, verificou-se, a partir do Demonstrativo das Operações de Crédito constante do RGF do 3º quadrimestre de 2023 (SEI 41090751), que o ente não possui valores contratados em operações dessa natureza.

#### RESTOS A PAGAR

24. Com relação à exigência de comprovação de obediência ao limite de Restos a Pagar, consoante artigos 40, § 2º e 25, inciso IV, alínea c, ambos da LRF, combinados com o disposto na alínea "c" do inciso II do art. 10 da RSF nº 48/2007, a Procuradoria-Geral da Fazenda Nacional (PGFN), conforme exarado no Parecer SEI nº 323/2018/CAF/PGACFFS/PGFN-MFPGFN/COF, de 09/11/2018 (SEI 41317419 fls. 12/19), tem o seguinte entendimento:

*16. [...] o art. 42 da Lei Complementar nº 101, de 2000, não fixa nenhum limite de inscrição de Restos a Pagar e, consequentemente, não pode fundamentar a negação de concessão de garantia pela União por descumprimento da alínea "c" do inciso II do art. 10 da Resolução nº 48, de 2007, e nem tampouco pela alínea "e" do mesmo dispositivo da citada resolução do Senado Federal ou do inciso IV do § 1º do art. 32 da Lei de Responsabilidade Fiscal; e (2) [...] o mesmo art. 42 da Lei Complementar nº 101, de 2000, não se presta como exigência para a concessão de garantia pela União.*

*17. Finalmente, sugiro a revogação parcial do Parecer PGFN/COF/Nº 468/2008, especificamente dos seus itens 10 e 15.*

25. Assim, tendo em vista o posicionamento jurídico, não cabe verificação de tal requisito para fins de emissão do presente Parecer.

#### INCLUSÃO NA LEI ORÇAMENTÁRIA E NO PLANO PLURIANUAL

26. A Declaração do Chefe do Poder Executivo, assinada digitalmente no SADIPEM (SEI 41530892 fls. 22/23), informa que a operação em questão está inserida no Plano Plurianual (PPA) do ente da Federação para o quadriênio 2024-2027, estabelecido pela Lei nº 12.432, de 09/02/2024. A declaração citada informa ainda que constam da Lei Estadual nº 12.421, de 02/02/2024, que estima a receita e fixa a despesa do ente da Federação para o exercício de 2024, dotações necessárias e suficientes para a execução do Projeto em tela, quanto ao ingresso dos recursos, ao aporte da contrapartida e ao pagamento dos encargos da operação.

#### AUTORIZAÇÃO LEGISLATIVA - CONTRAGARANTIAS

27. A Lei nº 12.115, de 18/05/2023 (SEI 38456808) autoriza o Poder Executivo a contratar a operação de crédito e a vincular "... como contragarantia à garantia da União, à operação de crédito de que trata esta Lei, em caráter irrevogável e irretratável, a modo pro solvendo, as receitas a que se referem os artigos 157 e 159, inciso I, alínea a, e inciso II, complementadas pelas receitas tributárias estabelecidas no art. 155, nos termos do § 4º do art. 167, todos da Constituição Federal, bem como outras garantias admitidas em direito."

## GASTOS MÍNIMOS COM SAÚDE E EDUCAÇÃO

28. O Tribunal de Contas competente, mediante Certidão (SEI 41531225) atestou para os exercícios de 2022 e 2023 o cumprimento do artigo 198 da Constituição Federal. Adicionalmente, a mesma Certidão atestou para o exercício de 2023 o cumprimento do artigo 212 da Constituição Federal. Em complemento, as informações relativas ao exercício de 2023 foram ratificadas pela Declaração do Chefe do Poder Executivo (SEI 41530892).

## EXERCÍCIO DA COMPETÊNCIA TRIBUTÁRIA

29. Sobre o cumprimento do art. 11 da LRF, a Certidão do Tribunal de Contas competente (SEI 41531225) atestou o cumprimento do pleno exercício da competência tributária do ente para o último exercício analisado (2022), para o exercício não analisado (2023) e para o exercício em curso (2024).

## DESPESAS COM PESSOAL

30. Relativamente às despesas com pessoal, entende-se atendido o requisito legal, conforme análise já realizada na seção "**II. VERIFICAÇÃO DE LIMITES E CONDIÇÕES PARA CONTRATAÇÃO DA OPERAÇÃO DE CRÉDITO**".

## PARCERIAS PÚBLICO-PRIVADAS

31. A Lei nº 11.079/2004, alterada pelas Leis nº 12.024/2009 e 12.766/2012, que institui normas gerais para licitação e contratação de Parceria Público Privada (PPP) no âmbito dos Poderes da União, dos Estados, do Distrito Federal e dos Municípios, estabelece, em seu art. 28, que a União não poderá conceder garantia aos demais entes caso a soma das despesas de caráter continuado derivadas do conjunto das parcerias por eles contratadas tiver excedido, no ano anterior, a 5% da receita corrente líquida do exercício ou se as despesas anuais dos contratos vigentes nos 10 (dez) anos subsequentes excederem a 5% da receita corrente líquida projetada para os respectivos exercícios.

32. A esse respeito, o ente atestou no SADIPEM, por meio da aba Declaração do Chefe do Poder Executivo (SEI 41530892, fl. 24), que não assinou contrato na modalidade Parceria Público-Privada. Os dados do RREO relativo ao 1º bimestre de 2024 (SEI 41091995, fl. 33) corroboram a informação constante da Declaração do Chefe do Poder Executivo.

## LIMITE PARA A UNIÃO CONCEDER GARANTIAS

33. Quanto à observância do limite para a União conceder garantias, é de se informar que há margem para a concessão da pleiteada garantia da União, dentro do limite estabelecido no artigo 9º da RSF nº 48/2007. Conforme as informações contidas no Demonstrativo das Garantias e Contragarantias de Valores do Relatório de Gestão Fiscal da União relativo ao 3º quadrimestre de 2023 (SEI 41092012 fl. 14), o saldo total das garantias concedidas pela União encontra-se em 23,71% da RCL.

34. Em relação ao intralimite anual das garantias concedidas pela União de que trata o art. 9º-A da RSF nº 48, de 2007, informa-se que esta Secretaria do Tesouro Nacional, por meio de consulta efetuada no Diário Oficial da União, na presente data (SEI 41551189), não observou a existência de publicação de deliberação do Senado Federal estabelecendo o intralimite para o presente exercício. Deste modo, sua verificação não é aplicável na presente data, tendo em vista o entendimento da PGFN, contido no Parecer SEI nº 4649/2023/MF, que indicou: *"juridicamente, enquanto não for aprovado o intralimite previsto no art. 9º-A, vigora tão-somente o limite estabelecido no art. 9º"*.

## CAPACIDADE DE PAGAMENTO E CLASSIFICAÇÃO DA SITUAÇÃO FISCAL

35. Para o cumprimento do art. 23, inciso I da RSF nº 43/2001, foi realizada a análise da capacidade de pagamento do pleiteante à garantia, segundo a metodologia estabelecida na Portaria Normativa MF nº 1.583/2023, utilizando os conceitos e procedimentos definidos na Portaria STN nº 217, de 15 de fevereiro de 2024.

36. Conforme consignado na Nota Técnica SEI nº 2444/2023/MF (SEI 41316001), revisada pela Nota Técnica SEI nº 320/2024/MF (SEI 41316025), cuja avaliação foi por sua vez ratificada pelo Ofício SEI nº 18978/2024/MF, (SEI 41315898), a capacidade de pagamento do ente foi classificada em "A". Essa classificação atendeu ao requisito previsto no artigo art. 13 da Portaria Normativa MF nº 1.583, de 2023, necessário para a continuidade da análise do Pedido de Verificação dos Limites e Condições da operação de crédito, no âmbito da STN, e também atendeu, conforme o artigo 14 da Portaria Normativa MF nº 1.583, de 2023, a um dos requisitos para elegibilidade da operação de crédito à concessão de garantia da União.

## CONTRAGARANTIAS À GARANTIA DA UNIÃO

37. Em cumprimento do art. 40, § 1º da LRF, e art. 10, inciso III, da RSF Nº 48, foi realizada pela COAFI/STN a análise da suficiência das contragarantias à garantia da União, segundo a metodologia estabelecida na Portaria Normativa MF nº 1.583/2023. Conforme informação consignada no Ofício SEI nº 24898/2024/MF, de 25/04/2024 (SEI 41551216 fls. 3/7), as contragarantias oferecidas pelo ente são consideradas suficientes para ressarcir a União, caso venha a honrar compromisso na condição de garantidora da operação. A COAFI declarou também, no mesmo Ofício, não ter conhecimento de ações judiciais em vigor que obstem a execução de contragarantias contra o referido ente, o que foi ratificado por consulta ao Sistema de Acompanhamento de Haveres de Estados e Municípios (SAHEM) na presente data (SEI 41550322).

## CUSTO-BENEFÍCIO, CONDIÇÕES FINANCEIRAS E FONTES ALTERNATIVAS DE FINANCIAMENTO

38. Entende-se que o Parecer do Órgão Técnico (SEI 41531214), em conformidade com a Nota nº 436/2013 – STN/COPEM (SEI 41317419 fls. 1/2), juntamente com os dados básicos e as abas "Dados Complementares" e "Cronograma Financeiro" preenchidos no SADIPEM (SEI 41530892), atendem ao disposto nos incisos V e VI do art. 3º da Portaria MF 497/1990.

## ADIMPLÊNCIA COM A UNIÃO

39. Em relação à adimplência financeira com a União, cumpre informar que, na presente data, o ente encontra-se Adimplente conforme análise realizada na seção "**II. VERIFICAÇÃO DE LIMITES E CONDIÇÕES PARA CONTRATAÇÃO DA OPERAÇÃO DE CRÉDITO**".

## PAGAMENTO DE PRECATÓRIOS

40. Quanto à adimplência do ente relativamente ao pagamento de precatórios, em atendimento ao disposto no art. 97, § 10, inc. IV, "a", e no art. 104, parágrafo único, ambos do ADCT, a verificação da adimplência deverá ser feita por ocasião da assinatura do contrato de garantia.

#### SISTEMA DE PRESTAÇÃO DE INFORMAÇÕES DE CAPITAL ESTRANGEIRO DE CRÉDITO EXTERNO - SCE-CRÉDITO (ANTIGO ROF/RDE)

41. Verificou-se que a operação de crédito sob análise está inscrita no Sistema de Prestação de Informações de Capital Estrangeiro de Crédito Externo - SCE-Crédito (antigo ROF/RDE) sob o código TB145258 (SEI 41551202).

#### CUSTO EFETIVO DA OPERAÇÃO

42. Tendo em vista o disposto no § 4º do art. 11 da Portaria Normativa MF nº 1.583/2023, ficam dispensadas, da análise de custo efetivo máximo aceitável, as operações garantidas pela União cujos credores sejam organismos multilaterais ou agências governamentais estrangeiras, o que se aplica ao presente caso. Ademais, conforme art. 2º, § 2º da Resolução nº 14, de 23/02/2024 (SEI 41315585), do Grupo Estratégico do Comitê de Garantias (GE-CGR) da STN, também foi retirada a aplicação da vedação à concessão de garantia da União às operações cujos credores são organismos multilaterais ou agências governamentais estrangeiras que não contem com cláusula contratual que vede expressamente a securitização.

#### HONRA DE AVAL

43. Tendo em vista o disposto nos incisos I e II do artigo 15 da Portaria Normativa MF nº 1.583/2023, foi realizada consulta ao Relatório de Bloqueio de Mutuários, emitido pela Gerência de Controle de Obrigações da Dívida Pública (GECOD) da Coordenação-Geral de Controle da Dívida Pública (CODIV/STN), com posição no dia útil anterior ao da emissão deste Parecer (SEI 41551177), em que foi verificado não haver, em nome do ente, registro referente à honra de garantia pela União a operações de crédito por este realizadas.

#### MINUTAS DOS CONTRATOS DE FINANCIAMENTO E DE GARANTIA

44. Em atendimento ao art. 3º, VIII, da Portaria MEFP nº 497/1990, estão presentes no processo as Minutas do Contrato de Empréstimo: Disposições Especiais (SEI 38628206 fls. 110/132), o Contrato de Garantia (SEI 38628206 fls. 133/136), as Condições Gerais (SEI 38628848) e demais anexos (SEI 38628206 fls. 8/109 e 137/164).

### III.2 INFORMAÇÕES RELATIVAS AOS RISCOS PARA O TESOUREIRO NACIONAL

#### ALCANCE DAS OBRIGAÇÕES CONTRATUAIS

45. No que tange às competências da Secretaria do Tesouro Nacional - STN e em relação às cláusulas que envolvem riscos e/ou impactos financeiros à União como garantidora da operação, destaca-se, que as cláusulas contratuais das minutas refletem condições usualmente aceitas pelo Ministério da Fazenda em contratos de operação de crédito externo, com garantia da União, de entes subnacionais com organismos multilaterais, nos termos a seguir:

#### *Prazo e condições de efetividade*

46. As condições de efetividade do contrato a serem observadas estão discriminadas no Artigo IX das Condições Gerais (SEI 38628848 fls. 31/32) e no Artigo V do Contrato de Empréstimo (SEI 38628206 fls. 112/113). O ente da Federação terá um prazo de 120 dias a partir da assinatura do contrato para cumprir as condições de efetividade, conforme cláusula 5.02 do Contrato de Empréstimo (SEI 38628206 fl. 113).

47. Registre-se que o Governo Federal exige que as instituições credoras de operações de crédito externo de entes subnacionais informem o cumprimento substancial das condições de efetividade por parte dos mutuários como condicionante à assinatura dos contratos. Tal exigência minimiza os riscos para o Tesouro Nacional, uma vez que possibilita ao ente iniciar a execução do projeto logo após a formalização do contrato de empréstimo e, com isso, não incorrer em pagamento desnecessário de comissão de compromisso.

#### *Vencimento antecipado da dívida e cross default*

48. A minuta do contrato prevê circunstâncias em que o BIRD terá direito de declarar o vencimento antecipado do empréstimo por razões financeiras e não financeiras, conforme estabelecido na cláusula 7.07 do Artigo VII das Condições Gerais (SEI 38628848, fls. 27/28), bem como nas cláusulas 4.01 e 4.02 do Artigo IV do Contrato de Empréstimo (SEI 38628206 fl. 112).

49. Adicionalmente a minuta do contrato prevê, ainda, o *cross default* por razões financeiras com outros contratos do mutuário com o BIRD, conforme estabelecido no item "a" da cláusula 7.07 do Artigo VII das Condições Gerais (SEI 38628848, fls. 27/28).

50. A respeito destas hipóteses, cumpre informar que a Secretaria do Tesouro Nacional – STN acompanha o pagamento de todos os empréstimos garantidos pela União, de forma a evitar que seja declarado o vencimento antecipado de uma dívida pelo não pagamento de uma obrigação financeira. No entanto, a respeito das hipóteses de vencimento antecipado por razões não financeiras, cumpre informar que tal risco não é gerenciável por parte da STN.

51. A cláusula 7.02 (d) do Artigo VII da minuta das Condições Gerais prevê o *cross suspension*, suspensão de desembolsos (SEI 38628848, fl. 24) da operação no caso de suspensão de desembolsos em outro contrato do mutuário com o BIRD ou com a IDA – International Development Association, instituição subsidiária do BIRD, que faz parte do World Bank Group. No entanto, por se tratar de causa de suspensão de desembolsos, e não de vencimento antecipado, não representa risco relevante ao Tesouro Nacional.

52. Cabe esclarecer, também, que a minuta contratual prevê, no Artigo V das Condições Gerais (SEI 38628848, fls. 17/21), que o BIRD acompanhará periodicamente a execução do projeto a fim de assegurar-lhe o desenvolvimento satisfatório, acompanhamento este que é usualmente realizado pelo banco nas operações garantidas pela União. A minuta contratual também exige que os mutuários apresentem relatórios com relação à execução dos projetos em seus aspectos técnicos e financeiros. No entanto, cumpre informar que a STN não acompanha a execução dos projetos.

#### *Cessão de direitos e obrigações e vedação à securitização*

53. Quanto à possibilidade de securitização da operação, cabe registrar que o Grupo Estratégico do Comitê de Garantias (GE-CGR) da STN, conforme a Resolução GECGR nº 14, de 23/02/2024 (SEI 41315585), que revogou a Resolução GECGR nº 07, de 23/06/2020, e deliberou que:

*Art. 2º É vedada a concessão de garantia da União a operação de crédito, interno ou externo, cujo contrato de financiamento não contenha cláusula que vede expressamente a securitização.  
(.....)*

*§2º A vedação à concessão de garantia, de que trata o caput deste artigo, não se aplica à operação de crédito externo cujo credor seja organismo multilateral ou agência governamental estrangeira.*

54. Dessa forma, não se aplica a vedação do caput do Art. 2º da Resolução GECGR nº 14/2024, uma vez que há enquadramento desta operação nas hipóteses do § 2º do mesmo artigo. Ademais, cabe salientar que o contrato não menciona a possibilidade de securitização da operação.

#### **Sobretaxa de exposição (*exposure surcharge*)**

55. Conforme exposto no parágrafo 1 deste Parecer, as minutas contratuais preveem o pagamento de uma sobretaxa de exposição (*exposure surcharge*) de 0,5% a.a., aplicável no caso de o limite de exposição do banco ao país ser excedido. Essa previsão encontra-se na seção 3.01 das Condições Gerais (SEI 38628848).

56. Destaca-se que, conforme dados da Coordenação-Geral de Controle e Pagamento da Dívida Pública (CODIV/STN - SEI 41718211), atualmente o saldo devedor das operações garantidas junto ao BIRD é de US\$ 14,04 bilhões, e o saldo devedor da dívida contratual da União junto ao BIRD é de US\$ 1,46 bilhão, que somados perfazem um total de US\$ 15,5 bilhões os quais, por sua vez, somados ao valor da operação em análise neste Parecer, alcançam um total de US\$ 15,58 bilhões, abaixo do limite indicado pelo BIRD (SEI 41709727). Ressalta-se, entretanto, que existe o risco de extrapolação do limite, seja em razão da dinâmica de liberações e amortizações das operações junto ao BIRD ao longo dos anos, seja em razão de uma possível redução do limite, conforme destacado acima, ainda que o banco realize um acompanhamento periódico do limite de exposição estabelecido para cada país com vistas à sua não extrapolação.

#### **IV. CONCLUSÃO**

57. Tomando-se por base os dados da documentação constante dos autos, e considerando a verificação dos limites e condições da RSF nº 43/2001, o ente **CUMPRE** os requisitos prévios à contratação da operação de crédito, conforme dispõe o art. 32 da LRF.

58. Em relação à garantia da União, tomando-se por base os dados da documentação constante dos autos e considerando a verificação dos limites e condições da RSF nº 48/2007, entende-se que o ente **CUMPRE** os requisitos legais e normativos apontados na seção III.I, necessários para a obtenção da garantia da União.

59. Considerando o disposto na Portaria Normativa MF nº 500, de 02/06/2023, o prazo de validade da presente verificação de limites e condições para contratação da operação de crédito e para a concessão de garantia pela União é de **270 dias**, contados a partir de 29/04/2024, uma vez que o cálculo dos limites a que se referem os incisos I, II e III do art. 7º da RSF nº 43/2001 resultou em percentuais de comprometimento inferiores a 80%.

60. Ressalte-se que deverão ser observados os dispostos no inciso VI do artigo 21 da RSF nº 43/2001 e no § 4º do artigo 10 da RSF nº 48/2007.

61. Encaminhe-se o presente pleito para manifestação conclusiva do Secretário do Tesouro Nacional, acerca da oportunidade e conveniência da concessão da garantia da União, relativamente aos riscos para o Tesouro Nacional, nos termos do art. 6º, I, "a" da Portaria MEFP nº 497/1990.

À consideração superior.

Documento assinado eletronicamente  
Auditor Federal de Finanças e Controle

Documento assinado eletronicamente  
Gerente da GEPEX/COPEM

De acordo. À consideração do Coordenador-Geral de Operações de Crédito de Estados e Municípios.

Documento assinado eletronicamente  
Coordenador de Operações de Crédito de Estados e Municípios

De acordo. À consideração da Subsecretária de Relações Financeiras Intergovernamentais da STN/MF.

Documento assinado eletronicamente  
Coordenador-Geral de Operações de Crédito de Estados e Municípios

De acordo. À consideração do Secretário do Tesouro Nacional.

Documento assinado eletronicamente  
Subsecretária de Relações Financeiras Intergovernamentais da STN/MF

De acordo. Em relação à manifestação sobre oportunidade, conveniência e viabilidade, relativamente aos riscos para o Tesouro Nacional, da garantia ora analisada, entendo que a presente operação de crédito deva receber a garantia da União. Encaminhe-se o processo à Procuradoria-Geral da Fazenda Nacional - PGFN para as providências de sua alçada.

Documento assinado eletronicamente  
Secretário do Tesouro Nacional



Documento assinado eletronicamente por **Arthur Batista de Sousa, Auditor(a) Federal de Finanças e Controle**, em 29/04/2024, às 15:15, conforme horário oficial de Brasília, com fundamento no § 3º do art. 4º do [Decreto nº 10.543, de 13 de novembro de 2020](#).



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MINISTÉRIO DA FAZENDA  
Secretaria do Tesouro Nacional  
Subsecretaria de Relações Financeiras Intergovernamentais  
Coordenação-Geral das Relações e Análise Financeira dos Estados e Municípios  
Coordenação de Relações Financeiras Intergovernamentais  
Gerência de Análise de Capacidade de Pagamento e Publicações de Estados e Municípios

OFÍCIO SEI Nº 18978/2024/MF

Ao Senhor

**Renato da Motta Andrade Neto**

Coordenador-Geral da COPEM

Esplanada dos Ministérios, Edifício Anexo do Ministério da Fazenda, Bloco P, Ala A, Térreo

CEP - 70.048-900 - Brasília-DF

**Assunto: Análise da Capacidade de Pagamento do Estado do Amazonas**

*Referência:* Ao responder este Ofício, favor indicar expressamente Processo nº 17944.103988/2022-24.

Senhor Coordenador-Geral,

1. Em atendimento à solicitação encaminhada pelo OFÍCIO SEI nº 17405/2024/MF (Sei nº 40834149), informamos que a classificação da Capacidade de Pagamento do Estado do Mato Grosso, analisada na Nota Técnica SEI nº 2444/2023/MF (Sei nº 37731823) de 06 de outubro de 2023, e na Nota Técnica SEI nº 320/2024/MF de 09 de fevereiro de 2024 (Sei nº 40834229) continua válida (**classificação "A"**), visto que a revisão da análise da capacidade de pagamento prevista no art. 6º da Portaria MF nº 1.583, de 13 de dezembro de 2023, e no art. 31 da Portaria STN nº 217, de 15 de fevereiro de 2024, não identificou indícios de deterioração fiscal do Estado após a retificação do Relatório Resumido da Execução Orçamentária do 6º bimestre de 2023 ocorrida em 04/03/2024.

2. A classificação da Capacidade de Pagamento do Estado do Mato Grosso tem validade até a próxima análise da situação fiscal do Estado prevista no art. 18 da Lei Complementar nº 178/2021, regulamentada pelo Decreto nº 10.819/2021 e pela Portaria STN nº 217/2024 ou sejam retificados o Relatório Resumido de Execução Orçamentária do 6º bimestre de 2023 ou o Relatório de Gestão Fiscal do 3º quadrimestre de 2023.

Atenciosamente,

Documento assinado eletronicamente

**GABRIELA LEOPOLDINA ABREU**

Coordenadora-Geral da COREM



Documento assinado eletronicamente por **Gabriela Leopoldina Abreu, Coordenador(a)-Geral**, em 26/03/2024, às 10:11, conforme horário oficial de Brasília, com fundamento no § 3º do art. 4º do [Decreto nº 10.543, de 13 de novembro de 2020](#).



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Esplanada dos Ministérios, Bloco P, Edifício Anexo - Bairro Zona Cívico-Administrativa

CEP 70048-900 - Brasília/DF

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Processo nº 17944.103988/2022-24.

SEI nº 40970115



MINISTÉRIO DA ECONOMIA  
Secretaria Especial do Tesouro e Orçamento  
Secretaria do Tesouro Nacional  
Subsecretaria de Relações Financeiras Intergovernamentais  
Coordenação-Geral das Relações e Análise Financeira dos Estados e Municípios  
Coordenação de Relações Financeiras Intergovernamentais  
Gerência de Análise de Capacidade de Pagamento e Publicações de Estados e Municípios

Nota Técnica SEI nº 320/2024/MF

Assunto: **Revisão da Capacidade de Pagamento dos Estados**

**Portaria MF nº 1.583, de 13 de dezembro de 2023, Portaria STN nº 10.464, de 7 de dezembro de 2022**

Senhor Coordenador-Geral,

1. Por determinação das resoluções do Senado Federal, nº 40 e 43, de 2001, o Ministério da Fazenda deve se manifestar a respeito dos pedidos de autorização para realização de operações de crédito interno ou externo, de interesse dos Estados, do Distrito Federal e dos Municípios, que envolvam aval ou garantia da União. Para isso, é feita a classificação da situação financeira do pleiteante de acordo com norma do Ministério da Fazenda que disponha sobre a Capacidade de Pagamento (Capag) dos entes federados.

2. Os dispositivos em vigor que disciplinam a avaliação da capacidade de pagamento estão dispostos na Portaria MF nº 1.583, de 13 de dezembro de 2023, e na Portaria STN nº 10.464, de 7 de dezembro de 2022. No art. 6º da Portaria MF nº 1.583, de 2023, há a previsão da possibilidade de revisão dos resultados de classificações já elaboradas em casos nos quais haja indício de deterioração significativa da situação fiscal do ente. O art. 31 da Portaria STN nº 10.464, de 2022, estabelece, por sua vez, que:

Art. 31º Para fins da aplicação do art. 6º da Portaria ME nº 5.623, de 2022, o resultado da análise de capacidade de pagamento do ente será revisto pela Coordenação-Geral das Relações e Análise Financeira de Estados e Municípios (COREM) para classificação final "C" ou "D" caso existam evidências de deterioração significativa da situação financeira do Estado, Distrito Federal ou Município.

§ 1º A revisão de que trata o caput será realizada:

**I - ordinariamente, com dados do dia 1º de fevereiro de cada ano e, extraordinariamente, em até dez dias úteis da verificação de que o ente publicou o Relatório Resumido de Execução Orçamentária do 6º bimestre ou o Relatório de Gestão Fiscal do Poder Executivo do 3º quadrimestre ou do 2º semestre referentes ao exercício anterior; [Grifo nosso]**

3. Tendo como fundamento o artigo 6º da Portaria MF nº 1.583, de 2023, o art. 31 da Portaria STN nº 10.464, de 2022, e a publicação pelos entes federativos do Relatório Resumido de Execução Orçamentária do 6º bimestre e do Relatório de Gestão Fiscal do Poder Executivo do 3º quadrimestre/2º semestre, referentes ao exercício de 2023, com informações que podem sugerir deterioração da situação financeira do ente, procedeu-se a reavaliação da classificação da Capag, com o objetivo de confirmar se a nova condição apresentada permite a manutenção da nota positiva para os Municípios, relacionados no mencionado ofício, e atualmente classificados como A ou B.

## I – METODOLOGIA DE ANÁLISE

4. A presente Nota de análise da capacidade de pagamento segue a metodologia estabelecida na Portaria MF nº 1.583, de 2023, e os conceitos e procedimentos definidos na Portaria STN nº 10.464, de 2022. Nesse sentido, a classificação final da capacidade de pagamento é determinada com base na análise dos seguintes indicadores econômico-financeiros:

I – Endividamento;

II – Poupança Corrente; e

III – Liquidez.

5. Para o cálculo do indicador de Poupança Corrente, foram utilizados como fontes de informação o Relatório Resumido de Execução Orçamentária do 6º bimestre de 2023 e as Declarações de Contas Anuais dos anos de 2022 e 2021. Para os indicadores de Endividamento e Liquidez, foi utilizado o Relatório de Gestão Fiscal do Poder Executivo do 3º quadrimestre de 2023. Tanto o RREO quanto o RGF foram obtidos por meio do Sistema de Informações Contábeis e Fiscais do Setor Público Brasileiro – SICONFI.

6. A cada indicador econômico-financeiro foi atribuída uma letra – A, B ou C –, que representa a classificação parcial do ente naquele indicador, conforme o enquadramento nas faixas de valores contidas na tabela disposta no inciso II do artigo 20 da Portaria MF nº 1.583, de 2023:

INDICADOR	SIGLA	FAIXAS DE VALORES	CLASSIFICAÇÃO PARCIAL
Endividamento	DC	$DC < 60\%$	A
		$60\% \leq DC < 100\%$	B
		$DC \geq 100\%$	C
Poupança Corrente	PC	$PC < 85\%$	A
		$85\% \leq PC < 95\%$	B
		$PC \geq 95\%$	C
Liquidez	IL	$IL < 1$	A
		$IL \geq 1$	C

7. A classificação final da capacidade de pagamento do ente deriva da combinação das classificações parciais dos três indicadores, conforme a tabela contida no inciso III do artigo 20 da Portaria MF nº 1.583, de 2023:

CLASSIFICAÇÃO PARCIAL DO INDICADOR			CLASSIFICAÇÃO FINAL DA CAPACIDADE DE PAGAMENTO
ENDIVIDAMENTO	POUPANÇA CORRENTE	LIQUIDEZ	
A	A	A	A
B	A	A	B
C	A	A	
A	B	A	
B	B	A	
C	B	A	
C	C	C	D
Demais combinações de classificações parciais			C

## II – RESULTADO

8. Conforme previsto no art. 6º da Portaria MF nº 1.583, de 2023, e no art. 31 da Portaria STN nº 10.464, de 2022, apresenta-se, a partir dos novos relatórios fiscais divulgados (RREO do 6º bimestre de 2023, para o indicador de Poupança Corrente, e RGF do Poder Executivo do 3º quadrimestre de 2023, para os indicadores de Endividamento e Liquidez), a **Capag Final** dos Estados classificados anteriormente com nota A ou B:

Estado	Nº da NT da Capag	Nº SEI da NT da Capag	Capag da NT	Capag Revisada
1. Acre	Nota Técnica SEI nº 2411/2023/MF	37680968	B	C
2. Alagoas	Nota Técnica SEI nº 2316/2023/MF	37590687	B	B
3. Amazonas	Nota Técnica SEI nº 2302/2023/MF	37572589	B	B
4. Bahia	Nota Técnica SEI nº 2322/2023/MF	37593271	A	A
5. Ceará	Nota Técnica SEI nº 2413/2023/MF	37681838	B	B

6. Distrito Federal	Nota Técnica SEI nº 2393/2023/MF	37655751	B	B
7. Espírito Santo	Nota Técnica SEI nº 2460/2023/MF	37754155	A	A
8. Mato Grosso	Nota Técnica SEI nº 2444/2023/MF	37731823	A	A
9. Mato Grosso do Sul	Nota Técnica SEI nº 2441/2023/MF	37728048	B	B
10. Pará	Nota Técnica SEI nº 2461/2023/MF	37758083	B	B
11. Paraíba	Nota Técnica SEI nº 2457/2023/MF	37749513	A	A
12. Paraná	Nota Técnica SEI nº 2483/2023/MF	37776697	B	B
13. Piauí	Nota Técnica SEI nº 2315/2023/MF	37589629	B	B
14. Rondônia	Nota Técnica SEI nº 2456/2023/MF	37749169	A	A
15. Roraima	Nota Técnica SEI nº 2741/2023/MF	38176854	B	B
16. Santa Catarina	Nota Técnica SEI nº 2492/2023/MF	37786776	B	B
17. São Paulo	Nota Técnica SEI nº 2485/2023/MF	37777187	B	B
18. Sergipe	Nota Técnica SEI nº 2467/2023/MF	37760151	B	B
19. Tocantins	Nota Técnica SEI nº 2313/2023/MF	37588597	B	B

### III - CONCLUSÃO

9. A revisão apurada nesta Nota Técnica permanecerá válida até a (1) conclusão de novo processo de análise fiscal ou (2) sejam republicados no SICONFI os demonstrativos utilizados nessa revisão (Relatório Resumido de Execução Orçamentária do 6º bimestre de 2023, Relatório de Gestão Fiscal do 3º quadrimestre de 2023, Declaração de Contas Anuais de 2021 e 2022) ou (3) o ente interponha recurso administrativo no prazo de dez dias, nos termos do art. 25 do Decreto nº 10.819, de 27 de setembro de 2021.

10. Diante do exposto, sugere-se o encaminhamento desta Nota Técnica à COPEM com vistas à deliberação do Grupo Técnico do Comitê de Garantias (CGR).

À consideração superior.

**WEIDNER DA COSTA BARBOSA**

Auditora Federal de Finanças e Controle

**CARLOS REIS**

Gerente da GERAP/COREM

De acordo, encaminhe-se à Coordenadora-Geral da COREM,

**FELIPE SOARES LUDUVICE**

Coordenador da CORFI/COREM

De acordo, encaminhe-se ao Coordenador-Geral da COPEM,

**GABRIELA LEOPOLDINA DE ABREU**

Coordenadora-Geral da COREM



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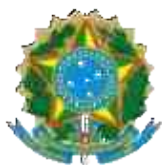
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**Referência:** Processo nº 17944.100379/2020-51.

SEI nº 40008848



Nota Técnica SEI nº 2444/2023/MF

**Assunto: Análise Fiscal do Estado de Mato Grosso (MT), Lei Complementar nº 178, de 13 de janeiro de 2021, Decreto nº 10.819, de 27 de setembro de 2021, Portaria ME nº 5.623, de 22 de junho de 2022 e Portaria STN nº 10.464, de 07 de dezembro de 2022.**

Senhora Subsecretária,

1. Trata-se da análise da situação fiscal do Estado de Mato Grosso (MT) prevista no art. 18 da Lei Complementar nº 178, de 2021, regulamentada pelo Decreto nº 10.819, de 2021, e pela Portaria STN nº 10.464, de 2022, a qual deve ser realizada periodicamente pela Secretaria do Tesouro Nacional.

2. O presente processo de análise fiscal observa as disposições do Decreto nº 10.819, de 2021. Eventuais ajustes necessários à adequação das informações fiscais obtidas dos demonstrativos oficiais aos conceitos e definições aplicáveis ao processo de análise da capacidade de pagamento estão descritos na próxima seção desta Nota Técnica.

## **I - ANÁLISE FISCAL E AJUSTES REALIZADOS**

3. No âmbito do processo de análise fiscal são utilizados, entre outros, dados referentes aos três últimos exercícios da Declaração de Contas Anuais e do Balanço Anual e ao último quadrimestre, ou semestre, do Relatório de Gestão Fiscal (RGF) do Poder Executivo, todos disponibilizados por meio do Sistema de Informações Contábeis e Fiscais do Setor Público Brasileiro (Siconfi).

4. Em decorrência do uso dos conceitos e procedimentos estabelecidos no Manual de Contabilidade Aplicada ao Setor Público (MCASP), no Manual de Demonstrativos Fiscais (MDF) e no Manual de Análise Fiscal, as fontes de informação utilizadas podem sofrer ajustes e, por isso, pode haver divergências entre os números utilizados nesta análise e as informações que foram publicadas pelo ente em seus demonstrativos fiscais.

5. Durante a análise fiscal, identificou-se a necessidade de ajustar alguns valores publicados pelo Estado no Siconfi, a fim de eliminar incompatibilidades com as regras definidas por esta Secretaria. Esses ajustes estão detalhados nos arquivos anexos:

- Relatório de ajustes (SEI nº 37733142); e
- Planilha de avaliação da situação fiscal de 2022 (SEI nº 37733468)

6. Dúvidas acerca dos ajustes realizados poderão ser encaminhadas ao e-mail [paf@tesouro.gov.br](mailto:paf@tesouro.gov.br).

## **II - RECURSO**

7. Conforme §§ 1º e 3º do art. 25 do Decreto nº 10.819, de 2021, têm legitimidade para interpor recurso administrativo, em até dez dias do recebimento desta Nota Técnica, *“o Chefe do Poder Executivo do ente federativo interessado ou a autoridade administrativa a quem seja delegada essa competência”*. Nesse sentido, o recurso poderá ser elaborado pelas áreas técnicas competentes e encaminhado pelo Chefe do Poder Executivo por meio de ofício, caso não exista delegação formal dessa competência.

8. O recurso deverá ser encaminhado ao e-mail [paf@tesouro.gov.br](mailto:paf@tesouro.gov.br).
9. Não será conhecido o recurso que seja apresentado fora do prazo ou por autoridade não legitimada, conforme disposto no § 4º do referido artigo.
10. Caso seja do interesse do Estado, poderá ser enviada manifestação com a declinação do prazo de recurso e com a concordância dos resultados desta Nota Técnica, situação em que será considerado concluído definitivamente o processo de análise fiscal.

### III - ANÁLISE DE CAPACIDADE DE PAGAMENTO

11. Esta seção visa a subsidiar a deliberação do Comitê de Análise de Garantias da Secretaria do Tesouro Nacional acerca da concessão de aval ou garantia da União a operação de crédito de interesse do Estado.
12. Conforme o § 6º do art. 2º da Portaria ME nº 5.623, de 22 de junho de 2022, a partir de 1º de janeiro de 2023, passou a ser exigido, para as análises de capacidade de pagamento (Capag) realizadas no âmbito de processos de concessão de garantia da União a operações de crédito de interesse de Estado, Distrito Federal ou Município, o parecer prévio conclusivo de que trata o art. 57 da Lei Complementar nº 101, de 4 de maio de 2000 (Lei de Responsabilidade Fiscal – LRF). O parecer referente às contas do exercício de 2022 emitido pelo Tribunal de Contas do Estado do Mato Grosso, em 27 de junho de 2023, Processo TCE nº 47.879-2/2023 (82.290-6/2021 e 541-0/2022 – apensos), é o mais recente disponível. Conclui-se que o parecer apresentado pelo Governo do Estado de Mato Grosso atende à exigência prevista no § 6º do art. 2º da Portaria ME nº 5.623, de 2022.
13. Caso o resultado da classificação seja “A” ou “B”, **avalia-se que as operações de crédito pleiteadas são elegíveis**, relativamente aos riscos do Tesouro Nacional, para concessão de garantia da União, nos termos do disposto no art. 14 da Portaria ME nº 5.623, de 22 de junho de 2022, desde que observados todos os demais requisitos legais para a concessão de garantia da União.
14. Na tabela a seguir, apresentam-se os valores apurados para cada um dos indicadores utilizados na análise da capacidade de pagamento (Capag), a classificação parcial (por indicador) e a classificação final, obtidas conforme dispõe a Portaria ME nº 5.623, de 22 de junho de 2022, e a Portaria STN nº 10.464, de 07 de dezembro de 2022:

INDICADOR	VARIÁVEIS	2020	2021	2022	(%)	NOTA PARCIAL	NOTA FINAL
I Endividamento (DC)	Dívida Consolidada			5.131.004.543,12	17,47%	A	A
	Receita Corrente Líquida			29.374.860.538,94			
II Poupança Corrente (PC)	Despesa Corrente	22.066.320.431,93	26.431.268.954,37	30.159.502.957,00	78,85%	A	
	Receita Corrente Ajustada	27.533.501.703,26	33.206.700.372,19	38.724.314.673,62			
III Liquidez (IL)	Obrigações Financeiras			194.460.548,21	7,06%	A	
	Disponibilidade de Caixa			2.753.043.109,88			

15. Os resultados acima poderão ser alterados em sede de recurso administrativo apresentado

conforme art. 25 do Decreto nº 10.819, de 2021.

16. Caso não seja apresentado recurso administrativo, a análise fiscal desta Nota Técnica será considerada definitiva e a classificação final da **capacidade de pagamento do Estado de Mato Grosso (MT)** será **"A"**.

17. A classificação apurada preliminarmente nesta seção, se considerada definitiva, permanecerá válida até a conclusão de novo processo de análise fiscal ou até que seja realizada a revisão de que trata o artigo 6º da Portaria ME nº 5.623, de 22 de junho de 2022, e o art. 31 da Portaria STN nº 10.464, de 07 de dezembro de 2022.

#### IV - AVALIAÇÃO DAS METAS DOS PROGRAMAS DE REESTRUTURAÇÃO E DE AJUSTE FISCAL E DE ACOMPANHAMENTO DA TRANSPARÊNCIA FISCAL

18. Nas tabelas a seguir, apresentam-se os resultados apurados para o Programa de Reestruturação e de Ajuste Fiscal:

Meta	Valor Apurado	Sentido da Meta	Meta	Cumprimento
Meta 1 – Endividamento (%)	17,47	<=	20,69	Sim
Meta 2 – Resultado Primário (R\$)	2.134.788.507,39	>	1.768.616.499,92	Sim
Meta 3 - Despesa com Pessoal (%)	46,43	<=	57,00	Sim
Meta 4 - Arrecadação Própria (R\$)	26.868.577.192,94	>	26.327.294.971,52	Sim
Meta 5 - Gestão Pública	-	-	-	Sim, conforme autodeclarado no Relatório entregue pelo Estado (Documento SEI nº 37736036), cujos detalhes estão especificados na tabela abaixo
Meta 6 - Caixa Líquido (R\$)	2.558.582.561,67	>=	0,00	Sim

A meta 5 do Programa é alcançar em 2022 os seguintes compromissos	Cumprimento
a) Divulgar, inclusive em meios eletrônicos de acesso público, os dados e informações relativos ao Programa de Reestruturação e de Ajuste Fiscal do Estado, consoante o que dispõe o § 1º do art. 1º da Lei Complementar nº 101, de 4 de maio de 2000; e	Sim

b) O Estado deverá rever as classificações orçamentárias e fiscais de suas empresas estatais em dependentes e não dependentes de forma a convergir para as regras previstas na Constituição, na Lei de Responsabilidade Fiscal e na Resolução do Senado nº 43, de 2001, com vistas a garantir que todas as estatais dependentes estejam incluídas no orçamento fiscal e da seguridade social do exercício de 2024.	Sim
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19. A memória de cálculo das metas 1, 2, 3, 4 e 6 pode ser verificada no arquivo anexo referenciado abaixo:

- Relatório de cumprimento de metas (SEI nº 37733539)

20. Os resultados acima poderão ser alterados em caso de recurso administrativo apresentado conforme art. 25 do Decreto nº 10.819, de 2021.

21. Caso não se apresente recurso nos termos do art. 25 do Decreto nº 10.819, de 2021, a análise fiscal desta Nota Técnica será considerada definitiva e a conclusão será pelo **cumprimento de todas as metas** do Programa de Reestruturação e de Ajuste Fiscal.

22. Em caso de descumprimento das metas 1 (endividamento) ou 2 (resultado primário), será possível interpor pedido de revisão dos efeitos da avaliação ao Ministro de Estado da Fazenda mediante apresentação de justificativa fundamentada no prazo de dez dias contado da data da publicação no Diário Oficial da União dos resultados consolidados das análises de todos os Estados e Municípios, nos termos do art. 26 do Decreto nº 10.819, de 27 de setembro de 2021, do inciso III do art. 26 da Medida Provisória nº 2192-70, de 24 de agosto de 2001 e do art. 3º da Portaria ME nº 11.089, de 27 de dezembro de 2022.

## V - AVALIAÇÃO DAS METAS DO PLANO DE PROMOÇÃO DO EQUILÍBRIO FISCAL

23. O Estado de Mato Grosso (MT) não é signatário do Plano de Promoção do Equilíbrio Fiscal.

## VI - CONCLUSÃO

24. Diante do exposto, conclui-se, preliminarmente, pela classificação de capacidade de pagamento "A" e pelo cumprimento de todas as metas do Programa de Reestruturação e de Ajuste Fiscal. Sugere-se o encaminhamento da presente Nota ao Estado para que este conheça o resultado da avaliação fiscal referente ao exercício financeiro de 2022 e, caso haja discordância, possa avaliar a interposição de recurso acerca dos resultados apresentados nas seções anteriores no prazo de dez dias contados do seu recebimento.

À consideração superior.

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JOSÉ NILTON BATISTA DE AMORIM  
Auditor Federal de Finanças e Controle

Documento assinado eletronicamente  
AUGUSTO CÉSAR ARAÚJO MAEDA  
Gerente da GESEM

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CARLOS REIS  
Gerente da GERAP

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IVANA ALBUQUERQUE ROSA  
Auditora Federal de Finanças e Controle

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ALVARO DUTRA HENRIQUES  
Chefe de Projeto I da GDESP

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Auditor Federal de Finanças e Controle

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Gerente da GERAT

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Auditor Federal de Finanças e Controle

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DANIEL FIOROTT OLIVEIRA  
Chefe de Projeto I da GEPAS

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DÉBORA CHRISTINA MARQUES ARAÚJO  
Gerente da GEPAS

Documento assinado eletronicamente  
DANIEL PEREIRA DA SILVA  
Auditor Federal de Finanças e Controle

Documento assinado eletronicamente  
RODRIGO PEREIRA NEVES  
Gerente da GRECE

De acordo. Encaminhe-se à Coordenadora-Geral da COREM,

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ANA LUÍSA MARQUES FERNANDES  
Coordenadora da COPAF

Documento assinado eletronicamente  
FELIPE SOARES LUDUVICE  
Coordenador da CORFI

De acordo. Encaminhe-se à Subsecretária da SURIN,

Documento assinado eletronicamente  
GABRIELA LEOPOLDINA ABREU  
Coordenadora-Geral da COREM

De acordo. Encaminhe-se ao Estado,

Documento assinado eletronicamente

SUZANA TEIXEIRA BRAGA

Subsecretária da SURIN



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MINISTÉRIO DA FAZENDA  
Secretaria do Tesouro Nacional  
Subsecretaria de Relações Financeiras Intergovernamentais  
Coordenação-Geral de Haveres Financeiros  
Gerência de Análise de Demandas

OFÍCIO SEI Nº 24898/2024/MF

Ao Senhor

**Renato da Motta Andrade Neto**

Coordenador-Geral da COPEM

Esplanada dos Ministérios, Edifício Anexo do Ministério da Fazenda, Bloco P, Ala A, Térreo

70048-900 Brasília-DF

**Assunto: Cálculo de suficiência de contragarantia. Portaria Normativa MF nº 1.583, de 13/12/2023. Estado do Mato Grosso.**

Senhor Coordenador-Geral,

1. Referimo-nos ao Ofício SEI nº 22607/2024/MF (SEI nº 41351046), por meio do qual foi solicitada, nos termos do art. 7º (sic) da Portaria Normativa MF nº 1.583, de 13/12/2023, a verificação do cumprimento dos requisitos necessários à obtenção da contragarantia da União para operações de crédito pleiteadas pelo Estado do Mato Grosso.
2. Informamos que a Leis Estaduais nºs 12.115/2023, 11.802/2022 e 12.411/2024 concederam ao Estado do Mato Grosso autorizações para prestar como contragarantia à União as receitas a que se referem os art. 157 e a alínea “a” do inciso I e inciso II, ambos do art. 159, complementadas pelas receitas tributárias estabelecidas no art. 155, nos termos do § 4º do art. 167, todos da Constituição Federal, bem como outras garantias admitidas em direito.
3. De acordo com a metodologia presente na Portaria em questão, têm-se, para o ente federativo nas operações citadas:

Margem R\$ 18.877.568.260,97

OG R\$ 318.131.146,92

4. Assim, tendo em vista que o valor da 'Margem' é superior ao valor da 'OG', são consideradas

suficientes as contragarantias oferecidas nos termos do art. 8º da Portaria Normativa MF nº 1.583/2023 pelo Estado do Mato Grosso.

5. Ademais, cabe salientar que a atual análise está posicionada nesta data, sendo subsidiada por dados de receitas pertencentes ao Relatório Resumido de Execução Orçamentária do sexto bimestre de 2023, extraído do Sistema de Informações Contábeis e Fiscais do Setor Público Brasileiro (SICONFI), e de despesas pertencentes ao Cronograma Financeiro da Operação e demais Operações Contratadas obtidas do Sistema de Análise da Dívida Pública, Operações de Crédito e Garantias da União, Estados e Municípios (SADIPEM). As taxas de câmbio utilizadas na conversão para reais de operação em moeda estrangeira seguiram as orientações contidas no art. 8º, § 2º, da Portaria MF nº 882/2018.

6. Em atendimento ao que é estabelecido pelo art. 9º da Portaria Normativa MF nº 1.583/2023, informamos que não temos conhecimento acerca de decisões judiciais em vigor que obstem a execução de contragarantias contra o referido ente até esta data.

7. Da mesma forma, registramos que, para fins de nova avaliação de suficiência de contragarantias, esta Coordenação-Geral deverá ser comunicada caso os demonstrativos de receitas e despesas utilizados na presente análise sejam atualizados.

Anexo:

I - Margem e OG (SEI nº 41600412)

Atenciosamente,

Documento assinado eletronicamente

**RONISE PEREIRA LOPES**

AFFC/GERAD/COAFI

Documento assinado eletronicamente

**LUIZ GONZAGA MADRUGA COELHO FILHO**

Gerente da GERAD/COAFI

Documento assinado eletronicamente

**DENIS DO PRADO NETTO**

Coordenador-Geral de Haveres Financeiros



Documento assinado eletronicamente por **Ronise Pereira Lopes, Auditor(a) Federal de Finanças e Controle**, em 25/04/2024, às 17:25, conforme horário oficial de Brasília, com fundamento no § 3º do art. 4º do [Decreto nº 10.543, de 13 de novembro de 2020](#).



Documento assinado eletronicamente por **Luiz Gonzaga Madruga Coelho Filho, Gerente**, em 25/04/2024, às 17:26, conforme horário oficial de Brasília, com fundamento no § 3º do art. 4º do [Decreto nº 10.543, de 13 de novembro de 2020](#).



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**CÁLCULO DA MARGEM DE CONTRAGARANTIA**

<b>ENTE:</b>	<b>Mato Grosso</b>
<b>VERSÃO BALANÇO:</b>	<b>inexistente</b>
<b>VERSÃO RREO:</b>	<b>6º bimestre de 2023</b>
<b>MARGEM =</b>	<b>18.877.568.260,97</b>
<b>DEMONSTRATIVO ESCOLHIDO =</b>	<b>RREO</b>

**Relatório Resumido da Execução Orçamentária (RREO) do 6º bimestre de 2023**

<b>RECEITAS PRÓPRIAS</b>		22.608.386.447,70
Total dos últimos 12 meses	ICMS	20.820.000.395,40
	IPVA	1.591.594.960,23
	ITCD	196.791.092,07
<b>RECEITAS DE TRANSFERÊNCIAS</b>		5.634.868.616,09
Total dos últimos 12 meses	IRRF	2.051.960.240,63
	Cota-Parte do FPE	3.582.908.375,46
	Transferências da LC nº 87/1996	
<b>Despesas</b>		9.365.686.802,82
Despesas Empenhadas até o Bimestre (b)	<b>Serviço da Dívida Interna</b>	1.488.565.682,36
	<b>Serviço da Dívida Externa</b>	131.947.025,50
Despesas Empenhadas até o Bimestre (b)	<b>AMORTIZAÇÃO DA DÍVIDA</b>	1.230.656.488,14
Total dos últimos 12 meses	<b>Transferências Constitucionais e Legais</b>	6.514.517.606,82
<b>Margem</b>		<b>18.877.568.260,97</b>

MINISTÉRIO DA FAZENDA  
SECRETARIA DO TESOURO NACIONAL  
COORDENAÇÃO-GERAL DE HAVERES FINANCEIROS - COAFI

CÁLCULO DA OPERAÇÃO COM GARANTIA (OG)

Ente:	Mato Grosso
Ofício SEI nº:	22607/2024/MF
RESULTADO OG:	318.131.146,92

Operação nº 1

Identificação da operação de crédito (nº e/ou credor):	BIRD
Moeda da operação:	Dólar dos EUA
Valor do contrato (em dólares dos EUA):	100.000.000,00
Taxa de câmbio (R\$/USD):	4,9833
Data da taxa de câmbio (R\$/USD):	29/02/2024
Total de reembolsos (em dólares dos EUA):	176.022.462,00
Primeiro ano de reembolso:	2024
Último ano de reembolso:	2048
Qtd. de anos de reembolso:	25
Total de reembolso em reais:	877.172.734,88
Reembolso médio(R\$):	35.086.909,40

Operação nº 2

Identificação da operação de crédito (nº e/ou credor):	BID
Moeda da operação:	Dólar dos EUA
Valor do contrato (em dólares dos EUA):	40.000.000,00
Taxa de câmbio (R\$/USD):	4,9833
Data da taxa de câmbio (R\$/USD):	29/02/2024
Total de reembolsos (em dólares dos EUA):	63.864.737,00
Primeiro ano de reembolso:	2024
Último ano de reembolso:	2040
Qtd. de anos de reembolso:	17
Total de reembolso em reais:	318.257.143,89
Reembolso médio(R\$):	18.721.008,46

Operação nº 3

Identificação da operação de crédito (nº e/ou credor):	Banco do Brasil
Valor do contrato	1.500.000.000,00
Primeiro ano de reembolso:	2024
Último ano de reembolso:	2032
Qtd. de anos de reembolso:	9
Total de reembolso em reais:	2.120.275.999,22
Reembolso médio(R\$):	235.586.222,14

Operação nº 4

Identificação da operação de crédito (nº e/ou credor):	BIRD
Moeda da operação:	Dólar dos EUA
Valor do contrato (em dólares dos EUA):	80.000.000,00
Taxa de câmbio (R\$/USD):	4,9833
Data da taxa de câmbio (R\$/USD):	29/02/2024
Total de reembolsos (em dólares dos EUA):	144.166.550,91
Primeiro ano de reembolso:	2024
Último ano de reembolso:	2048
Qtd. de anos de reembolso:	25
Total de reembolso em reais:	718.425.173,15
Reembolso médio(R\$):	28.737.006,93

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AGREED MINUTES OF NEGOTIATIONS AMONG

THE STATE OF MATO GROSSO,

THE

FEDERATIVE REPUBLIC OF BRAZIL

AND

THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

REGARDING

**MATO GROSSO SUSTAINABLE DEVELOPMENT OF FAMILY FARMING PROJECT (P175723)**

***(Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso)***

**November 16<sup>th</sup>, 2023**

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1. **Introduction.** Hybrid (virtual and in person) negotiations for a proposed IBRD loan of eighty million Dollars (\$80,000,000) for the Mato Grosso Sustainable Development of Family Farming Project – P175723 (*Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso*) (the Project) were held on November 16<sup>th</sup>, 2023 between the State of Mato Grosso (the Borrower), including representatives from the Secretariat of Finance of the State of Mato Grosso (*Secretaria de Estado da Fazenda*, SEFAZ), from the Secretariat of Family Farming of the State of Mato Grosso (*Secretaria de Estado da Agricultura Familiar* – SEAF) and the General Attorney’s Office of the State of Mato Grosso (*Procuradoria Geral do Estado*, PGE) (collectively the “Borrower Delegation”); the Federative Republic of Brazil (the Guarantor), including representatives from the Ministry of the Finance’s General Attorney’s Office (*Procuradoria-Geral da Fazenda Nacional* – PGFN/MF), the National Treasury Secretariat (*Secretaria do Tesouro Nacional* – STN/MF), and the Ministry of Planning and Budget’s Secretariat of International Affairs and Development (*Secretaria de Assuntos Internacionais e Desenvolvimento* – SEAID/MPO) (collectively the “Guarantor Delegation”); and IBRD (the “World Bank” or, as applicable, the “World Bank Delegation”). Members of the Borrower, the Guarantor and the World Bank Delegations are listed in Annex 1 to these Minutes. The head of the Guarantor Delegation, Caroline Leite Nascimento (SEAID), and the head of the Borrower Delegation, Aparecida Maria Borges Bezerra (Secretary, SEAF/MT), confirm and declare that they have been authorized to sign these Minutes on behalf of the Guarantor and the Borrower, respectively.

2. **Documents Discussed.** The Delegations discussed and reached agreements on necessary revisions to the following documents: (i) the draft Project Appraisal Document (PAD); (ii) the draft Loan Agreement (LA); (iii) the draft Guarantee Agreement (GA); (iv) the draft Disbursement and Financial Information Letter (DFIL); (v) the draft Amortization Schedule; (vi) the draft Environmental and Social Commitment Plan (ESCP); and (vii) the Loan Choice Worksheet (LCW). The negotiated version of documents (ii) to (vii) are attached to these Minutes as Annexes 2 to 7 (the “Negotiated Documents”). The World Bank Delegation clarified that, as part of the preparation for presentation to the World Bank Board of Executive Directors and signing, the Project Appraisal Document (PAD) and the Negotiated Documents will be reviewed and may be subject to formatting and editorial changes. In case of any substantive changes to these documents, the Borrower Delegation and the Guarantor Delegation will be notified. These Minutes record and clarify key understandings regarding the proposed Project.

## **Project Appraisal Document (PAD)**

3. The PAD dated September 5, 2023, was reviewed by the Borrower and minor changes were agreed upon. The agreed changes to the LA will also be reflected in the revised PAD. In addition, during the IBRD's internal clearance processes prior to Board approval, adjustments for consistency and clarity purposes may be necessary. In case of any substantive changes to the PAD, the Borrower's and the Guarantor's Delegations will be notified.

## **Loan Agreement**

4. **Conditions of Effectiveness as per the General Conditions:** With respect to the provisions of Section 9.02 of the General Conditions, the Borrower Delegation has informed the Bank Delegation that they will submit a legal opinion satisfactory to the World Bank to confirm that the LA is binding in accordance with its terms, as a Condition of Effectiveness.

5. **Remedies of the Bank.** The Bank Delegation clarified that, for purposes of triggering any Additional Event of Suspension, INTERMAT, SEMA, CGJ/MT or the Procurement Agent shall have failed to perform their respective obligations under their respective Cooperation Agreements and Procurement Agent Agreement, so as to affect materially and adversely, in the opinion of the Bank, the ability of the Borrower to perform its obligation under the Agreement. The Bank Delegation further informed that in accordance with Bank's internal policies, if the Borrower or a project participant does not comply with its contractual obligations to the Bank, or other events occur which give rise to a legal remedy under the legal agreements for the Investment Project Financing, the Bank consults with the Borrower or the project participant and requires timely and appropriate corrective measures to be taken.

6. **ESCP.** The World Bank Delegation and the Borrower Delegation agreed on the revised version of the ESCP, dated November 16<sup>th</sup>, 2023 (Annex 6), which shall be published in the Borrower's website where the Environmental and Social documents shall be available during Program implementation (<https://www.agriculturafamiliar.mt.gov.br/consultas-p%C3%9Ablicas>).

7. **Effectiveness Deadline.** The deadline for the effectiveness, as per Article V, paragraph 5.02 of the LA, is one hundred twenty (120) days after the Signature Date of the LA. If this timeframe needs to be extended, the Borrower will request an extension for the Bank's consideration. The maximum deadline to complete signing and effectiveness is eighteen (18) months after the World Bank's Board approval (currently planned for February 5, 2024). The legal agreements for a World Bank Loan terminate if the conditions for their effectiveness, if any, are not met by the date specified in the respective legal agreement. When warranted, the Bank may decide to extend the effectiveness deadline; normally, as mentioned above, the deadline is not extended beyond eighteen (18) months after World Bank's Board approval. Considering the requirements of the National Treasury, the PGFN representative from the Borrower Delegation requested that, prior the Signing Date, the Bank confirms that the Additional Effectiveness Conditions are substantially met.

8. **Loan Closing Date.** The Closing Date for the Operation is May 15, 2030. The Borrower Delegation reiterated that any changes to the Closing Date would require prior approval from the Guarantor, as reflected in the LA.

9. **Loan Financial Terms.** The financial terms of the Loan, as per the Loan Choice Worksheet submitted by the Borrower (Annex 7), are summarized in the table below. The Borrower confirmed that it agrees with these financial terms.

IBRD Financial Product	IBRD Flexible Loan with a Variable Spread.
Currency and Amount	80,000,000 United States Dollars.
Front-end Fee	One quarter of one percent (0.25%) of the Loan Amount.
Commitment Charge	One quarter of one percent (0.25%) per annum of the Unwithdrawn Program Loan Balance. Accrues starting 60 days after loan signature and payment due twice a year.
Repayment Terms	Commitment-Linked Amortization Repayment Schedule – Level Repayment, with 25 years of Final Maturity, including a grace period of 5 years and repayment on February 15 and August 15 of each year.

10. **Amortization Schedule.** The Borrower confirmed the Commitment-linked Amortization Schedule attached (Annex 5) and reflected in Schedule 3 of the LA, valid for an expected Board Date of February 5, 2024. The World Bank Delegation explained that a Commitment-linked Amortization Schedule means an Amortization Schedule in which the timing and amount of principal repayments is determined by reference to the date of approval of the Loan by the World Bank Board of Executive Directors (Board Date) and calculated as a portion of the Withdrawn Loan Balance, as specified in the LA. The Bank Delegation further clarified that should there be a change in the Board Date, the amortization schedule (and in turn the LA) may need to be updated and the Borrower and the Guarantor will be informed accordingly. The revised financial terms would be agreed upon by all parties, also through email, following which an addendum to these Minutes would be signed and circulated.

11. **Withdrawals and Disbursement Arrangements.** The negotiated DFIL (Annex 4) and the relevant aspects about the disbursement arrangements under the draft LA were discussed and agreed with the Borrower's Delegation and the Guarantor's Delegation.

12. **Disbursement Categories.** The table of disbursement categories, their respective amounts, and the withdrawal conditions for the Project were discussed and agreed as indicated in Section III.A and III.B of Schedule 2 to the LA. The table of disbursement categories also reflects the financial terms selected by the Borrower.

13. **Exposure Surcharge.** The World Bank's Delegation clarified that, in accordance to Article 3.01(c) of the General Conditions, if on any given day the Total Exposure exceeds the Standard Exposure Limit and the Allocated Excess Exposure Amount is applicable to the Loan (or a portion thereof), the Borrower shall pay to the Bank the Exposure Surcharge on such Allocated Excess Exposure Amount for each said day.

14. **Statutory Committee.** According to Article III, Section 4 (iii) of the World Bank's Articles of Agreement, a project proposed to be financed or Guaranteed by the World Bank shall be accompanied by a report/recommendation ("Statutory Committee report") to be issued by a competent committee ("Statutory Committee") whose members shall include an expert selected by the Governor representing the member in whose territory the operation in question is located. The Guarantor's Governor, by a letter dated November 8, 2014, confirmed that the Guarantor official signing these Minutes on behalf of the Guarantor, shall be considered to be the Federative Republic of Brazil's expert on the Statutory Committee, and that said official's signature of the Minutes shall be deemed to constitute the signature of the Statutory Committee Report.

The parties acknowledge that PGFN/MF was designated for signing these Minutes with respect to the financing for this Project.


15. **Access to information.** The World Bank Delegation informed the Borrower Delegation and the Guarantor Delegation that the PAD will be updated to take into account comments and observations made during negotiations. Pursuant to the World Bank Policy on Access to Information, the World Bank will disclose the PAD, the related legal agreements and other information related to the Project, including any supplemental letters, once the operation is approved by the World Bank's Board of Executive Directors.

16. **Acceptance of Negotiated Documents.** The Borrower Delegation and the Guarantor Delegation confirmed their approval of the negotiated documents and these Minutes, which constitute the full and final agreement of the Borrower and the Guarantor with the aforementioned documents. No additional confirmation at this time or evidence of acceptance of these documents is required for the submission of the proposed Project for consideration by the World Bank's Board of Executive Directors.

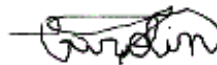
17. **Amendments to the Loan Agreement.** The Guarantor Delegation explained that any changes to the negotiated Loan Agreement would require prior approval from the Guarantor, in compliance with the Guarantor's applicable legal framework.

18. **Signing of the Legal Agreements.** The Bank Delegation explained that as of July 1, 2023, the Bank migrated to the use of electronic signatures (e-Signatures) as a default modality for signing all IBRD financing agreements concluded with the Bank where both the Bank and Borrower sign electronically via DocuSign. The Borrower Delegation and the Guarantor Delegation indicated their readiness to electronically sign the Legal Agreements.

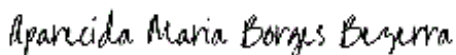
19. **Next Steps.** (i) the Project is expected to be submitted to the World Bank Board of Executive Directors for consideration on February 5, 2024; and (ii) in parallel to the World Bank's Board approval, the Borrower and the Guarantor will expedite the necessary procedural and administrative steps to present the Project to the Brazilian Senate for approval and subsequent signature of the LA and the GA.



Barbara Farinelli, World Bank  
Head of World Bank Delegation



Caroline Leite Nascimento  
SEAID, Ministry of Planning and Budgeting  
Head of Guarantor Delegation



Aparecida Maria Borges  
Bezerra, Secretary, SEAF  
State of Mato Grosso,  
Head of Borrower Delegation



Fabiani Fadel Borin  
PGFN, Ministry of Finance

*Arthur Batista de Sousa*

---

Arthur Batista de Sousa  
STN, Ministry of Finance

*Diego*

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Diego Marques Santana  
Myoshi, PGE  
State of Mato Grosso

**List of Annexes:**

Annex 1: Members of the Borrower, Guarantor and World Bank Delegations

Annex 2: Negotiated Loan Agreement

Annex 3: Negotiated Guarantee Agreement

Annex 4: Negotiated Disbursement and Financial Information Letter

Annex 5: Amortization Schedule

Annex 6: ESCP

Annex 7: Loan Choice Worksheet

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**Members of the Borrower Delegation**

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Angélica Wandermurem Scheidegger, SEFAZ/MT  
Aparecida Maria Borges Bezerra, SEAF/MT  
Clovis Figueiredo Cardoso, SEAF/MT  
Daniel Pimentel, SEAF/MT  
Diego Marques Santana Myoshi, PGE/MT  
Karyna de Lima Bezerra, SEAF/MT  
Leonardo da Silva Ribeiro, SEAF/MT  
Luciana Rosa, SEFAZ/MT  
Luciano Ferreira, SEAF/MT  
Luiz Artur de O. Ribeiro, SEAF/MT  
Rita de Cássia Volpato, SEAF/MT

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**Members of the Guarantor Delegation**

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Arthur Batista de Sousa, Secretaria do Tesouro Nacional, STN  
Caroline Leite Nascimento, Secretaria de Assuntos Internacionais e Desenvolvimento, SEAD  
Fabiani Borin, Procuradoria-Geral da Fazenda Nacional, PGFN  
Josiane Fortes Ferreira Costa, Secretaria de Assuntos Internacionais e Desenvolvimento, SEAD

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**Members of the World Bank Delegation**

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Agnes Velloso, Environmental Specialist  
Ana Ribas, Operational and Administrative Assistant  
Barbara Farinelli, TTL and Senior Agriculture Economist  
Diogo Tavares, Country Lawyer  
Joao Guilherme Morais de Queiroz, Procurement Specialist  
Jose C. Janeiro, Senior Finance Officer  
Juliana Paiva, Social Development Specialist  
Leah Arabella Germer, co-TTL and Agriculture Specialist  
Maíra Oliveira Gomes Dos Santos, Legal Assistant  
Natasha Wiedmann, Counsel  
Silmara Moreira Da Silva, Financial Management Specialist  
Tania Lettieri, Senior Operations Officer



**FOR OFFICIAL USE ONLY**

Report No: PAD5150

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED LOAN

IN THE AMOUNT OF USD 80.0 MILLION

TO THE

STATE OF MATO GROSSO

WITH THE GUARANTEE OF THE FEDERATIVE REPUBLIC OF BRAZIL

FOR A

MATO GROSSO SUSTAINABLE DEVELOPMENT OF FAMILY FARMING PROJECT

*September 5, 2023*

Agriculture and Food Global Practice  
Latin America and Caribbean Region



## CURRENCY EQUIVALENTS

(Exchange Rate Effective September 5, 2023)

Currency Unit = Brazilian Reais

BRL4.97 = US\$1.00

BRL1.00 = US\$0.20

## FISCAL YEAR

January 1 - December 31

Regional Vice President: Carlos Felipe Jaramillo

Country Director: Johannes Zutt

Regional Director: Benoit Bosquet

Practice Manager: Diego Arias

Task Team Leader(s): Barbara Farinelli, Alexandre Kossoy, Leah Arabella Germer



## ABBREVIATIONS AND ACRONYMS

ATER	Technical Assistance and Rural Extension
CAR	Rural Environmental Cadaster
CGJ	Mato Grosso General Comptroller of Justice Office
CGE	State Internal Control Agency
CPF	Country Partnership Framework
CSA	Climate-smart Agriculture
EMPAER	State Research, Assistance and Rural Extension Company of Mato Grosso
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Analysis
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standards
GDP	Gross Domestic Product
GHG	greenhouse gas
GoB	Government of Brazil
GRM	grievance redress mechanism
GVA	gross value added
INCRA	National Institute of Land Reform
INDEA	State Food Safety Agency of Mato Grosso
INTERMAT	Land Institute of Mato Grosso
IPF	Investment Project Financing
LMP	Labor Management Procedures
M&E	monitoring and evaluation
NGER	Strategic Management Nucleus for Results
PAD	Project Appraisal Document
PCI	Produce, Conserve and Include Strategy
PDO	Project Development Objective
PIQCT	Indigenous Peoples, <i>Quilombolas</i> , and other Traditional Communities
PEAF MT	Mato Grosso Policy and Plan for Sustainable Rural Development of Family Agriculture
PMU	Project Management Unit
PO	Producer organization
POM	Project Operational Manual
PPCDIF MT	Mato Grosso's Action Plan for the Prevention and Control of Deforestation and Forest Fires
PPSD	Project Procurement Strategy for Development
PRA	Environmental Regularization Program
PRADA	Project for Degraded and Altered Areas
SEAF	State Secretary for Family Agriculture of Mato Grosso
SEFAZ	State Department of Finance of Mato Grosso
SEMA	Mato Grosso Secretariat for the Environment
SENAR	National Rural Extension Service
SEP	Stakeholder Engagement Plan
SIEAF	SEAF Social Indicator System
SIMCAR	Mato Grosso Rural Environmental Cadaster System
STEP	Systematic Tracking of Exchanges in Procurement
TAC	Terms of Conduct Adjustment
TCE	State Court of Accounts



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**DATASHEET****BASIC INFORMATION**

Project Beneficiary(ies)	Operation Name		
Brazil	Mato Grosso Sustainable Development of Family Farming		
Operation ID	Financing Instrument	Environmental and Social Risk Classification	
P175723	Investment Project Financing (IPF)	Substantial	

**Financing & Implementation Modalities**

<input type="checkbox"/> Multiphase Programmatic Approach (MPA)	<input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input type="checkbox"/> Responding to Natural or Man-made Disaster
<input type="checkbox"/> Alternative Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)

Expected Approval Date	Expected Closing Date
12-Dec-2023	15-May-2030
Bank/IFC Collaboration	
No	

**Proposed Development Objective(s)**

To improve the access to markets, climate resilience, and land and environmental management of selected family farmers in the State of Mato Grosso and in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

**Components**



Component Name	Cost (US\$)
Component 1: Climate-smart economic inclusion	61,000,000.00
Component 2: Improved land and environmental management	20,000,000.00
Component 3: Project management and coordination	19,000,000.00
Component 4: Contingency Emergency Response Component	0.00

### Organizations

Borrower: State of Mato Grosso  
Implementing Agency: State Secretary for Family Agriculture (SEAF)

### PROJECT FINANCING DATA (US\$, Millions)

#### Maximizing Finance for Development

Is this an MFD-Enabling Project (MFD-EP)? No

Is this project Private Capital Enabling (PCE)? No

### SUMMARY

Total Operation Cost	100.00
Total Financing	100.00
of which IBRD/IDA	80.00
Financing Gap	0.00

### DETAILS

#### World Bank Group Financing

International Bank for Reconstruction and Development (IBRD)	80.00
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#### Non-World Bank Group Financing

Counterpart Funding	20.00
Borrower/Recipient	20.00



### Expected Disbursements (US\$, Millions)

WB Fiscal Year	2024	2025	2026	2027	2028	2029	2030
Annual	0.29	21.00	28.00	15.50	10.00	4.50	0.33
Cumulative	0.29	21.29	49.29	64.79	74.79	79.29	79.62

### PRACTICE AREA(S)

#### Practice Area (Lead)

Agriculture and Food

#### Contributing Practice Areas

Climate Change

### CLIMATE

#### Climate Change and Disaster Screening

Yes, it has been screened and the results are discussed in the Operation Document

### SYSTEMATIC OPERATIONS RISK- RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● Moderate
2. Macroeconomic	● Moderate
3. Sector Strategies and Policies	● Moderate
4. Technical Design of Project or Program	● Moderate
5. Institutional Capacity for Implementation and Sustainability	● Substantial
6. Fiduciary	● Substantial
7. Environment and Social	● Substantial
8. Stakeholders	● Substantial
9. Other	
10. Overall	● Substantial



## POLICY COMPLIANCE

### Policy

Does the project depart from the CPF in content or in other significant respects?

☐ Yes ☒ No

Does the project require any waivers of Bank policies?

☐ Yes ☒ No

## ENVIRONMENTAL AND SOCIAL

### Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	Relevant
ESS 10: Stakeholder Engagement and Information Disclosure	Relevant
ESS 2: Labor and Working Conditions	Relevant
ESS 3: Resource Efficiency and Pollution Prevention and Management	Relevant
ESS 4: Community Health and Safety	Relevant
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
ESS 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	Relevant
ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Relevant
ESS 8: Cultural Heritage	Relevant
ESS 9: Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank's due diligence assessment of the Project's potential environmental and social risks and impacts, please refer to the Project's Appraisal Environmental and Social Review Summary (ESRS).

## LEGAL



## Legal Covenants

### Sections and Description

Schedule 2, Section I, A, 1(b): The Borrower shall establish and thereafter maintain, at all times during the implementation of the Project, a Project Management Unit ("PMU") in SEAF to assist in Project management and implementation, with staffing, functions and responsibilities acceptable to the Bank, as set forth in the POM.

Schedule 2, Section I, A, 1(c): The Borrower shall without limitation to the provisions of paragraph (b) of this Section A.1, and not later than ninety days (90) days after the Effective Date, complete the staffing of the PMU as set forth in the POM.

Schedule 2, Section I, A, 1(d): The Borrower shall not later than ninety (90) days after the Effective Date, establish and thereafter maintain throughout Project implementation, a Consultative Committee chaired by SEAF, and composed by representatives of all entities involved in Project implementation, with responsibilities and sufficient resources, all acceptable to the Bank and set forth in the POM.

Schedule 2, Section I, A, 1(e): The Borrower shall not later than ninety (90) days after the Effective Date, establish a Special Bidding Committee with composition, functions and responsibilities satisfactory to the Bank, as set forth in the POM.

Schedule 2, Section I, B, 1: The Borrower shall promptly after the Effective Date, enter into an agreement each with INTERMAT (the "INTERMAT Cooperation Agreement"); SEMA (the "SEMA Cooperation Agreement"), and CGJ-MT (the "CGJ-MT Cooperation Agreement"), and collectively the Cooperation Agreements, under terms and conditions acceptable to the Bank.

Schedule 2, Section I, B, 2: The Borrower shall enter into an agreement with the Procurement Agent (the "Procurement Agent Agreement"), under terms and conditions acceptable to the Bank.

Schedule 2, Section I, C, 1: The Borrower shall carry out the Project in accordance with a Project Operations Manual containing detailed guidelines and procedures for the implementation of the Project.

Schedule 2, Section I, D, 1: For purposes of carrying out Part 1.2 of the Project, upon the approval of a Subproject to be partially financed by a Matching Grant, and prior to the carrying out of any activities of the Subproject, the Borrower shall, transfer on a grant basis, part of the proceeds of the Loan to the corresponding Eligible Commercial Family Farming PO or Eligible Emerging Family Farming PO ("Matching Grant"), pursuant to the terms of an agreement to be entered between the Borrower and the Eligible Commercial Family Farming PO or Emerging Family Farming PO, under terms and conditions acceptable to the Bank (the "Subproject Agreement").

### Conditions

Type	Citation	Description	Financing Source
Effectiveness	Condition-1	Section 5.01(a): the Project Operations Manual has been adopted in form and substance satisfactory to the Bank.	IBRD/IDA
Disbursement	Condition-5	Schedule 2, Section III, B, 1(c): Notwithstanding the provisions of Schedule 2, Section III, A, no	IBRD/IDA



		<p>withdrawal shall be made for Emergency Expenditures under Category (3), unless and until all of the following conditions have been met in respect of said expenditures: (i) (A) the Borrower has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Bank a request to withdraw Loan amounts under Category (3)]; and (B) the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and (ii) the Borrower has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Association.</p>	
Disbursement	Condition-4	<p>Schedule 2, Section III, B, 1(b): Notwithstanding the provisions of Schedule 2, Section III, A, no withdrawal shall be made for Eligible Expenditures under Part 2 of the Project under Category (2) until the INTERMAT Cooperation Agreement, the SEMA Cooperation Agreement and the CGJ-MT Cooperation Agreement have been entered into in form and substance satisfactory to the Bank.</p>	IBRD/IDA
Effectiveness	Condition-3	<p>Section 5.01(c): the Procurement Agent Agreement has been signed</p>	IBRD/IDA



		on behalf of the Borrower, and the Procurement Agent and all conditions precedent to its effectiveness (other than the Effectiveness of this Agreement) have been fulfilled, in a manner and with contents acceptable to the Bank.	
Effectiveness	Condition-2	Section 5.01(b): the Borrower has established the Project Management Unit in form and substance satisfactory to the Bank.	IBRD/IDA



## I. STRATEGIC CONTEXT

### A. Country Context

1. **Brazil's economy continues to recover after negative growth in 2014-2019 and the drastic impact of COVID-19.** Growth rebounded to 5 percent in 2021 and 2.9 percent in 2022, propelled by a strong fiscal stimulus, a successful vaccination campaign, a favorable commodity market, and pent-up demand for services. In 2023, growth remains solid and is expected to reach 2.6 percent driven by strong agriculture and boosted consumptions from households and government due to the fiscal stimulus and transfers to low-income households. CPI-inflation slowed to 4.0 percent in July 2023 after a peak of 12.1 percent in April 2022. The current account deficit stood at 2.5 percent of GDP in the 12 months to July 2023, fully financed by net FDI inflows at 2.6 percent of GDP. International reserves stood at 17.3 percent of GDP (US\$ 343.6 bn) in June 2023. After improvements in 2022, fiscal balances showed some signs of deterioration in 2023 as revenues moderated and social transfers increased. The 12-month primary surplus of the public sector stood at 0.24 percent of GDP in June 2023, down from 1.3 percent in 2022. Public debt increased to 73.6 percent of GDP in June 2023, from 72.9 percent in December 2022. In the medium term, the budgetary outlook is expected to be anchored by the new fiscal framework, which sets out to maintain a primary surplus from 2024 and stabilize debt by 2026.

2. **Poverty rates are estimated at 24.3 percent in 2022, on par with 2014 levels, after peaking at 28.4 percent in 2021.** The 2023 poverty outlook looks promising, as a real increase in minimum wages, a major overhaul of the Bolsa Família cash transfer program, and the planned introduction of additional benefits for families with children are expected to drive poverty down further. Yet Brazil remains one of the most unequal countries in the world, with a Gini coefficient of 0.53 in 2021 and striking inequalities across regions, but also within cities and between rural and urban areas. Female-headed households, Afro-Brazilians, and indigenous populations are overrepresented among the poor, as they face worse labor market outcomes and enduring wage gaps.

3. **Brazil faces significant climate change impacts compounded by deforestation and land degradation.** Climate change is altering temperature and rainfall patterns in the country, resulting in reduced water availability and extended droughts, and could push another 800,000 to 3 million Brazilians into extreme poverty as soon as 2030. Continued deforestation in the Amazon and Cerrado biomes remains a matter of urgency, as it has increased land-use emissions - the main source of greenhouse (GHG) emissions in Brazil. Strengthening resilience to climate change and protection of natural assets, especially in the key biomes of Brazil, are essential for environmentally sustainable economic growth.

4. **The Brazilian State of Mato Grosso<sup>1</sup> plays a significant role in the national economy of Brazil.** Mato Grosso, located in the Central Western part of the country, is Brazil's third largest State by area (903,357 km<sup>2</sup>) and home to about 3.6 million people (1.7 percent of the Brazilian population in 2021). In 2020, Mato Grosso's GDP growth was stable (0.1 percent year-on-year) compared with the sharp drops in 26 states plus the Federal District related to the pandemic. While Mato Grosso contributed only 2.3 percent to the national GDP in 2020, it contributed 13.5 percent of the national agriculture GDP; within Mato Grosso, agriculture accounted for 25.7 percent of State GDP in 2020.

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<sup>1</sup> Referred as Mato Grosso henceforth in the text.



Mato Grosso's GDP-per-capita (as of 2020) is the third highest among all Brazilian States at BRL 50,663 (approximately USD 9,985).

5. **However, poverty and inequality within Mato Grosso persist.** Despite Mato Grosso's high GDP-per-capita, income inequalities remain a challenge. Rural areas in Mato Grosso record poverty levels nearly four times those of urban areas (27 percent versus 7 percent, respectively).<sup>2</sup> More than 50 percent of Mato Grosso's Gross Value Added (GVA) is concentrated in only 20 of its 141 municipalities (Plano Estadual da Agricultura Familiar - PEAFF MT, 2017). Income is concentrated in those municipalities which produce export commodities, notably in the Cerrado biome. Indigenous Peoples, *Quilombolas*, and other Traditional Communities ("PIQCT" per the Brazilian acronym) are highly present in poorer rural areas of Mato Grosso, which contain 87 Indigenous Lands (belonging to more than 44,000 indigenous peoples of different ethnicities), and 71 *Quilombola* communities.

## B. Sectoral and Institutional Context

6. **Mato Grosso is a critical agricultural production and agribusiness hub for Brazil.** Brazil is a major agricultural producer and global food exporter, among the world's leaders in the production of soybeans, poultry, beef, cotton, corn, and orange juice. Altogether the agriculture sector (including livestock) accounts for about 8.4 percent of the country's GDP, 16.2 percent of total employment, and 40 percent of total exports.<sup>3</sup> Within Brazil, Mato Grosso is the number one State producer of cereals, legumes and oilseeds, accounting for 28 percent of national output of these products in 2019 (CONAB, 2019). Soybeans and corn (largely for cattle feed) produced in Mato Grosso make up more than 90 percent of national output and utilized more than 15 million hectares for their production in the 2019/2020 harvest. Mato Grosso also leads the country in beef production with 1.2 million tons in 2018, and accounts for a significant share of national sugarcane and cotton production (IMEA, 2018). Altogether, Mato Grosso is the country's largest agriculture exporter, reaching US\$ 16.6 billion in exports in 2019 or 17.3 percent of the total national agricultural exports (MDIC, 2019).

7. **Mato Grosso's agriculture sector is also tightly linked to national efforts to manage natural resources and reduce deforestation.** Mato Grosso is unique due to its coverage of three important ecological biomes: Amazon (rainforest), Cerrado (savannah) and Pantanal (wetland). The natural resources contained in these biomes provide water cycling, pollination, habitats, and other critical ecosystem services throughout the country. These ecosystem services are at the same time critical inputs to agricultural production, and thus underpin the local rural economy as a direct source of income and employment in the food and agriculture sector.<sup>4</sup> Agriculture is also a historic driver of deforestation, which – mirroring national trends<sup>5</sup> – decreased in Mato Grosso from 11.8 thousand Km<sup>2</sup> in 2004 to 757 Km<sup>2</sup> in 2012 (a 94 percent reduction) but then increased to 2.3 thousand Km<sup>2</sup> in 2021 (a 199 percent increase compared to 2012) (**Figure 1**)<sup>6</sup>. As shown in **Figure 2**, Mato Grosso also has the second largest cumulative deforestation

<sup>2</sup> PNUD Brasil 2013, Ipea e Fundação João Pinheiro. <http://www.atlasbrasil.org.br/2013>.

<sup>3</sup> World Bank Group. 2016. *Brazil Systematic Country Diagnostic*.

<sup>4</sup> World Bank Group. 2016. *Brazil Systematic Country Diagnostic*.

<sup>5</sup> Deforestation in Brazil has picked up considerably in the past years, reverting significant gains in the previous decade. Deforestation in the Legal Amazon region reduced dramatically from its peak of 27.8 thousand Km<sup>2</sup> in 2004 to 4.6 thousand Km<sup>2</sup> in 2012 (an 84 percent reduction). Since then, annual deforestation rates constantly increased, reaching 13.2 thousand Km<sup>2</sup> in 2021 (a 190 percent increase compared to 2012).

<sup>6</sup> In the 9 municipalities in Mato Grosso with the largest areas deforested, the rates of deforestation increased. Almost all of these municipalities were in the Amazon. According to MAPBIOMAS (2021), the area deforested in these nine municipalities increased from 64,106 to 76,544 ha, or from 32 percent to 43 percent of total deforestation in Mato Grosso.



rate among Legal Amazon States, with a total of 150.2 thousand Km<sup>2</sup> since 1988, just below the State of Pará with 166.6 thousand Km<sup>2</sup>.<sup>7</sup>

Figure 1: Annual deforestation in Mato Grosso (Km2)

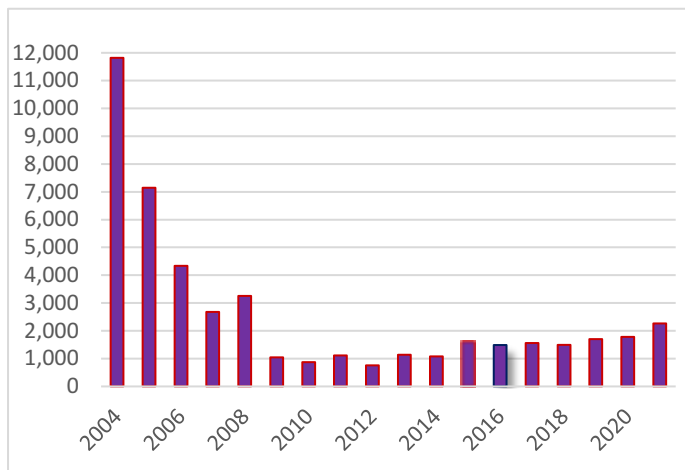
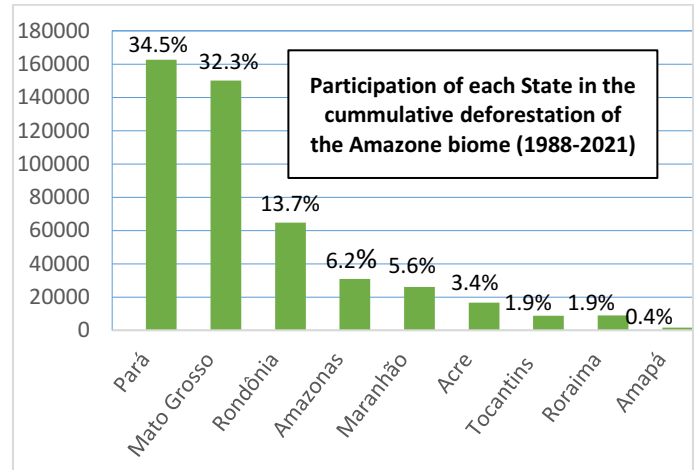


Figure 2: Cumulative deforestation per State (Km2)



8. **Mato Grossos' agriculture sector is also both vulnerable to climate change and a significant contributor to greenhouse gas (GHG) emissions.** Studies on the agriculture and livestock sectors estimate that Mato Grosso will experience increasing temperatures and decreasing precipitation over the next few decades.<sup>8</sup> A potential temperature increase is expected in Mato Grosso equal to or higher than 1 degree Celsius between 2021 and 2030, and another 2 degrees Celsius between 2031 and 2040, compared to 2011-2020. Precipitation reductions in Mato Grosso are estimated to be between 200 and 300 millimeters per year between 2021 and 2040 compared to 2011-2020, leading to a substantial increase in the soil hydric deficiency<sup>9</sup> in the same period and to reductions in soil coverage and agricultural and livestock productivity losses. Forest fires also pose a serious threat to agricultural production in Mato Grosso, jeopardizing Mato Grosso's natural capital base and forest-dependent – often PIQCT – livelihoods. In 2020, fires in the Pantanal raged across an estimated 7,861 square miles between January and August; the previous record was in 2005, when approximately 4,608 square miles burned in the biome during the same period.<sup>10</sup> At the same time, agriculture is also a significant contributor to greenhouse gas emissions. At the national level, Brazil's agriculture sector (including livestock) accounts for slightly more than one third of total national GHG emissions. When combined with land-use change and forestry – largely driven by agriculture – the sector accounts for over 60 percent.<sup>11</sup> While emission

<sup>7</sup> PRODES – INPE. Interim PRODES data is available for 2022 showing a significant reduction in deforestation in Mato Grosso (14%) and in the Legal Amazon States (11%). These numbers indicate a reverse of decades of annual increases in deforestation rates, arguably reflecting late correction in command-and-control efforts following strong international criticism.

<sup>8</sup> Existing and Future Climate Vulnerability for the Production of Soy, Corn, Cotton, and Beef in the State of Mato Grosso; EIRELI-ME, 2020.

<sup>9</sup> Hydric deficiency is the consequence of a continuous or transitory drought that impairs growth of plants due to the decrease of water potential, stomata conductance, photosynthesis, and assimilation of N by the plant.

<sup>10</sup> According to an analysis conducted by NASA for The New York Times, based on a new system to track fires in real time using satellite data.

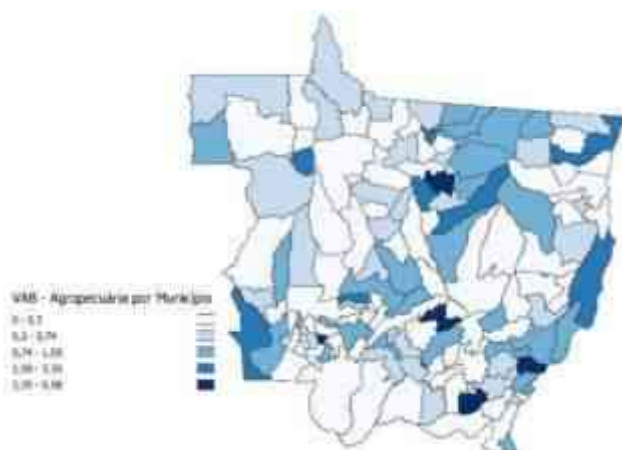
<sup>11</sup> According to SEEG, in 2020, Brazil's net GHG emissions were of 1.525 GtCO<sub>2</sub>e. Agriculture and livestock emitted a net 577



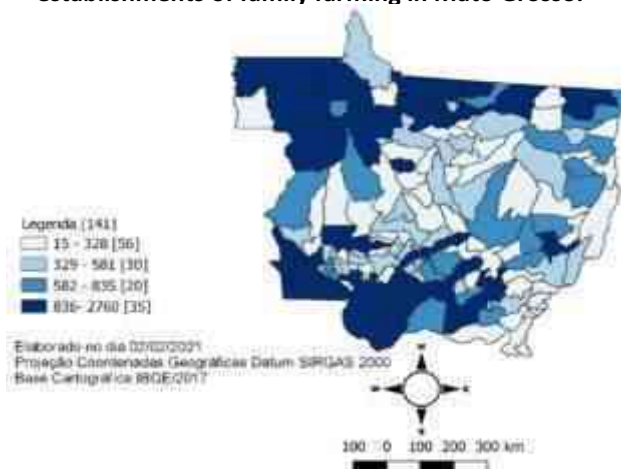
intensities (or GHGs emitted per unit of product produced) vary widely within the agriculture sector, studies indicate that certain livestock systems in Brazil have higher emission intensities than the global average due to associated land use change, the extensive nature of pasture-based systems, and significant numbers of animals dedicated to breeding as opposed to production.<sup>12</sup> Given its leading role in the national agriculture sector and deforestation rates (see above paragraph), Mato Grosso is a significant contributor to such national agriculture sector emissions.

**9. While agriculture and agribusiness in Mato Grosso are major providers of incomes and economic growth in the State, these benefits are concentrated in a limited number of municipalities that produce export commodities.** Agribusiness and primary production make up 50.5 percent of Mato Grosso's GDP, generating considerable foreign exchange and underpinning its economy. However, Mato Grosso's family farms confront significant inequalities in capturing economic and other livelihood benefits from the sector. In Brazil, "family farms" are defined according to Brazil's Farming Law (Law 11.326/2006).<sup>13</sup> Mato Grosso is estimated to contain 81,635 such family farms, which make up at minimum 69 percent of the total farms in the State, and likely more (IBGE, 2017). Family farmers operate in more than 15 production chains, with milk, cassava, fruit, honey, rubber, coffee, annatto, black pepper, handicrafts, and ecotourism among the most prominent. PIQCTs make up an estimated 1.1 percent of family farming populations as evidenced by records under Federal Law No. 2006 of Indigenous lands, *Quilombola* communities, and other designations such as Conservation Units that are beneficiaries of family farming public policies. Altogether, almost 30 percent of the state's territory is occupied by family, settled, and Indigenous farmers.<sup>14</sup> However, as shown in **Figures 3 and 4**, municipalities with low Gross Value Added (GVA) are also those where primarily family farmers, including PIQCTs, reside.

**Figure 3: Gross Value Added by Municipality, in Mato Grosso, in 2017. Source: Seplan (2017).**



**Figure 4: Geographical distribution of agricultural establishments of family farming in Mato Grosso.**



MtCO<sub>2</sub>e (or 38 percent of total GHG emissions), while land-use change and forest sector emitted 362 MtCO<sub>2</sub>e (combined, the sectors accounted for 61 percent of the total GHG emissions). [https://plataforma.seeg.eco.br/total\\_emission](https://plataforma.seeg.eco.br/total_emission). The latest official data available from the MCTIC's SIRENE in 2016 provides similar results (<https://www.gov.br/mcti/pt-br/acompanhe-o-mcti/sirene/emissoes/emissoes-de-gee-por-setor-1>).

<sup>12</sup> Gerber et al. 2013. Tackling climate change through livestock - A global assessment of emissions and mitigation opportunities. Food and Agriculture Organization of the United Nations (FAO), Rome.

<sup>13</sup> Law 11.326 (2006) defines family farmers as follows: (i) does not have under any tenure regime an area of more than four fiscal modules; (ii) predominantly relies on its own family labor; (iii) household income predominantly originates in the family farm; and (iv) family members operate the farm.

<sup>14</sup> PCI 2021. *Why Mato Grosso*.



**10. Limited access to technologies, inputs, technical assistance, and financing limit family farming productivity and access to markets, as well as their ability to adapt to climate change.** According to data from the 2017 Agricultural Census for Family Agriculture, the use of basic agricultural technologies, such as limestone application and fertilization were carried out in only 11 percent and 18 percent of family farms, respectively, compared to 25 percent and 30 percent in non-family farms in Mato Grosso. Underlying these low rates is a limited access to inputs, technical assistance, and credit. Only 15 percent of family farms in Mato Grosso are estimated to practice mechanized agriculture, only 13 percent receive technical assistance services, and only 16 percent access rural credit, respectively, compared to 47 percent, 32 percent, and 20 percent of non-family farms in Mato Grosso (IBGE, 2017). As a consequence, family farmers are unable to adopt more sustainable and climate resilient practices, making them particularly vulnerable to the increasing impacts of climate change. Inefficient processes for the land and environmental regularization of their lands aggravates these problems, as many family farmers are unable to comply with the administrative demands of the financial and commercial systems (including difficulties in offering guarantees to financiers). As a result, family farmers are largely uncompetitive vis-à-vis the markets. Most family farmers are not linked to economic, productive, or commercial organizations such as cooperatives and associations. Only 20 percent of family farmers are estimated to participate in domestic markets, with many instead allocating a large portion of production for self-consumption and irregularly trading their surplus.

**11. Within the family farming populations, the leadership roles of women in family farming are particularly constrained.** The large majority of family farms in Brazil are run by men (86 percent), despite both male and female family farmers having similar levels of formal education and experience (Helfand et al. 2015). Mato Grosso shows similar numbers, with an estimated 82 percent of farms run by men (IBGE 2017). Women-run family farms in Mato Grosso are around 30 percent smaller in size than male-run family farms. The main types of productive activities undertaken by women-run and male-run family farmers are similar, with cattle ranching and breeding comprising around 80 percent for both, followed by temporary crops. However, anecdotal evidence from the field shows that while women participate heavily in the on-farm labor critical to family farming initiatives, they do not often lead entrepreneurial initiatives or take leadership roles in family farming producer organizations (POs). Women leadership of family farming initiatives – as opposed to participation in farming as part of the household – is critical for improving women’s voice and agency as leadership is linked to voting ability in decisions of POs. Women family farmers also have less access than men to agricultural extension, opportunities to participate in technical meetings and seminars, productive assets, producer associations, and markets. Female family farmers are accordingly overrepresented among lower income groups, including family farmers earning less than BRL 23,000 (approximately 4,500 USD) annually (62 percent of women family farmers, versus 48 percent of men) and subsistence farmers (36 percent of women family farmers, versus 26 percent of men) (IBGE 2017). These data show that women family farmers face worse economic conditions and employment opportunities than men, even with the most economically vulnerable groups.

**12. Family farmers also operate in a fragile base of natural resources, with agricultural expansion and unsustainable practices driving forest loss and jeopardizing the natural resources that underpin their agricultural production.** According to Mato Grosso’s estimates, while family farms are generally characterized by a relatively favorable environmental performance, they are still responsible for an estimated 20 percent of total deforestation in the State. With support from the World Bank’s Development Policy Lending (P164588) disbursed in 2020, Mato Grosso has significantly strengthened its capacity to combat deforestation and forest fires as prior actions included the enactment of a decree reestablishing Mato Grosso’s Plan for Prevention and Control of Deforestation and Forest Fires (PPCDIF/MT). The decree included several measures that enabled early warning systems and swift response.<sup>15</sup>

<sup>15</sup> The new plan provided for (i) the creation of an integrated monitoring center (the first of its kind in Brazil) to monitor and



However, due to poor coordination among federal agencies, Mato Grosso's measures have proven insufficient to properly address the size of the challenge. Given that commodity price increases are rekindling conflicts over land and natural resources, especially in Brazil's Amazon and Cerrado biomes, the country might face challenges in reducing deforestation to meet its climate and environmental commitments.<sup>16</sup>

**13. Critically, the ability of family farmers to access the finance they need to invest in more resilient and sustainable production models depends on land and environmental regularization, including registration in the Brazilian Forest Code.** Brazil's Native Vegetation Protection Law, known as the Brazilian Forest Code<sup>17</sup>, obliges landholders to register their landholdings in the Rural Environmental Cadaster (Cadastro Ambiental Rural – CAR), to maintain a percentage of private rural landholdings as native vegetation (Legal Reserves – Reservas Legais), and to maintain Areas of Permanent Preservation (Áreas de Preservação Permanente, APPs) with minimum conservation standards. This represents a cornerstone of Brazil's approach to climate change mitigation and adaptation in the agriculture, forest, and land use sectors. However, on-farm compliance with the Forest Code depends significantly on regularization services provided by Land Administration institutes (from the executive and judiciary government branches) at State or Federal levels and the Secretariat for the Environment of each State. In the context of Mato Grosso, farmers without land titling by the State Land Administration Institute (INTERMAT) and subsequent registration in the Forest Code compliance system of the State Secretariat for Environment (SEMA) (*Sistema Mato-Grossense de Cadastro Ambiental Rural – SIMCAR*<sup>18</sup>) are not permitted to access public rural development programs, including credit programs such as the National Plan for Family Farming (*Programa Nacional de Fortalecimento da Agricultura Familiar – PRONAF*). Due

control legal and illegal deforestation, timber extraction, the quality of water, air, and soil, and all the information regarding the licensing process for investments with environmental impact; (ii) replacement of the existing obsolete satellite monitoring system through the adoption of a state-of-the-art satellite system, in coordination with the National Institute for Spatial Research (INPE), providing information within 48 hours; (iii) training and capacity building of key operational partners, such as the Brazilian Institute of the Environment and Renewable Natural Resources (Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis – IBAMA), Polícia Militar Ambiental and Delegacia de Meio Ambiente, and (iv) confiscation of machinery from deforested areas, preventing them to be reused in other areas.

<sup>16</sup> At the Conference of Parties of the United Nations Framework Convention on Climate Change (UNFCCC) in 2021, Brazil reconfirmed its 2015 commitment to reduce GHGs, and announced an increased 50 percent reduction by 2030 based on 2005 levels (USDA 2022). Also, Brazil was a signatory of the Glasgow Leaders' Declaration on Forests and Land Use ([link](#)) and with other signatories, committed to working collectively to halt and reverse forest loss and land degradation by 2030. Furthermore, in its second NDC update in March of 2022, the Brazilian government decided to go beyond existing laws and policies and commit to eliminating illegal deforestation by 2028 ([link](#)).

<sup>17</sup> The Brazilian Forest Code (Law 12.651 of 2012) requires that all private rural landholdings maintain a percentage of native vegetation as Legal Reserves (Reservas Legais, RLs), and that Areas of Permanent Preservation (Áreas de Preservação Permanente, APPs), such as riparian forests along watercourses, steep slopes, mountaintops, etc., also be maintained by landholders. The Forest Code also obliges landholders to register their landholdings in the CAR. This registry contains details on the total area of individual farms, the areas earmarked for alternative land use, APPs and RLs. The percentage to be held as natural vegetation varies from 80 percent in the Amazon biome to 35 percent in the Cerrado biome within the 9 States that make up the "Legal Amazon", to 20 percent in the rest of Brazil. Once registered in the CAR, private landholders are required to resolve any environmental liabilities established by SEMA through the preparation and implementation of Environmental Regularization Programs (PRAs) and Projects for Degraded and Altered Areas (PRADAs).

<sup>18</sup> The Mato Grosso Rural Environmental Cadaster (*Sistema Mato-Grossense de Cadastro Ambiental Rural – SIMCAR*), adopted in 2017, aims at verifying whether properties comply with the Brazilian Forest Code. Following validation of property information by the State Secretariat for the Environment (SEMA) and if an environmental liability is detected, properties can enter a process of environmental regularization which entails a Terms of Conduct Adjustment (TAC) with the State Public Prosecutor (*Ministério Público do Estado*).



to the high costs required to register land in the Forest Code, many family farmers remain unregistered, and thus without access to the financing that would enable them to invest in on-farm improvements. Such on-farm improvements include those that would enable compliance with the Forest Code and maximize the environmental and climate benefits of their production. This type of challenge is described in multiple reports of the Intergovernmental Panel on Climate Change (IPCC)<sup>19</sup> stating that insecure land tenure affects the ability of people, communities and organizations to make changes to land that can advance adaptation and mitigation outcomes.

**14. Family farmer compliance with the Forest Code is further hindered by inefficiencies, lack of resources, and poor coordination among Mato Grosso's land and environmental regularization processes.** Inefficiencies and lack of resources within INTERMAT cause delays in the regularization of State-owned Settlements.<sup>20</sup> In addition, inefficient legal processes and coordination among judicial and executive powers constrains processes to resolve conflicts over land rights. Moreover, inefficiencies in the SIMCAR can leave administrative processes pending for long periods, especially for the Settlements which contain large concentrations of family farmers and small properties. Critically, surveys by the State Research, Assistance and Rural Extension Company of Mato Grosso (EMPAER) show that even family farmers who are titled and registered in the SIMCAR often lack the technical knowledge and capacity to comply with the Forest Code requirements in a way that also generates net financial benefits for their family farming livelihoods. This acts as a further deterrent to land and environmental regularization in Mato Grosso.

**15. Looking forward, increasing leadership among younger generations of family farmers is an important opportunity for innovation in on-farm sustainability.** The percentage of Brazil's population living in rural areas has shown a steady decline since the 1970s, with steeper declines for individuals under 29 years of age (IBGE, 2010). This trend is understood to stem from a lack of economic opportunities and improvement in social conditions in rural areas. Migration of rural youth to urban areas can create uncertainty regarding the survival of agricultural businesses and activities, potentially disincentivizing investment in sustainable production models with longer term payoffs. In fact, younger farmers have been shown to be more likely to adopt conservationist agricultural practices in particular, given the long time periods over which the investments are realized (Kassie et al., 2009). Literature has also shown that older farmers tend to be more resistant to the adoption of innovations, including in sustainable models of agriculture production, in the first place (Leonard et al. 2017). As the probability of non-succession appears to be related to the possibility of greater income in urban centers, increased leadership opportunities for youth in family farming is an important pathway toward addressing Mato Grosso's agri-environmental challenges.

**16. Mato Grosso has committed to an ambitious agenda for leveraging these family farming challenges and opportunities, as shown by a strong framework of strategies, policies, and plans.** Key among these are the 2015 Produce, Conserve and Include Strategy (PCI), Mato Grosso's 2018 Action Plan for the Prevention and Control of Deforestation and Forest Fires (PPCDIF MT), and Mato Grosso's 2017 Policy for Sustainable Rural Development of Family Agriculture and Plan for Family Agriculture of Mato Grosso (PEAF MT). The PCI Strategy aims to increase production while reducing deforestation, improving forest management, and reducing rural poverty and inequality. Specifically, PCI seeks to reduce deforestation in Mato Grosso's portions of the Amazon and Cerrado woodland by 90 and 95 percent respectively (compared to the 2001-10 annual average), regrow natural forests on 27 thousand square kilometers of land, eliminate illegal deforestation while continuing to increase the production of soy and cattle, and

<sup>19</sup> Insecure land tenure affects the ability of people, communities and organizations to make changes to land that can advance adaptation and mitigation outcomes (IPCC 2019). The adoption of sustainable land management and poverty eradication can be enabled by improving access to markets, securing land tenure, factoring environmental costs into food, making payments for ecosystem services, and enhancing local and community collective action (IPCC 2020).

<sup>20</sup> The State Settlements are sets of agricultural units installed by Incra on a rural property. Each of these units, called plots or lots, is intended for a family of agriculturists or rural worker without the economic conditions to acquire a rural property. [Link](#).



provide technical assistance to Mato Grosso's small-scale farmers by 2030. The PPCDIF MT aims to reduce deforestation and forest fires in Mato Grosso through command-and-control actions, territorial planning, and the promotion of sustainable activities. The PPCDIF MT is thus a key State instrument for contributing to the fulfillment of Mato Grosso's voluntary goal to reduce greenhouse gas emissions due to deforestation and forest degradation, in alignment with the goals set out in Brazil's National Policy on Climate Change. Finally, the PEAf MT establishes priorities and action strategies for the Government, civil society, and the private sector for the sustainable development of family farming in Mato Grosso. Among the key priorities included in PEAf MT are improving competitiveness, technical assistance, land and environmental regularization, and social control among family farming populations.

**17. This high-level policy framework in support to family farming has not yet been translated into investments.** Building on the priorities set out in the PCI, PPCDIF/MT, and PEAf MT, the proposed project will invest in the development of family farming in a manner that helps to address the sustainability, climate change, and family farmer inclusion challenges facing Mato Grosso. This approach will complement other projects such as the Mato Grosso Fiscal Adjustment and Environmental Sustainability Development Policy Loan (P164588), which presents measures that focus primarily on the environmental issue of the large-scale agricultural sector (i.e. the 'Produce' and 'Conserve' axes of the PCI Strategy); the proposed project will focus on the 'Inclusion' axis as well, catalyzing investments that increase agriculture sector benefits for family farming populations while improving their sustainability and resilience to climate change.

### C. Relevance to Higher Level Objectives

**18. The project will contribute to sustainable development and financial inclusion objectives as set out in the World Bank Group's Country Partnership Framework (CPF) for Brazil FY18–FY23<sup>21</sup> and to the implementation of key State strategies and plans.** Under CPF Focus Area 2 (Private Sector Investment and Productivity Growth), the project aims to improve family farmer access to credit by empowering their producer organizations to meet market requirement and reducing risks and costs associated with their businesses. Under CPF Focus Area 3 (Inclusive and Sustainable Development), the proposed project aims to contribute to the socioeconomic development of the rural poor and vulnerable groups through investments in climate resilient agricultural production, environmental compliance, and management and market access of local agrobusinesses. The project will also contribute to Mato Grosso's efforts to invest in the sustainable development of family farming, as set out in the 2015 Produce, Conserve and Include Strategy (PCI), Mato Grosso's 2018 Action Plan for the Prevention and Control of Deforestation and Forest Fires (PPCDIF MT), and Mato Grosso's 2017 Policy for Sustainable Rural Development of Family Agriculture and Plan for Family Agriculture of Mato Grosso (PEAf MT).

**19. The project will support Brazil to achieve its Nationally Determined Contribution (NDC) and contribute to the country's climate change mitigation and adaptation efforts; the project is therefore consistent with Brazil's climate change strategies.** In the latest update (2022) to its 2015 original NDC<sup>22</sup>, Brazil confirms its commitment to reduce emissions in 2025 by 37% compared with 2005, commits to reduce its emissions in 2030 by 50% compared with 2005, and sets a long-term objective to achieve climate neutrality by 2050. Agriculture and forestry sector mitigation priorities in the NDC include: strengthening low-carbon agriculture approaches, restoring degraded pasturelands, enhancing integrated cropland-livestock-forestry systems, strengthening and enforcing the Forest Code, reaching zero illegal deforestation, restoring and reforesting forests, and enhancing sustainable forest management systems. The

<sup>21</sup> Report no. 113259-BR, discussed by the Executive Directors on July 13, 2017.

<sup>22</sup> 2022 (second) update to the Brazil NDC.



project is aligned with these mitigation priorities through its support for the adoption of low-carbon and climate resilient practices and technologies on family farms (component 1) and support for compliance with the Forest Code including through re-vegetation and afforestation on family farming areas (component 2). Regarding climate change adaptation, Brazil's NDC, referring to the second (2021) cycle of the National Adaptation Plan (NAP)<sup>23</sup>, also cites the development of adaptation strategies in the agricultural sector with a view to ensuring food security and increasing crop and livestock productivity while adopting sustainable agriculture production methods. The priority adaptation actions it identifies include improving agricultural risk and vulnerability monitoring and diagnosing vulnerability to climate change of indigenous populations and lands. The project will contribute to these adaptation efforts through its support for improved monitoring and control of forest fires (component 2) and for climate vulnerability diagnostics for business plan activities targeting PIQCT communities (component 1). The project also responds to the agriculture sector priority interventions identified in the World Bank Country Climate and Development Report (CCDR) for Brazil.<sup>24</sup> These include scaling up climate-informed landscape management and efficiency gains in the livestock sector, which the project will contribute to under component 1 support to family farmers. The CCDR also prioritizes curbing deforestation and explicitly mentions accelerating registration and validation of CARs, which the project will support under component 2.

**20. The project will also contribute to climate change mitigation and adaptation objectives as expressed in the WBG Climate Change Action Plan 2021-25 and the WBG Roadmap for Climate Action in Latin America & the Caribbean.**

The project will contribute to multiple agriculture sector priorities presented in the WBG Climate Change Action Plan: support for climate-smart agriculture (CSA) through the preparation and implementation of "Climate-smart Agriculture Family Business Plans" under component 1, de-risking private investment in sustainable agriculture value chains through utilizing the productive alliance approach under component 1, and supporting environmental management shifts that aim specifically to prevent and control deforestation and enhance ecosystem health ("Nature-based solutions") under component 2. These project activities also align with several areas for new WBG engagement aligned with government priorities identified specifically for Brazil in the WBG Roadmap for Climate Action in LAC: CSA (component 1), sustainable land management (Component 2), and protection of critical habitats (component 2).

**21. The project will also contribute to gender equity objectives as set out in the WBG Gender Strategy 2016-2023.**

The project will contribute to the "Economic Opportunities" pillar of the WBG Gender Strategy. Through including gender equality criteria in the selection and preparation of Climate-smart Agriculture Family Farming Business Plans under component 1, the project aims to remove constraints to better livelihoods that women-led family farms face in Mato Grosso. Through including gender equality criteria in the land regularization activities under component 2, the project aims to help reduce barriers to women's ownership and control over land in the family farming sector.

## II. PROJECT DESCRIPTION

### A. Project Development Objective

#### PDO Statement

To improve market access, climate resilience, and land and environmental management of selected family farmers

<sup>23</sup> Brazil 2021 National Adaptation Plan.

<sup>24</sup> World Bank 2023. Brazil Country Climate and Development Report. [Link](#).



in the State of Mato Grosso and in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

### **PDO Level Indicators**

#### **Increase access to markets:**

- (i) Increase in gross value of sales by family farmers participating in approved subprojects (Percentage; disaggregated by PIQCT, women, youth)

#### **Increase climate resilience:**

- (ii) Family farmers (members of supported organizations) adopting climate-smart agricultural practices and technologies<sup>25</sup> (Number; disaggregated by PIQCT, women, youth; to be included as CRI “Farmers adopting improved agricultural technology”)

#### **Improve land and environmental management:**

- (iii) Family farmers (members of supported organizations) benefited with improved environmental and land regularization services (Number; disaggregated by gender and PIQCT).

## **B. Project Components**

**22. Strategic approach.** The proposed operation is an Investment Project Financing (IPF) with a total project cost of US\$100.0 million to be implemented over a six-year period.<sup>26</sup> The total financing consists in an IBRD loan of US\$80.0 million and counterpart funding from the State of Mato Grosso in the amount of US\$20.0 million. The project approach strategically combines investments in family farming livelihoods (on-farm climate change adaptation and mitigation under component 1) with investments in institutional strengthening (land and environmental management under component 2), serving to improve both the competitiveness of Mato Grosso’s family farming production in the shorter term and the institutional enabling environment for family farming in the longer term. The project will be implemented through four components (including a Contingency Emergency Response Component (CERC)) consisting of a mix of targeted technical assistance, tailored financial support to POs, and improved public services. The proposed project will benefit from the prior experience of the World Bank in Brazil and from lessons learned from operations with a similar nature elsewhere (see section E).

**23. Geographic focus.** The project’s geographic and beneficiary targeting approach resulted in the identification of 61 municipalities (of Mato Grosso’s total 141 municipalities) as eligible for project support for business plans under component 1. These municipalities were selected through a two-step process: (i) identification of those municipalities with the highest gross value for the major family farming production value chains,<sup>27</sup> the largest number of family farms, and the greatest estimated deficit in permanent preservation areas<sup>28</sup>; and (ii) a prioritization of those municipalities with the highest number of family farming POs (associations and cooperatives) actively engaged in the value chains. Under component 2, 35 of the State Settlements in Mato Grosso will be eligible for project support to

<sup>25</sup> Climate-smart agricultural practices and technologies are defined as those that contribute to climate change resilience, including adaptation and mitigation approaches. See Box 1 for further details.

<sup>26</sup> To be aligned with Carta Consulta.

<sup>27</sup> These are: milk, fruits, horticulture, cassava, coffee, cacao, honey, and non-timber forest products. While all value chains will be eligible for project support (including non-agricultural activities such as artisanal craftwork and agro-eco-tourism, which are common in PIQCT communities), these eight were prioritized as part of the targeting approach due to their significance for family farmers and potential for generating benefits under the project for both family farming livelihoods and the environment. See Annex 2 for more detail.

<sup>28</sup> Permanent preservation areas under the Brazilian Forest Code are natural protected areas that farmers are required to delimit and maintain according to certain management standards.



improve land regularization and 11,000 families will benefit from environmental regularization. Given the interlinked nature of the activities proposed under components 1 and 2, the eligible municipalities are intended to overlap with the eligible Settlements such that beneficiaries may benefit under both components; critically, this will allow beneficiaries of component 1 to include aspects of land and environmental regularization in their business plans. The project's monitoring and evaluation approach will ensure against double counting of beneficiaries in these cases (See Annex 2 for more detail).

**24. Beneficiaries.** The direct project beneficiaries are an estimated **15,000** family farmers (of Mato Grosso's total 81,635 family farms, which make up at minimum 69 percent of the total farms in the State) and their respective POs participating under project components 1 and 2. These 15,000 direct beneficiaries include an estimated 9,000 participating under component 1 and an estimated 12,900 family farmers participating under component 2; an estimated 6,900 beneficiaries are expected to participate under both components. Beneficiary targeting under component 1 will aim to contribute to socioeconomic inclusion in two main ways. First, targets will be set for the number of business plans led by women, youth, and PIQCTs as well as for the overall participation of women, youth, and PIQCT beneficiaries across all windows. Second, to enable inclusion of diverse economic groups, two grant windows ("commercial" and "emerging") will be available under component 1 to finance business plans, each with conditions tailored to the needs of POs with different levels of organization, commercialization, and experience. Beneficiary targeting under component 2 will also contribute to inclusion of women through targeting a minimum portion of land regularization titles to be issued in the name of women. Indirect beneficiaries of the project include: (i) private agribusiness enterprises and government entities who may enter into partnerships with producers under component 1, and (ii) all family farmers (81,635 according to IBGE, 2017) and PIQCTs in Mato Grosso who will benefit from project activities to improve the State's extension services and increase the efficiency of environmental and land regularization services in Mato Grosso as a whole.

**Component 1 – Climate-smart economic inclusion: USD 61.0 million (USD 60.0 million IBRD, USD 1.0 million Government of Mato Grosso).**

**25. The purpose of component 1 is to support the climate resilience of family farmers in Mato Grosso and improve their market linkages to sustain resilient production models over time.** All financing under this component will support CSA activities. This support will be provided through an adaptation of the "**productive alliance**" model<sup>29</sup> that aims to increase the adoption of CSA practices and technologies in the context of family farmers in Mato Grosso and the climate challenges and market opportunities they face. According to this adapted model, the productive alliance will consist of the following partners: (i) a group of family farmers formally constituted under a PO ("sellers") with the potential to provide a high-quality, agricultural product or service; (ii) "buyers" of said products or services who enter into a formal agreement with the sellers, ensuring the connection to markets and success of their business plans; (iii) providers of technical assistance services to support the design and implementation of business plans, including not only good business, management, and accounting practices but also the design and implementation of CSA approaches, environmental compliance with the CAR (see component 2), and attainment of environmental

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<sup>29</sup> The productive alliance model traditionally refers to a business relationship (alliance) between a group of producers, technical assistance provider, commercial financial institution, and identified market or buyer. These parties enter into a joint business plan to meet a market demand while improving productivity, value addition, market position, and sales on a benefit-sharing basis. The participation of buyers is critical to the productive alliance model, as buyers provide the market linkages and may continue to do so after project support has ceased. The WB has successfully implemented the productive alliances model in several agricultural operations across the LAC region ([link](#)).



certifications; and, for those more commercially-oriented POs, (iv) a commercial financial institution, from which the PO may leverage business plan financing.

**26. Under this productive alliance approach, selected POs will participate in pre-investment activities (subcomponent 1.1) to develop business plans for the adoption of CSA practices and technologies under PO-level “CSA Family Farming Business Plans.”** CSA practices and technologies are defined as those that contribute to climate change resilience, and/or climate change mitigation; indicative examples are presented in **Box 1**. The component will then provide matching grants (through Subproject Agreements) to support the implementation of approved CSA Family Farming Business Plans (subcomponent 1.2) by POs and their members. Approved business plans will need to demonstrate contributions to climate change resilience and/or mitigation as well as demonstrate the market linkages necessary to sustain the subproject activities beyond project closing. A PO’s Business plan may include both PO-level investments and farm-level investments for PO members, depending on the objectives for CSA and market linkages identified in the Business plans. During subproject implementation, technical assistance will be provided to support adoption of CSA practices and technologies, environmental compliance with the CAR (see component 2), attainment of environmental certifications, and good business, management, and accounting practices. Family Farmers operating in the 61 municipalities prioritized by the project will be eligible beneficiaries under this component.

**Box 1: Activities to be adopted under Climate-smart Agriculture Family Farming Business Plans**

Subprojects under component 1 will be required, as a criterion for the grant award, to incorporate climate-smart agriculture (CSA) practices and technologies. CSA practices and technologies are those which contribute to achieving two or more of the three CSA pillars: improving productivity, adapting and improving resilience to climate change, and mitigating climate change. Those practices and technologies present in each subproject will moreover respond to the particular environmental and climate challenges at hand. Examples of such practices and technologies are:

- Activities directly linked to conservation such as harvesting of Brazil nuts from natural stands, beekeeping.
- Integration of cash crops such as cocoa and coffee in agroforestry restoration (“restauração produtiva”, an approach that has worked well in the State of Para).
- Providing environmental services as part of Environmental Regularization Programs (PRAs) and Projects for Degraded and Altered Areas (PRADAs).<sup>30</sup>
- Soil and water conservation and management practices.
- Pasture management, agro-silvo-pastoralism, and fodder production.
- Improved livestock management (health, genetics, feeding).
- Farmer-led irrigation and small-scale collective irrigation schemes.
- Improved water harvesting and storage in small, excavated ponds.
- On-farm drip and sprinkler irrigation technologies.
- Low-cost, energy-efficient water pumping systems (including solar panels).
- Biodigesters (with livestock manure) for renewable energy.
- Facilities for composting crop residues.
- Activities to prevent forest fires such as maintaining natural fire breaks.

<sup>30</sup> Once registered in the CAR, private landholders are required to resolve any environmental liabilities established by SEMA through the preparation and implementation of Environmental Regularization Programs (PRAs) and Projects for Degraded and Altered Areas (PRADAs). While the project will not support the implementation of PRAs and PRADAs, it can finance aspects of their preparation.



27. **To enhance inclusion under** this component, the project will finance two grant windows with different conditions tailored to the needs of POs with different levels of organization, business experience, and preparedness for commercial activities:

- i. **“Commercial” family farming POs:** formal, well-structured, and experienced POs and members with active and regular activity in formal markets. These POs may seek commercial private financing to complement their business plan investments.<sup>31</sup>
- ii. **“Emerging” family farming POs:** formal POs and members with technical potential to achieve a considerable surplus production, but with surplus production currently deficient due to low productivity, poor organization and management, or deficient production quality standards.

28. **It is intended that through this window differentiation, family farmers are supported to “graduate” over time** from emerging to commercial models of production and from commercial models utilizing project support to those that can thrive on their own (see **Annex 2 Figure 1**). In addition, to support the inclusion of historically marginalized groups, a minimum of 15 percent of subprojects will be led by youth, a minimum of 15 percent will be led by women, and a minimum of 15 percent will be led by PIQCTs. Moreover, targets will be set across windows for the overall participation in business plan activities by these vulnerable groups (30 percent youth, 20 percent women, and 15 percent PIQCTs). To enhance gender equity in particular, a minimum of 15 percent of the funds allocated to POs under this component will be granted to women-led POs, and selection criteria will include a weighted scoring in favor of POs demonstrating at least 40 percent women membership.

29. **Specifically, this component will finance:** (i) works (minor PO and on-farm infrastructure), goods, training, technical assistance, and consulting and non-consulting services for the selection, preparation, and implementation of selected subprojects by participating partners; and (ii) matching grants to finance the implementation of CSA Family Farming Business Plans (“subprojects”).

30. **The expected outcomes of component 1** are increased climate resilience of 9,000 family farmers, including historically marginalized groups (PIQCTs, women, youth), and improved market linkages to sustain climate resilient production models beyond project closing. The component also fosters long-term collaborations between the implementing agency (the State Secretary for Family Agriculture – SEAF), technical service providers (e.g. public and private providers), and financial institutions through strengthening their capacity to structure and finance climate-smart family farming investments.

31. **Subcomponent 1.1 – Pre-investments for the preparation of CSA Family Farming Business Plans: USD 5.0 million (USD 4.0 million IBRD, USD 1.0 million Government of Mato Grosso).** All financing under this subcomponent will support the preparation of activities to be implemented under subcomponent 1.2. This will include activities to: (i) raise awareness of the project through outreach to family farming POs, commercial partners, and financing entities, including implementing a project communication and information dissemination strategy that includes those media preferred by women, youth, and PIQCTs and covers topics relevant to the needs and gaps faced by these groups among family farmers in Mato Grosso; (ii) identify, create, and consolidate productive alliances for CSA Family Farming Business Plans among family farming POs, commercial partners, and financing entities, including targeted communication strategies to help form productive alliances among historically vulnerable groups (PIQCTs, women, and youth beneficiaries); (iii) identify opportunities for CSA investments on the part of the POs (business proposal)

<sup>31</sup> During project preparation, *Banco do Brasil* and *Sicredi* expressed interest in providing credit lines to project beneficiaries.



through standardized diagnostics at both farm- and PO-levels; (iv) provide technical assistance (TA) to POs to prepare viable CSA Family Farming Business Plans; and (v) build capacity among technical service providers (public and private) to assist POs to implement CSA practices and technologies.

**32. The process for selecting POs to participate in component 1 will be supported by a Subproject Evaluation Committee, which will undertake the following activities:** (i) issue public calls for proposals, including detailed eligibility criteria (see **Box 2**), (ii) after each public call for proposals, review, evaluate, and select those proposals to be developed into CSA Family Farming Business Plans; (iii) for each round of Business Plan submissions, review, evaluate, and select those to be approved for implementation under subcomponent 2.2. Evaluations and selections undertaken by the Committee will follow the eligibility and selection criteria for each of the following 2 windows as will be set forth in detail in the Project Operational Manual (also see Annex 2 Figure 1).

**33. Subcomponent 1.2 – Productive investments in CSA Family Farming Business Plans: USD 56.0 million IBRD.** The purpose of this subcomponent is to support key investments (“subprojects”) in CSA Family Farming Business Plans. As inclusion of CSA practices and technologies in CSA Family Farming Business Plan proposals is a PO eligibility criterion (see **Box 2**), all financing under this subcomponent will contribute to climate-smart outcomes. This subcomponent will provide matching grants to finance CSA Family Farming Business Plans selected as part of Subcomponent 1.1. Financing under Subcomponent 1.2 will support the implementation of such business plans, technical assistance, and the incorporation of feedback and lessons learned into new cycles of calls for proposals. Co-financing grants will cover that portion of the CSA Family Farming Business Plan devoted to fixed capital (such as plant and equipment, minor infrastructure), operational costs, technical assistance expenditures, and other investments to support improving productivity, processing capacities, logistics, marketing, and sales. Technical assistance will be provided on improving the climate resilience of family farming, together with other good practices related to production, environmental compliance, and agribusiness. Technical assistance workers will be trained on gender sensitive approaches to allow them to assess gender-related issues, identify the economic contribution of women to family farming, and identify and address the barriers that may exclude women from participation and leadership in POs. Training and capacity building activities offered under this component for beneficiaries likewise will take into consideration the needs and topics relevant for women and to foster the participation and leadership of women family farmers.

#### **Box 2: Eligibility of Producer Organizations (POs) under component 1**

PO eligibility for participation under component 1 will include the following criteria, to be refined in the POM.

- Residence within the 61 selected municipalities.
- Proposal is for activities within one of the eight prioritized value chains.
- PO has a minimum of 30 members, where greater than half are family farmers holding *Declaração de Aptidão ao Pronaf (DAPs)* and *Cadastro de Agricultor Familiar (CAF)*.<sup>32</sup>
- Proposal activities meet the criteria for participating under one of the two grant windows offered by the project (“commercial” and “emerging”) (see Annex 2 Figure 1).
- Proposal activities (including for collective investment in POs) will benefit family farmers. Direct investments in primary production are made only for family farms holding DAPs. And CAFs.
- Proposal activities will benefit historically marginalized groups targeted by the project (PIQCTs, women, youth).
- Proposal includes the adoption and maintenance of CSA practices and technologies (see Box 1).
- Proposal demonstrates adequate guarantees for the sustainable use of natural resources.

<sup>32</sup> National Program for Strengthening Family Agriculture.



- Proposal meets environmental and social safeguarding requirements.
- Proposal is financially viable.

**Component 2 – Improved land and environmental management: USD 19.0 million (USD 13.0 million IBRD; USD 6.0 million Government of Mato Grosso).**

**34. The purpose of component 2 is to increase the generation of environmental benefits, including for climate resilience and mitigation, of family farming in Mato Grosso.** This will be achieved through investments in land and environmental management that (i) address key institutional barriers for family farmers to finance on-farm investments in climate-resilient models of production such as those promoted under component 1 as well as compliance with the Forest Code (subcomponent 2.1),<sup>33</sup> and (ii) strengthen the monitoring and control of carbon-emitting forest fires and forest degradation and deforestation in family farming areas and PIQCT communities (subcomponent 2.2). All financing under this component will support investments that generate benefits for climate change resilience and mitigation. Key expected outcomes from this component are **12,900** family farmers and PIQCTs benefitting from improved interinstitutional coordination among the Secretariat of Family Agriculture (SEAF), the Mato Grosso Secretariat for the Environment (SEMA), the Land Institute of Mato Grosso (INTERMAT), and the Mato Grosso General Comptroller of Justice Office (*Corregedoria-Geral da Justiça de Mato Grosso – CGJ*)<sup>34</sup> to deliver land and environmental services. These services in turn enable family farmers to access public finance, which many require in order to adopt practices to reduce the incidence of forest fires and prevent forest degradation and deforestation in family farming areas and PIQCT communities.

**35. Subcomponent 2.1 – Support for land and environmental regularization: USD 16.0 million (USD 13.0 million IBRD, USD 3.0 million Government of Mato Grosso).** This subcomponent will support land and environmental regularization for an estimated 12,900 family farmers and PIQCTs, constituting critical steps in enabling them to invest in on-farm transition to sustainable models of production and enable environmental compliance with the Forest Code. Eligible beneficiaries will include those family farmers whose POs respond to the Expression of Interest for business plan under component 1 as well as family farmers and PIQCTs residing within the 35 State Settlements. Land regularization activities will be led by INTERMAT as the State institution responsible for land administration, with the support of CGJ and a consultancy specialized in land administration. Environmental regularization will be led by SEMA and will utilize a new SIMCAR module, “*SIMCAR Assentamento*,” expected to be fully developed by early 2023. This module will allow the consolidation of all properties found within a Settlement into a single CAR for the Settlement and the recognition of common APP areas within Settlements, thereby streamlining and improving the analysis and validation processes.

**36. For land regularization, the subcomponent would support the following activities:** (i) diagnostic of the land regularization situation in 35 State Settlements (corresponding to 1,900 properties covering 46,740 hectares), which are the only remaining State Settlements currently without support for land regularization; (ii) contracting of georeferencing services and occupational inspection services (social visits and technical inspections) for the selected Settlements; (iii) inspections of georeferencing activities and implementation of occupational surveys and processing

<sup>33</sup> Insecure land tenure affects the ability of people, communities and organizations to make changes to land that can advance adaptation and mitigation outcomes (*IPCC 2019*). The adoption of sustainable land management and poverty eradication can be enabled by improving access to markets, securing land tenure, factoring environmental costs into food, making payments for ecosystem services, and enhancing local and community collective action (*IPCC 2020*).

<sup>34</sup> The Mato Grosso General Comptroller of Justice Office (CGJ) regulates and inspects the notarial offices (cartórios), used for land registration, and mediates potential land conflicts.



of land titling for the selected Settlements. To enhance contributions to gender inclusion, land titles will be issued in the name of the women of the family and/or of the married couple in order to enhance women ownership and control over land in the family farming sector. A minimum portion of land regularization titles will be issued in the name of women, as shown in the results framework; (iv) community self-mapping activities for PIQCTs and the preparation of anthropological reports for 40 *quilombo* communities, a critical steps in the regularization of *quilombolo* territories; (v) strengthen CGJ capacity to speed up land regularization processes for family farmers and traditional communities; and (vi) diagnostics and activities to strengthen the capacity of INTERMAT to establish effective policies for family farmers and traditional communities.

**37. For environmental regularization, the subcomponent would support the following activities:** (i) contracting services to prepare the CAR for rural properties and trainings to reduce the number of outstanding CARs; (ii) training of SEMA analysts for the validation of records (the analysts will be hired by SEMA as part of the government contribution); (iii) establishing procedures to address the delays in analyses; (iv) training staff from institutions with strong family farmer outreach capacity to support those family farmers they work with in providing information and entering data in the system; (v) purchase of computer equipment and software needed to proceed with the analysis and processing of CAR declarations; (vi) analysis to resolve overlaps of georeferenced plots in the database, a main bottleneck delaying validation of registry requests; and (vii) diagnostics and activities to strengthen the capacity of SEMA to establish effective policies for family farmers and traditional communities. In addition, component 2 will support carbon balance assessments of a select number of family farms to capture the project contributions to climate change mitigation.

**38. Subcomponent 2.2 – Prevention and control of forest fire and deforestation in family farming areas: USD 3.0 million Government of Mato Grosso.** This subcomponent will strengthen the capacity of SEMA to monitor and control deforestation and fire events as well as support its partners in efforts to prevent deforestation at local level. Specifically, this subcomponent will support: (i) the improvement of the forest monitoring system, which uses satellite images to integrate information and real-time alerts from different data sources and, through the elaboration of periodic maps, allows SEMA to monitor changes in land use and identify hotspots of deforestation and forest fire in family farming areas; (ii) environmental education activities tailored to family farmers located in deforestation and forest fire hotspots, aiming to reduce their contribution to deforestation in Mato Grosso and use of fire on agricultural lands; (iii) ground equipment for inspection on-site, and (iv) training and equipment for civilian and volunteer fire brigade members.

**Component 3 – Project management and coordination: USD 20.0 million (USD 7.0 million IBRD, USD 13.0 million Government of Mato Grosso).**

**39. The objective of this component is to provide the PMU with the conditions and information necessary for the effective management and coordination of the project.** Component 3 will finance: (i) project management and coordination with partner institutions; (ii) diagnostics to support components 1 and 2;<sup>35</sup> (iii) project monitoring and evaluation (M&E) and impact assessment of project activities; (iv) fiduciary implementation and external audits; (v) environmental and social risk/safeguards oversight and management; (vi) the design and implementation of a project communication strategy and stakeholder engagement strategy, including the Stakeholder Engagement Plan (SEP), Grievance Redress Mechanism (GRM), and beneficiary satisfaction survey; and (vii) improvement of existing

<sup>35</sup> Diagnostics will include for example studies to identify bottlenecks and opportunities for addressing climate change challenges on farm as well as in processing, marketing, and the level of the PO and pilots to geo-reference intervention areas and measure impacts on carbon stocks of project interventions.



information systems and geo-referencing tools including the SEAF Social Indicator System (e-SIEAF) and the Unified State System of Family and Small-Sized Agroindustrial Health (SUSAF). Specifically, this component will finance goods, training, operational costs, and consulting and non-consulting services.

**40. To support improved inter-institutional coordination among the institutions involved in the project, a PMU Consultative Committee will be established.** The committee will be comprised of representatives of SEAF, INTERMAT, CGJ, SEMA, EMPAER, PCI, the Governor's Office (Casa Civil), and SEFAZ. The Committee, to be led by SEAF, will meet regularly and collectively agree on all strategic decisions pertaining to the project, contributing to the effective management and coordination of the project.

#### **Component 4 – Contingency Emergency Response Component (CERC): US\$ 0.0 million.**

**41. This component will provide for an immediate response to an Eligible Crisis or Emergency, as needed.** In the event of such an emergency (as defined in the Contingency Emergency Response Operational Manual to be prepared and adopted by the Government of Mato Grosso), this component will finance eligible emergency activities and expenditures through the reallocation of funds from the project.

#### **Other Design Aspects**

**42. Climate change.** A GHG assessment of the project was carried out using the ex-ante carbon-balance tool (EX-ACT), which quantifies the net carbon balance expressed in tCO<sub>2</sub>e, resulting from GHGs emitted or sequestered during the project implementation and capitalization period (20 years) compared to the without-project scenario. The project leads to estimated annual climate change mitigation benefits of 661,922 tCO<sub>2</sub>e, when compared to a business-as-usual baseline scenario. This is equivalent to annually reduced GHG emissions per hectare of 12.3 tCO<sub>2</sub>e. After 20 years, GHG mitigation benefits amounting to a reduction of 13,238,436 tCO<sub>2</sub>e will be generated. The approach, methods, and results of the GHG analysis are found in Annex 5. The project was also screened for Climate Change and Disaster Risks using the World Bank Climate and Disaster Risk Screening Tool and assessed as having an overall risk rating of "Low." While the exposure of the project location to climate and disaster risk challenges was rated High, the potential impacts on project investments are rated Low given the project's inherent focus on improving resilience and mitigating the impacts of climate change. The project's soft components and development context further contribute to reducing climate and disaster risk in the project areas. The overall Outcome rating is thus Low.

**43. Gender.** The project conducted a gender gap assessment and prepared a Gender Action Plan to encourage the equitable gender participation in the activities and eventual generation of income and work resulting from the interventions (see Annex 3). Based on the assessment and as shown in the Gender Action Plan, the project will address the prevailing gender gaps among family farmers in Mato Grosso by (i) implementing a project communication and information dissemination strategy that includes those media preferred by women and covers topics relevant to women's needs and the gender gaps found among family farmers in Mato Grosso; (ii) incorporating beneficiary targeting criteria that explicitly include gender equality aims in the preparation and implementation of Climate-smart Agriculture Family Farming Business Plans under component 1 (a minimum of 15 percent of subprojects will be led by women across the grant windows and a minimum of 20 percent of beneficiaries across all windows will be women) and the land regularization activities under component 2 (a minimum of 15 percent of the land regularization titles issued will be in the name of women); and (iii) utilizing a monitoring and evaluation approach (including gender-disaggregated indicators) for the project that ensures women have the opportunity to express their views and share



their concerns (see the project description for more detail). Through these measures, the project expects to contribute to reducing gender inclusion and income gaps among its beneficiaries.

**44. Inclusion.** The project will also seek to include youth and PIQCT communities in project benefits. This will be accomplished through tailoring project outreach, capacity building, and technical assistance to the needs and preferences of these groups. For example, regarding outreach, the project will design a communication and information dissemination strategy that includes those media preferred by youth and PIQCTs and covers topics relevant to the needs and gaps they face to capturing benefits from the family farmers in Mato Grosso. Regarding capacity building and technical assistance, the project will offer leadership trainings targeted to youth and PIQCTs to promote not only their participation in component 1, but their leadership of business plan proposals and subproject implementation. In addition, key indicators will be disaggregated to track the flow of project benefits to youth and PIQCT communities: a minimum of 15 percent of subprojects will be led by youth and a minimum of 15 percent will be led by PIQCTs; moreover, targets will be set across windows for the overall participation in business plan activities (30 percent youth, 15 percent PIQCTs).

**45. Maximizing finance for development (MFD).** The project will help to create the pre-conditions for full implementation of the MFD approach. Under component 1, the project will provide opportunities for beneficiary POs and their members to access commercial financial institutions to support their investment activities. Those POs which do not access such financing will, through the project, be better prepared to interact with established market players under the productive alliance approach going forward.

**46. Citizen Engagement.** The proposed project will rely on a strong communication and engagement strategy to reach out to key stakeholders to facilitate a common understanding of the vision, values and community needs through a neutral, nonthreatening and constructive forum. This strategy will take into consideration the distinct and special needs of disadvantaged and vulnerable social groups (including women, youth, and PIQCTs). A citizen engagement indicator is also included in the project results framework (Percent of beneficiaries satisfied with project interventions, disaggregated by gender, youth, and PIQCT).

**47. Grievance Redress Mechanism (GRM).** The project will utilize the multiple existing channels for receiving and redressing complaints currently operated by SEAF, SEMA and INTERMAT, which include a website, telephone lines; and physical mailing address. In addition, SEAF, INTERMAT, and SEMA together operate an Ombudsman Office with a dedicated free phone line, website, and e-mail address. The project's GRM will rely on these existing structures, channels, and procedures already in place. Moreover, the GRM will be strengthened during project implementation, based on the provisions established in the ESMF. The ESMF also contains a strengthened requirement for establishing grievance mechanisms at the level of the subprojects. The project Results Framework also includes an indicator to monitor grievances.

**48. Communities and individuals who believe that they are adversely affected by a WB-supported project may submit complaints to existing project-level GRMs or the WB Grievance Redress Service (GRS).** The GRS ensures that complaints received are promptly reviewed to address project-related concerns. Project-affected communities and individuals may submit their complaint to the WB's independent Inspection Panel, which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to WB's attention, and WB Management has been given an opportunity to respond. For information on how to submit complaints to WB's corporate GRS, visit



<http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>. For information on how to submit complaints to the WB Inspection Panel, visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

### C. Results Chain

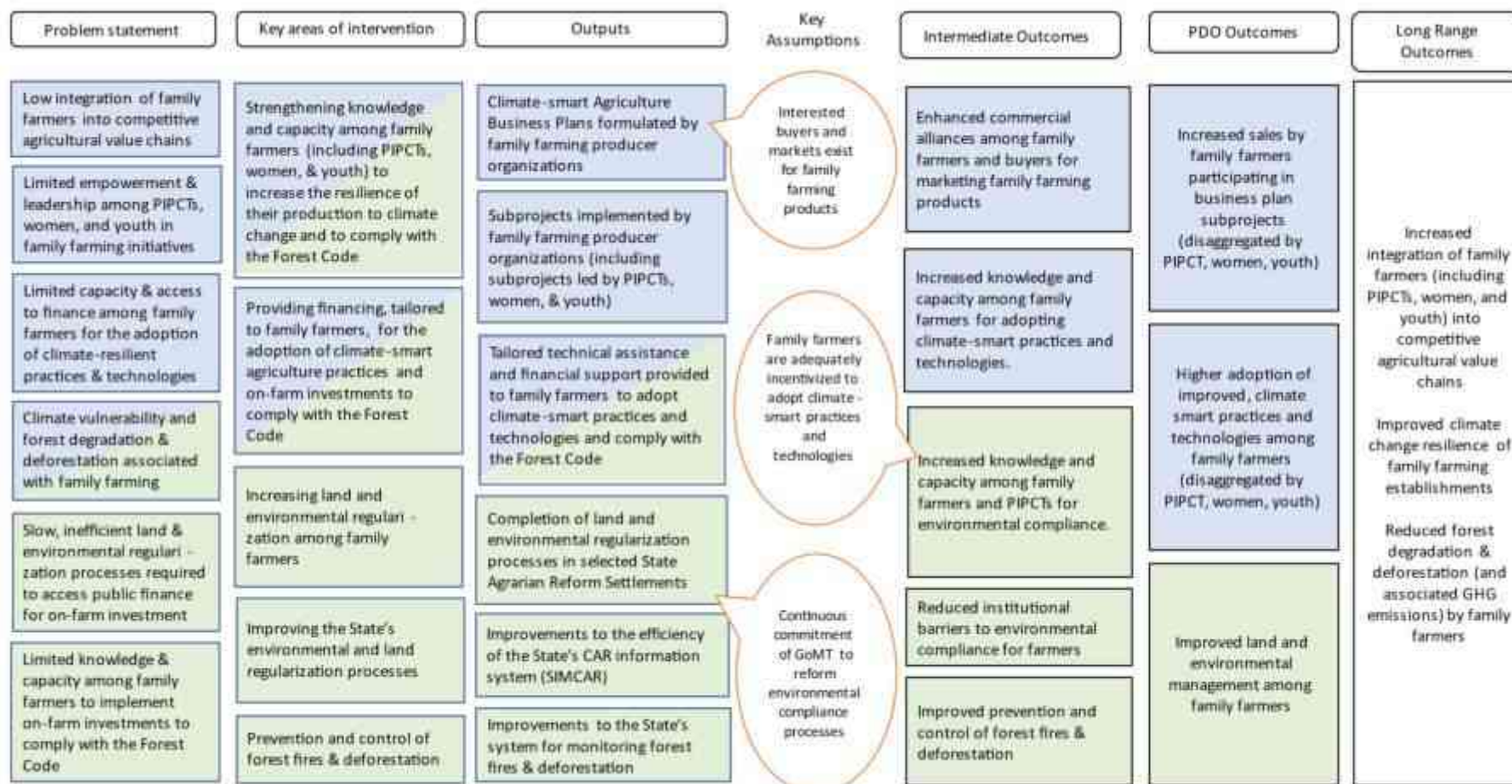
49. **The project aims to address key challenges and opportunities facing family farming in Mato Grosso: low integration into competitive value chains, vulnerability to climate change, association with forest degradation and deforestation, and limited knowledge, capacity and access to finance for on-farm improvements to address these challenges.** The project's three components aim to tackle these challenges through a mix of targeted technical assistance and capacity building, finance provision, and support to key land and environmental institutional processes. The theory of change (ToC) is presented in Figure 5, where challenges, activities, outputs, and outcomes related to market access and climate resilience (the first two themes of the PDO) are shaded blue and those related to land and environmental management (the third theme of the PDO) in green. As shown in the ToC, the project design includes a significant level of integration among the components, with some activities and outputs contributing to multiple PDO themes.

### Project costs and financing

Project Component	Total Cost (US\$ million)	IBRD (US\$ million)	Counterpart Funding (US\$ million)
1. Climate-smart economic inclusion	<b>61.0</b>	60.0	1.0
1.1: Pre-investments for the preparation of CSA Family Farming Business Plans	5.0	4.0	1.0
1.2: Productive investments in CSA Family Farming Business Plans	56.0	56.0	0.0
2. Improved land and environmental management	<b>19.0</b>	13.0	6.0
2.1: Support for land & environmental regularization	16.0	13.0	3.0
2.2: Prevention and control of forest fire & deforestation in family farming areas	3.0	0.0	3.0
3. Project management and coordination	<b>20.0</b>	7.0	13.0
4. Contingency Emergency Response Component	<b>0.0</b>	0.0	0.0
<b>Total Costs</b>	<b>100.0</b>	<b>80.0</b>	<b>20.0</b>



Figure 5: Project theory of change





#### D. Rationale for Bank Involvement and Role of Partners

**50. Overcoming market failures.** Family farming and community organizations in the rural space usually show low levels of productivity, limited added value, and questionable sustainability, operating in a context marked by under-provision of effective rural extension and other non-financial services, as well as limited access to financing. This rural space is where integration to dynamic markets has been hampered by weak organizational and business management capacities, information asymmetries, and diseconomies of scale. Public sector capital transfers to co-finance private ventures of organized small-scale rural producers and service providers, coupled with provision of technical assistance and organizational and business development support are justified based on overcoming these market failures that have prevented this segment of the rural economy from successfully integrating into dynamic and more profitable markets.

**51. Experience and lessons from other engagements.** The World Bank's long-standing engagement through a series of loans in the South-Southeast and Northeast regions places it in a unique position to share key lessons learned in areas of rural development, poverty reduction, climate resilience, sustainable water services provision, decentralization and participatory methodologies. Furthermore, the Bank's recent experience in the implementation of rural productive alliances projects in Latin America, as well as for development and usage of agro-climatic information systems, would be instrumental to support this operation.

**52. Institutional framework.** This project will not have external co-financiers or international partners, but will rely on an extensive network of public and private institutions (both national and state entities). These institutions will be contributing with their own skills and experiences under a strong and tightly coordinated framework, collaborating towards ensuring the achievement of the intended project outcomes. For example, Mato Grosso, led by PCI, is in advanced stages of negotiation with the Department for Business, Energy and Industrial Strategy (BEIS) of the United Kingdom and the German national development bank KfW to extend the support for Mato Grosso received under the REDD-REM Program.

#### E. Lessons Learned and Reflected in the Project Design

**53. Productive alliance projects need to provide differentiated approaches for different beneficiary types.** Previous experiences with productive alliance approaches in World Bank projects in Brazil, Honduras, and other Latin American countries have shown that different types of beneficiaries face different challenges to improving productivity, competitiveness, and market access. Not all smallholders receiving "productive" support (matching grants and technical assistance) are able to realize increased sales or reach demanding markets, and a large proportion of them are not able to integrate successfully into these demanding value chains. Designs of newer operations will need to include differentiated lines of support for more vulnerable versus more commercial farmers.

**54. Assistance with land and environmental regularization is critical for productive restoration, and business development.** For many family farmers, both in rural settlements (*"assentamentos rurais"*) and elsewhere, non-compliance with environmental laws on the percentage of the land that needs to remain conserved (*"Reserva legal"*) is a major hindrance for the development of sustainable agriculture, livestock raising and agroforestry<sup>36</sup>. Mato Grosso Law allows for the establishment of agroforestry to comply with restoration obligations under the Rural Environment

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<sup>36</sup> Without such compliance, it is almost impossible to obtain farm credit.



Cadaster (CAR<sup>37</sup>), a regulation with which other Brazilian Amazon States like Para have had positive experiences. Other value chains, such as milk, may also provide opportunities to productive restoration through sustainable intensification. Calls for proposals will seek to maximize the adoption of such strategies. At the same time, farmers will shy away from investment without secure land tenure. Land tenure and compliance with the Brazilian forest code are sine qua non conditions to access credit and some forms of public sector assistance. However, farmers will not seek to register their land in the CAR to follow the steps for environmental compliance if they are not sure of being able to implement a mandatory environmental restoration plan. The project will assist beneficiaries of matching grants and technical assistance for business development in, among others (i) obtaining land titles, (ii) investing in their plot to comply with the forest code.

**55. Innovative solutions can foster sustainable forest management through economic and social inclusion, while delivering conservation and development dividends.** In the Amazonas State, the Bolsa Floresta Program is one of the largest payment-for-environmental services (PES) schemes in the world, reaching traditional populations living in State-owned protected areas (conservation units). The Bolsa Floresta Program includes a direct cash transfer of 600 Brazilian reais (approximately US\$150) per year to approximately 9,600 – primarily female-headed – household beneficiaries, contingent upon maintaining the native forest, and adopting measures for forest fire prevention and good forest management practices. Results achieved include an increase in familiar income, higher convergence of economic activities and conservation, and a commensurate reduction in deforestation with direct climate mitigation and adaptation benefits. The program also results in positive climate adaptation impacts, as Bolsa Floresta beneficiaries are among the poorest and most vulnerable to the adverse effects of climate change. The multiple benefits generated by this operation show the strong potential for integrated landscape approaches that involve multiple sectors to deliver economic, climate change, and environmental sustainability outcomes jointly. This operation will pursue the exchange of information with the = administration to evaluate ways to promote sustainable forest management, while addressing gender issues among family farmers.

**56. Development of capacities at the territory level and multi-agency coordination are critical for project implementation and post-project sustainability.** The improvement of technical and information systems capacity at central level is insufficient to imprint the necessary speed to land administration and environmental cadaster processes nor to provide suitable landscape management and technical solutions for businesses throughout Mato Grosso. In addition, effective coordination is needed among different institutions. Projects tend to be more efficient when the coordination of operations, financial management, monitoring and evaluation are centralized under the main implementing institution, but all the government partners with the necessary mandates are included and have clear roles, responsibilities, as well as adequate incentives and mechanisms for intervention. The project will assess the demand for public services and the existing institutional capacity of relevant agencies, to facilitate the process of designing appropriate institutional arrangements that aim at addressing specific gaps.

### III. IMPLEMENTATION ARRANGEMENTS

#### A. Institutional and Implementation Arrangements

**57. The State of Mato Grosso will be the Borrower for the loan, with the Federative Republic of Brazil serving as**

<sup>37</sup> The CAR sets a deadline for farmers to electronically register fragile areas (Permanent Preservation Areas – APP) and part of the original native vegetation (Legal Reserve – RL) in their properties, and to submit proposals for restoring their degraded areas if they are not compliant.



**the Guarantor.** The Secretariat of Family Agriculture (Secretaria Estadual de Agricultura Familiar – SEAF) will be the project implementing agency. SEAF will have the overall responsibility for the implementation of the project, including ensuring that sufficient counterpart resources to implement the project are foreseen in Mato Grosso's budget. A Project Management Unit (PMU) will be established within SEAF. The PMU will be responsible for the management and coordination of project activities including all of the project's fiduciary, safeguards, and monitoring and evaluation aspects, at both central and field levels. The PMU will also be responsible for project communications and stakeholder engagement.

**58. Three institutions will assist SEAF to carry out specific project activities under component 2:** the Land Institute of Mato Grosso (INTERMAT), the Mato Grosso General Comptroller of Justice Office (CGJ), and the Mato Grosso State Secretariat for the Environment (SEMA). The institutions and their roles and responsibilities in the project are detailed in Annex 1. Once the project is effective, SEAF will enter into Cooperation Agreements with INTERMAT, CGJ, and SEMA. The Cooperation Agreements will set out the obligations of each institution to assist in carrying out their respective project activities.

**59. SEAF will also recruit *Fundação Uniselva*<sup>38</sup> as a procurement agent, under a Procurement Agent Agreement.** Fundação Uniselva will assist in hiring staff for the PMU and partner institutions and to provide technical assistance and small-scale procurement services for subprojects. The fiduciary capacity of Fundação Uniselva was assessed during project appraisal as acceptable to the Bank. The Fundação Uniselva contract will be financed with the counterpart funds of Mato Grosso.

**60. Inter-agency coordination and oversight will be facilitated by a project Consultative Committee.** The committee will be comprised of representatives of SEAF, INTERMAT, CGJ, SEMA, EMPAER, PCI, the Governor's Office (Casa Civil), and SEFAZ. Component 1 will be furthermore supported by a Subproject Evaluation Committee. See additional detail in Annex 1.

## B. Results Monitoring and Evaluation Arrangements

**61. The PMU housed within SEAF will have overall responsibility for project data collection, monitoring and evaluation (M&E).** The M&E responsibilities include tracking progress on the indicators of the Results Framework at the end of each semester (biannually), as well as tracking project progress at the technical, fiduciary, and social and environmental levels. The PMU will coordinate the project M&E strategy, including the collection and systematization of data in collaboration with SEMA, INTERMAT, public and private sector service providers, and other partners as needed. Project data will be consolidated in a computerized information system that will be housed at SEAF within the PMU. One component of this system will be a comprehensive digital registry of beneficiaries reached by the project. The M&E approach will include feedback loops to allow beneficiaries, in particular historically marginalized groups (PIQCTs, women, youth) to express their views and share their concerns. Project M&E will follow the indicator definitions, data sources, and methodologies as set out in the Results Framework and detailed further in the POM.

## C. Sustainability

**62. The project has a strong focus on sustainability of project results.** Financial sustainability will be achieved through the leveraging of private finance through productive alliances under Component 1, leading to a more market-driven

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<sup>38</sup> Fundação Uniselva is a non-profit private law entity, created by Law No. 8.958/94, with the objective to provide executive, administrative and financial management support to public entities to execute their projects.



financing for climate resilient economic activities of family farmers. Socioeconomic sustainability will be achieved through the successful implementation of subprojects, which are anticipated to generate increased income to family farmers and PIQCTs. The project will promote participation and ownership for all participants in the productive alliances, with project beneficiaries taking on decision making, implementation, and cost sharing, thus increasing sustainability of the model. Finally, institutional sustainability will be achieved through the institutional strengthening activities under Component 2. These are expected to strengthen local and state operational capacities for environmental management and land tenure regularization, which will endure beyond the closing of the project.

#### IV. PROJECT APPRAISAL SUMMARY

##### A. Economic and Financial Analysis

**63. The project is expected to contribute to increased and more stable incomes of smallholder farmers** through: (i) adoption of practices and technologies that enhance agricultural and livestock productivity; (ii) adoption of practices that contribute to improved resilience to climate change and extreme weather events; (iii) enhanced processing efficiency, and (iv) improved quality of products and access to markets that remunerate quality.

**64. These benefits will be brought about by targeted technical assistance, investments in infrastructure and equipment, and changes in inputs and production factors use as designed in each PO business plan.** The project will focus on the most promising value chains for family agriculture in Mato Grosso from a financial return and competitiveness standpoint. These value chains are: a) milk and dairy products, b) fruit tree crops fresh and for pulp; c) fruit and vegetables, d) cassava; e) cocoa integrated in a agroforestry system, f) coffee, and g) beekeeping products. Interested producer groups, responding to market opportunities will ultimately determine the product mix of their business plans. The project is expected to support two types of Pos: (i) “commercial”, cooperatives, or associations with the aim to become cooperatives, that plan to sell as a group to formal private markets (wholesalers and retailers), (ii) “emerging”, associations that aim at improving the individual production of their members and organize and improve their sales, but do not aim at selling as a group yet, or aim at selling to institutional markets.

**65. For component 1, the economic analysis is based on a cash flow that considers the phasing in of the total estimated investment in producer organizations – direct (subprojects) and indirect (structuring of technical assistance services, management costs, etc.).** The overall project cash flow was constructed for “with” and “without” project intervention scenarios, as well and for the difference between these two. The analysis is made considering economic prices and accounts for estimated externalities in terms of carbon sequestration or avoided emissions estimated using Ex-act for the changes in land use described in each illustrative case. Key-indicators of the analysis are Project Net Present Value (NPV), and Project Economic Internal Rate of Return (EIRR). Component 2 will invest in strengthening existing government capacity for family farms, land administration and environmental legal compliance. It will add to multiple exiting efforts and sources of finance and therefore its economic and financial analysis as a whole is not granted.

**66. Results.** The economic analysis shows that the project is an economically viable investment for the economy. In the baseline scenario the project yields a 20 percent economic internal rate of return and a net present value of R\$ 298 million before accounting for environmental benefits from reducing GHG. The scenarios with economic benefits from reducing GHG are largely positive, signaling the potential carbon markets can have in the future in providing incentives for change (see the full economic and financial analysis in Annex 4 and the greenhouse gas analysis in Annex



5). The project is also considered to be aligned with Brazil's climate strategies and plans, and with the country's pathway towards climate-resilient development and low greenhouse gas emissions.

**67. Paris Alignment.** The operation is aligned with the goals of the Paris Agreement on both mitigation and adaptation. Assessment and reduction of adaptation risks: The main climate and disaster risks likely to affect the project, namely productive investments under subprojects, are drought and forest fire. The project design takes into consideration the drought, precipitation reductions, and forest fire risks that threaten the outcomes of the project. Specifically, climate change risks and vulnerability to precipitation reduction and soil water deficit will be managed and mitigated through targeted adaptation measures, by combining structural, nature-based, and soft adaptation solutions, including climate vulnerability diagnostics and the adoption of improved, climate-smart agriculture practices and technologies (component 1) as well as improved monitoring and control of forest fires (component 2). Promotion of climate-smart crop and silvopastoral systems that combine adapted crops, pasture, agroforestry, and livestock with soil and water management practices to make more efficient use of the resources and biodiversity, will enhance the resilience of family farmers and ecosystems to unreliable rains, high temperatures, drought, and forest fire. Through pre-investments for the preparation of CSA family farming business plans (Subcomponent 1.1) and improved land and environmental management (component 2), the project will build the capacity of family farms and the State's land and environmental institutions, respectively, to strengthen their resilience to climate risks through facilitating an enabling environment for the adoption of CSA practices and technologies, strengthening capacity to speed up land regularization processes for family farmers and improvement of forest monitoring system. Therefore, the operation adequately reduces the physical climate risks to the project outcomes, and the project's climate resilience and adaptation design considerations limit the exposure to a low level of residual risk.

**68. Assessment and reduction of mitigation risks:** The operation supports activities that are neutral or encourage the country's progress toward low-carbon development. Under component 1, the promotion and adoption of CSA practices and technologies, crop and livestock production using CSA approaches, and integrated land management (agroforestry) are on the Universally Aligned (UA) list and considered to be fully consistent with low-GHG development pathways. Component 1 activities in all value chains, including livestock, will promote intensification on existing productive areas with no expansion into areas of high carbon stocks or high biodiversity, as well as integrated land management such as integrated cropland-livestock-forestry systems, improved manure management, improved pasture management, and on-farm energy efficiency, among others (see Box 1); all of these activities are on the UA list. Under the context of family farms, the project's CSA livestock (dairy) investment is not only interlinked with silvopastoral agroforestry but also increases animal productivity while demonstrably decreasing the GHG intensity of the milk produced per animal (see Annex 5 for the project GHG assessment). Under component 2, support for environmental compliance with the Forest and improved monitoring and control of deforestation are on the UA list under the category of Economic Services (sub-category land administration and capacity building). Thus, the project is considered to be aligned with Brazil's climate strategies and plans, and with the country's pathway towards climate-resilient development and low greenhouse gas emissions.

## B. Fiduciary

### Financial Management



69. **Financial Management Assessment (FMA).** The Bank performed an FMA of SEAF<sup>39</sup> in accordance with the Bank Policy: Investment Project Financing and Bank Directive: Investment Project Financing and the Financial Management in Bank-Financed Operations and Other Operational Matters (effective September 7, 2021).

70. **Financial Management Assessment (FMA).** The Bank performed an FMA of SEAF<sup>40</sup> in accordance with the Bank Policy: Investment Project Financing and Bank Directive: Investment Project Financing and the Financial Management in Bank-Financed Operations and Other Operational Matters (effective September 7, 2021).

71. **The scope of the FMA included:** (i) an evaluation of existing FM systems to be used for project monitoring, accounting, and reporting; (ii) a review of staffing arrangements; (iii) a review of the flow of funds arrangements; (iv) a review of internal control mechanisms in place, including internal audit; (v) a discussion with regards to reporting requirements; and (vi) a confirmation of the external audit arrangements. FM arrangements should place emphasis on governance controls applicable to project components. This approach considers current procedures, norms, and the institutional capacity, and emphasizes simple procedures, with a high degree of transparency and accountability, and decision making and management responsibilities at the direct administration level.

72. **The existing Public Financial Management System of Mato Grosso has satisfactory internal rules and controls, with a clear definition of responsibilities and institutional arrangements.** The state's Secretariat of Family Agriculture - SEAF, in conjunction with the state's Secretariat of Planning and Management - SEPLAG-MT, are responsible for budget preparation, treasury management and accounting functions. The CGE-MT carries out internal audits overseeing the budget and is responsible for fighting acts of corruption and enhancing transparency within the state public administration. The State Court of Accounts (TCE) (i.e., the subnational supreme audit institution) has the mandate to audit all public expenditures. Both the TCE-MT and CGE-MT have sufficient autonomy and their recommendations are generally implemented.

73. **The overall conclusion of the FMA is that:** (i) the FM arrangements for the proposed project are considered acceptable;<sup>41</sup> (ii) the funds flow, disbursements, monitoring, auditing, and supervision arrangements have been designed in a way to respond to the project's implementation arrangements; and (iii) the overall FM residual risk rating after mitigation measures applied is **Substantial**. There are no FM-related conditions for negotiations, board and/or effectiveness.

74. **The FMA identified the following risk to the achievement of the Project Development Objective:** (i) the nature of the project design involving multi-executing agencies<sup>42</sup> and multiple flow of funds", (ii) activities would be implemented at the decentralized level, with potential delays to project implementation, (iii) SEAF/Uniselva's lack of

<sup>39</sup> "Secretaria de Estado de Agricultura Familiar" or Secretariat of Family Agriculture. The FMA was performed in accordance with OP/BP 10.00, the Financial Management in Bank-Financed Operations and Other Operational Matters (effective September 7, 2021).

<sup>40</sup> "Secretaria de Estado de Agricultura Familiar" or Secretariat of Family Agriculture. The FMA was performed in accordance with OP/BP 10.00, the Financial Management in Bank-Financed Operations and Other Operational Matters (effective September 7, 2021).

<sup>41</sup> Arrangements are acceptable if they are considered capable of recording correctly all budgets, transactions, and balances, supporting the preparation of regular and reliable financial statements, safeguarding the entity's assets, and are subject to auditing arrangements acceptable to the Bank.

<sup>42</sup> SEMA - Secretaria de Meio Ambiente, Mato Grosso General Comptroller of Justice Office (CGJ) , INTERMAT- Instituto de Terras de Mato Grosso, and Fundação UNISELVA.



FM personnel exclusive to manage the project, and (iv) SEAF/Uniselva lack of experience with Bank's policies and procedures with potential delays in contract bidding processes and disbursements at the start of implementation.

**75. Mitigation measures to address the above risks include:** (i) and (ii) continued close Bank's support and supervision, and CGE/MT review of the project internal control adequacy; (iii) appointment of two fully dedicated financial management staff well conversant with the World Bank procedures for project financial management which will monitor the timely decentralized implementation; and (iv) staff should participate in all offered fiduciary training throughout project's life.

**76. Integrated Fiduciary Risk Rating:** The integrated fiduciary risk, which assess the likelihood and impact of the FM risk and procurement risk, considering governance and anti-corruption risks, that funds will not be used for intended purposes to achieve value for money with integrity in delivering sustainable development is assessed as **Substantial**.

## **Procurement**

**77. All project procurement will be carried out in compliance with the applicable World Bank procurement guidelines and procurement policies for Investment Project Financing** (Procurement Regulations for IPF Borrowers, issued on July 2016, revised on November 2017, August 2018, November 2020, and September 2023 - "Procurement Regulations"). Procurement arrangements shall be in line with all major aspects of the operation and they shall observe features and context described in the Project Procurement Strategy for Development (PPSD document) prepared by the Borrower. Procurement planning for the proposed project shall follow provisions outlined in paragraph 5.9 of the above mentioned "Procurement Regulations" and the Bank's Systematic Tracking and Exchanges in Procurement (STEP) system will be used to prepare, clear and update Procurement Plans and conduct all procurement transactions for the project.

**78. The project's implementation arrangements in terms of procurement aspects shall be clearly reflected in the Project's Operational Manual.** These include arrangements with *Fundação Uniselva* that SEAF will recruit as a procurement agent to assist in hiring staff for the PMU and partner institutions and to provide technical assistance and small-scale procurement services for subprojects. The procurement capacity of Fundação Uniselva was assessed as acceptable to the Bank, provided they undergo training provided by the Bank. The Uniselva contract will be financed with the counterpart funds of Mato Grosso.

**79. All project procurement shall be planned and managed through the Bank's online procurement planning and tracking tool** described in the Procurement Regulations for IPF Borrowers (paragraph 5.9), Systematic Tracking and Exchanges in Procurement (STEP), that is the mandatory system to be used to prepare, clear and update Procurement Plans and conduct all procurement transactions for the project. The project's procurement plan shall be uploaded into STEP and approved by the Bank before negotiations. The Bank's team will provide training and support aiming at a smooth operation of the mentioned system. All procurement to be processed by Fundação Uniselva will be reflected in the procurement plan in STEP.

**80. The PSD has been prepared by the Borrower and approved by the Bank on March 2023.** It draws a procurement strategy and arrangements that are proportional to the risk and estimated value of all contracts that will be executed during project implementation. This approach will be reflected in the Procurement Plan to be uploaded in STEP.

**81. A Special Bidding Committee will be established at the PMU/SEAF and will be responsible for executing and coordinating procurement activities,** with support from the borrower's technical teams. All communication with the



World Bank for missions, Procurement Plan (STEP) updates, non-objection requests, accountability, progress reports, among others, will be done through the PMU.

**82. An initial Procurement Capacity Assessment of the PMU/SEAF and Fundação Uniselva has been carried out during preparation phase.** This assessment has considered both entities to have the minimum necessary experience and staff to answer to the project's procurement needs, provided that they attend procurement training to be provided by the Bank.

### C. Legal Operational Policies

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Area OP 7.60	No

### D. Environmental and Social

**83. The environmental risk rating of the project is Moderate, whereas the social is Substantial.** The project will support the adoption of climate-smart technologies and measures focusing on climate mitigation and adaptation as well as the improvement of production processes and value addition in key value chains, through the development of diagnostics and matching grants for investment subprojects potentially including minor on-farm infrastructure including water-efficient irrigation; plantations; energy, soil, water, vegetation and biodiversity conservation measures; provision and utilization of inputs, equipment and tools; and off-farm infrastructure for storage, processing and packaging.

**84. The Project is expected to generate mostly positive environmental, social and economic benefits to family farms including PIQCTs.** It may contribute to reduce rural poverty, avoid rural-urban migration and increase the resilience and the coping capacity of these disadvantaged and vulnerable social groups in face of the adverse effects exacerbated by climate change on their livelihoods, food security and well-being. There are, however, a few environmental and social risks. Under Component 1, the project will finance Business Plans proposed by Producers' Organizations in eight priority value chains (milk, fruits, horticulture, cassava, coffee, cacao, honey, non-timber forest products) that are the most relevant for family farms in Mato Grosso. The implementation of these Business Plans may cause limited, temporary and reversible environmental impacts such as erosion, pollution and contamination of soil and/or water from waste and chemicals, or unsustainable use of non-timber forest products, for which preventive and mitigatory measures have been identified in the project's draft Environmental and Social Management Framework (ESMF). Additionally, expected improvements in productive outcomes derived from the implementation of Business Plans might inadvertently result in the expansion of production areas over natural habitats, increasing deforestation and environmental degradation, a risk mitigated by the exclusion list (no subprojects with habitat conversion) and sustainability guidance to be provided by rural technical assistants, in addition to other measures defined in the ESMF. On the social side, there are three main risks related with the distinct obstacles that disadvantaged and vulnerable



social groups and individuals – a) the poor family farmers;<sup>43</sup> b) the female family farmers;<sup>44</sup> and c) Indigenous Peoples, *Quilombolas*, and Traditional Peoples and Communities – may face to have an effective participation in project's activities and to get an equitable share of its benefits.<sup>45</sup> The implementation of project activities in remote and hard to supervise areas brings two potential sets of risks: those related to working conditions and the protection of the labor force<sup>46</sup> as well as those related to temporary project induced labor force (such as increased volume of traffic and higher risk of accidents, increased demands on the ecosystem and natural resources, social conflicts within and between communities, fraternization, increased risk of spread of communicable diseases and sexual misconduct).<sup>47</sup> Finally, proper environmental and social risk management may be hampered by the lack of previous experience of the Borrower with the World Bank's Environmental and Social Standards.<sup>48</sup>

**85. To manage these environmental and social risks and considering that the project consists of a series of subprojects (for which risks and impact cannot be defined yet), the Borrower has carried out a first round of consultations with key stakeholder on the project scope and its potential risks and impacts.** Consultations were held with key stakeholders within family farming – including the State Council for Sustainable Rural Development, the State Council for Traditional Peoples and Communities and representative organizations of Indigenous Peoples and *Quilombola* Communities. The feedback from these consultations led to changes in project design – including: i) the redefinition of the criteria for eligibility to the financing of Business Plans;<sup>49</sup> the adoption of two special conditions for participation in the emerging grant window – the option to provide *in kind* counterpart compensation and the waiver

<sup>43</sup> Thus, the social assessment carried out under the ESMF shows there is a risk that poor family farmers may be excluded from benefiting from the Project due to the risk of investing their scarce assets in new productive technologies and practices and to commit with the recovery of degraded areas, for which returns may not be fully understood or as fast as they need.

<sup>44</sup> The risk has also been identified that female family farmers may also be excluded from fully benefiting from Project activities and benefits due to traditional barriers that may hamper their participation (invisibility of their economic activities to male-oriented agricultural extension workers, least control of productive assets, heavy domestic workload, traditional cultural norms, etc.).

<sup>45</sup> Finally, it has been assessed that the goal of reducing the economic marginalization of Indigenous Peoples, *Quilombolas*, and Traditional Communities needs to be adequately balanced with the full respect for: a) their visions of well-being and their aspirations, which may be distinct from mainstream groups in the national society; b) their rights, identity and culture; c) their traditional knowledge about the geographically distinct habitats they are collectively attached to; and d) their natural resource-based livelihoods.

<sup>46</sup> As the support of Business Plans proposed by Producers' Organizations envisages *in kind* counterpart compensation, work related to core functions of the Project may be provided by community workers and measures have to be taken to ensure that such labor will be provided on a voluntary basis as an outcome of individual or community agreement, will not rely on child labor and will incorporate all measures needed to ensure occupational health and safety measures.

<sup>47</sup> As the civil works to be supported by the project are expected to be of small-scale, the induced labor influx is not expected to affect project areas negatively in terms of public infrastructure, utilities, housing, sustainable resource management and social dynamics. However, it is necessary to consider potential risks of fraternization and sexual misconduct and foresee adequate risk management measures to be incorporated in all bidding documents for hiring contractors.

<sup>48</sup> The Project is not expected to require land acquisition or lead to restrictions on land use. As set in the Project's Environmental and Social Management Framework (and replicated in the Project's Environmental and Social Commitment Plan), the Project's Exclusion List includes the provision that the project will not finance any activities that may directly require land acquisition or impose restrictions on land use. Investments in land regularization will only benefit family farmers who already occupy and use state owned lands. Family farmers will exclusively enroll in environmental regularization activities on a "voluntary basis".

<sup>49</sup> The social assessment has identified that an early criterion of eligibility – the presentation by the family farmers of individual DAPs – constituted a barrier for the participation of many potential beneficiaries (particularly female family farmers, Indigenous Peoples, *Quilombolas*, and Traditional Communities). In response to this finding, the criterion was replaced by the presentation of the DAP of the Producers' Organization.



of the requirement of leveraging business plan financing from commercial banks – aimed at enabling the participation of poor, disadvantaged and vulnerable family farmers;<sup>50</sup> and iii) the establishment of the earmarked funds for financing Business Plans proposed by Indigenous Peoples, *Quilombolas*, and Traditional Communities, for which “calls of proposal” will be further detailed during project implementation and in consultation with these social groups.

**86. Further addressing the environmental and social risks, the Borrower has also prepared:**

- A draft Environmental and Social Management Framework (ESMF) that: a) identifies potential environmental and social vulnerabilities of the areas of intervention, giving special attention to gender and social inclusion issues; b) develops environmental and social screening criteria for subproject selection, which will also be integrated in procurement documents and approved subproject proposals and count with an Exclusion List; c) sets out principles, rules, guidelines and procedures to assess the environmental and social risks and impacts of each project activity; and d) proposes measures and plans to avoid, reduce and mitigate adverse impacts. The Social Impact Assessment developed in the scope of the ESMF has incorporated a gender sensitive lens, paid special attention to distributive impacts on disadvantaged and vulnerable social groups, considered potential impacts of land regularization activities, and assessed the institutional capacity of the Borrower to manage environmental and social needs as well as their capacity building needs. The draft SEP will be disclosed for virtual consultation before Appraisal. Its final version will be disclosed on the dedicated project website within 30 days after effectiveness.
- A draft Stakeholder Engagement Plan (SEP) aimed at ensuring that (i) meaningful consultations with key stakeholders (and particularly, disadvantaged and vulnerable individuals and social groups such as female family farmers, Indigenous Peoples, *Quilombolas* and Traditional communities) occur throughout project implementation; (ii) stakeholders continuously have adequate access to relevant project information; and (iii) stakeholders continuously have access to channels that will facilitate the resolution of concerns and grievances related with environmental and social aspects of the project. These channels to address and respond project-related grievances will be based on SEAF’s sectoral Ombudsman Office, which is integrated to the State Ombudsman Office network. It allows for anonymous grievances and for an appeal process in the case of a complainant that is not satisfied with the response provided. It also includes specific procedures to ensure confidentiality when addressing Gender Based-Violence (GBV) or Sexual Exploitation and Abuse & Sexual Harassment (SEA/SH) complaints and to refer them to service providers for case referrals. SEAF’s Ombudsman Office (as well as the ombudsmen of partnering agencies – SEMA and INTERMAT) will receive guidance on how to identify, channel and report on project-related grievances. The draft SEP will be disclosed for virtual consultation before Appraisal. Its final version will be disclosed in the dedicated project website within 30 days after effectiveness.
- A draft Indigenous Peoples Planning Framework (IPPF) aimed at enhancing opportunities for Indigenous Peoples to participate in (through meaningful consultations) and benefit from the project in ways that do not threaten their unique cultural identities and well-being. The draft IPPF proposes a minimal Exclusion List, prohibiting project-financing of Business Plans proposed by IPs’ Producer Organizations that: a) have adverse impacts on land and natural resources subject to traditional ownership or under customary use or occupation by Indigenous Peoples; b) cause relocation of Indigenous Peoples from land and natural resources subject to traditional ownership or under customary use or occupation; c) have significant impacts on Indigenous

<sup>50</sup> The social assessment has identified that requiring the payment in cash of the Producers’ Organizations/family farmers’ counterpart compensation could bar the participation of the worse-off family farmers, whose on-farm incomes are not high enough even for their subsistence needs. This would also be detrimental to female family farmers who are overrepresented among the worse-off family farmers (please refer to Annex # - Gender Action Plan).



Peoples' cultural heritage that is material to the identity and/or cultural, ceremonial, or spiritual aspects of the Indigenous Peoples; and/or d) lead to undesired contacts with Indigenous Peoples "in voluntary isolation," "isolated peoples" or "in initial contact". It also proposes general principles, rules and procedures for disclosing information and carrying out consultations with them as well as for ensuring that their proposals of Business Plans will foster the respect for their human rights, dignity, aspirations, identity, culture, and natural resource-based livelihoods, avoid adverse impacts, promote sustainable development benefits and opportunities in a manner that is accessible, culturally appropriate and inclusive, and avoid the emergence or exacerbation of internal conflicts and schisms among the beneficiary IPs. The draft IPPF will be disclosed for virtual consultation with the relevant stakeholders before Appraisal. Its final version will be disclosed on the dedicated project website within 30 days after effectiveness.

- Labor Management Procedures (LMP) aimed at ensuring appropriate terms and working conditions for project workers. The LMP assesses the potential risks faced by different project workers, sets requirements to ensure project workers' occupational health and safety and to avoid child labor and forced labor. SEA/SH risks (both with regards to female project workers and female members of beneficiary communities) have been assessed as being moderate and the LMP include strict measures (a "code of conduct") to mitigate the risk of sexual exploitation and abuse (SEA)/sexual harassment (SH) or misconduct in the workplace or when engaging with communities. This "code of conduct" will be incorporated as a compulsory rule in all bidding documents for hiring contractors. The project's LMP will be disclosed within 30 days after project Effectiveness.

## V. GRIEVANCE REDRESS SERVICES

**87. Grievance Redress.** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the Bank's Grievance Redress Service (GRS), please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the Bank's Accountability Mechanism, please visit <https://accountability.worldbank.org>.

## VI. KEY RISKS

**88. The project's overall risk to achieve the PDO has been defined as Substantial at this stage.** The individual risks are ranked in the Systematic Operations Risk Rating Tool and described below.

**89. Institutional implementation capacity and sustainability risks are rated as Substantial.** The risks associated with the institutional implementation of the project lie on the complexity of its design which will involve and rely on the coordination of several institutions. SEAF will have the role to share coordination, monitoring, and reporting on the project's activities and results with Fundação Uniselva, CGJ, INTERMAT and SEMA, which might incur in additional



challenges and risks that will be reassessed and mitigated as the preparation of the operation progresses. To mitigate these risks, a PMU would be established at the SEAF's Cabinet Office with a team including a project coordinator, and senior specialists on financial management, procurement, safeguards and communications. Consultants' support would be hired as needed. The World Bank would support the PMU with training and technical assistance during the implementation of the project.

90. **Fiduciary risk is rated Substantial.** At this stage, the residual Financial Management Risk is assessed as **Substantial**. Currently, the main risks associated with achieving the PDO are: i) the nature of the project design involving collaboration among multiple agencies (SEAF, CGJ, INTERMAT, SEMA) and ii) SEAF's lack of prior experience with World Bank projects. The Fiduciary risk rating will be reviewed and updated during project preparation, based on new developments and the impact of any mitigation measures that may be taken (eg. capacity building of fiduciary teams; preparation of the POM which will describe the main fiduciary procedures and controls, etc). The residual Procurement risk is rated **Substantial**. This rating is rooted in the procurement capacity assessment carried out of the proposed Implementing Agency (IA) (SEAF) and Fundação Uniselva, in the design arrangement to decentralize procurement activities to Producers Organizations (POs) supported by the project and to use Fundação Uniselva to process the section of Individual Consultants. Procurement assessment has reviewed: (i) Internal Manuals and Clarity of the Procurement Process; (ii) Record Keeping & Document Management Systems; and (iii) Contract Management and Administration at central and field levels, (iv) current procurement experience and amounts procured. Most of the issues/risks concerning the procurement function for implementation of the project identified at the moment are weaknesses in the capacity of SEAF's administrative staff to carry out procurement transactions under the Bank's regulations and procedures. The Bank's procurement team will maintain a continuous dialogue with SEAF and Fundação Uniselva to build the procurement documents and processes for the application of all procedures required by Bank's procurement framework, mainly those described in the Procurement Regulations for IPF Borrowers. Mitigation measures will be proposed given the inherent risks in procurement and incorporated the PPSD. Most of the mitigation measures fall within the realm of the Client's actions, but the Bank's team will deliver training, monitor and propose additional mitigation measures if needed. The Client should submit an action plan for the Bank's review, noting its plan to put in place all proposed mitigation measures for this operation.

91. **Integrated environmental and social risks are rated Substantial.** Environmental risks are considered **Moderate** at this time, pending further detailing of the types of activities and subprojects to be financed under the project. At this stage, the main environmental risks are associated to interventions in family farmers' holdings to improve productivity, including small infrastructure, irrigation, agricultural inputs, equipment and tools and other production and processing related support, which may cause limited, temporary and reversible environmental impacts if preventive and mitigation measures are not properly implemented and monitored, such as erosion, pollution and contamination of soil and/or water from waste and chemicals. Strong technical assistance and incentives to sustainable production will be necessary to avoid increased deforestation and environmental degradation. The social risks are rated **Substantial** as the project needs to ensure proper processes of consultation, engagement and benefit sharing for Indigenous Peoples, traditional communities, women and disadvantaged and vulnerable social groups as well as to avoid health and safety risks to which project workers and beneficiary communities may be exposed in remotely located areas. To deal with these potential environmental and social risks, during preparation, SEAF/MT (the implementing agency) will:

- Prepare, disclose and carry out a public consultation of a draft version Environmental and Social Management Framework (ESMF), which will identify potential environmental and social impacts (taking particular consideration of gender and social inclusion aspects as well as potential risks to community safety) and propose standard measures to minimize and mitigate these impacts;



- Prepare, disclose and carry out a consultation with Indigenous Peoples representative organizations of the 43 Indigenous Peoples present in Mato Grosso and other interested parties of a draft version of an Indigenous Peoples Planning Framework (IPPF);
- Prepare, publicly disclose and carry out a public consultation of a draft version of a Stakeholder Engagement Plan (SEP), which will pay special attention to the needs of each disadvantaged and vulnerable group to facilitate the consultation and engagement with these groups as well as to collect their feedback and address in a culturally adequate manner the concerns they may raise;
- Prepare and publicly disclose Labor Management Procedures (LMP) considering and proposing measures to ensure that: a) employment or engagement in connection with the project will proscribe all forms of child or forced labor; b) adequate terms and conditions of employment will be provide to project workers and enforced; c) Occupational Health and Safety measures will be designed and implemented according to best GIIP; and d) contractors adopt and follow a strict Code of Conduct for Workers avoiding SEA/SH behaviors, discrimination, and disrespect for cultural norms and values of the beneficiary communities.

**92. The final versions of these E&S Risk Management instruments will be prepared – incorporating the feedback collected through the consultation process – and disclosed within 30 days after project effectiveness.**



## VII. RESULTS FRAMEWORK AND MONITORING

### PDO Indicators by PDO Outcomes

Baseline	Period 1	Period 2	Period 3	Period 4	Period 5	Closing Period
<b>Increased access to markets</b>						
<b>Increase in gross value of sales by family farmers participating in approved subprojects (Percentage)</b>						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0	0	0	0	0	30.00
➤ Increase in gross value of sales among women-led family farms participating in approved subprojects (Percentage)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0	0	0	0	0	30.00
➤ Increase in gross value of sales among youth-led family farms participating in approved subprojects (Percentage)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0	0	0	0	0	30.00
➤ Increase in gross value of sales among family farmers belonging to PIQCT communities participating in approved subprojects (Percentage)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0	0	0	0	0	30.00
<b>Increased climate resilience (improved, climate-smart agriculture practices &amp; technologies)</b>						
<b>Farmers adopting improved agricultural technology (Number) <sup>CRI</sup></b>						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0	0	2500	0	0	9000.00
➤ Farmers adopting improved agricultural technology - Female (Number) <sup>CRI</sup>						
0.00	0	0	500	0	0	1800
➤ Farmers adopting improved agricultural technology - male (Number) <sup>CRI</sup>						
0.00	0	0	2000	0	0	7200
➤ Farmers adopting improved agriculture technology - youth (Number)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0	0	750	0	0	2,700.00
➤ Farmers adopting improved agriculture technology - PIQCTs (Number)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030



0.00	0	0	375	0	0	1,350.00
<b>Improved land and environmental management</b>						
<b>Family farmers benefited with improved environmental and land regularization services (Number)</b>						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0	2500	6045	9590	11900	12,900.00

### Intermediate Indicators by Components

Baseline	Period 1	Period 2	Period 3	Period 4	Period 5	Closing Period
<b>Component 1: Climate-smart economic inclusion</b>						
<b>CSA Family Business Plans prepared and implemented (Number)</b>						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0	90.00	38	90	116	128.00
➤ CSA Family Business Plans led by women (Number)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0	0	6	14	17	19.00
➤ CSA Family Business Plans led by youth (Number)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0	0	6	14	17	19.00
➤ CSA Family Business Plans implemented in PIQCT communities (Number)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0	0	6	14	17	19.00
<b>Family farmers receiving technical assistance to implement CSA Family Business Plan activities (Number)</b>						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0	0	2500	0	0	9,000.00
➤ Women family farmers trained (Number)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0	0	500	0	0	1800.00
➤ Youth family farmers trained (Number)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0.00	0.00	750	0.00	0.00	2700.00
➤ Family farmers belonging to PIQCT communities trained (Number)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030



0.00	0.00	0.00	375.00	0.00	0.00	1,350.00
<b>Increase in the number of new markets accessed by Producer Organizations benefitting under the project (Percentage)</b>						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0.00	0.00	0.00	20.00	0.00	30.00
<b>Percentage of subprojects implementing according to the proposed business plan activities (Percentage)</b>						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0.00	80.00	80.00	80.00	80.00	80.00
<b>Component 2: Improved land and environmental management</b>						
<b>State settlements with geo-referencing finalized (Number)</b>						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0.00	10.00	20.00	35.00	35.00	35.00
<b>Number of families in georeferenced State settlements with finalized occupational inspection reports due to project support (Number)</b>						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0.00	0.00	545.00	1090.00	1,900.00	1,900.00
<b>Number of families in the State settlements that receive land regularization titles due to project support (Number)</b>						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0.00	0.00	0.00	370.00	742.00	1,300.00
<b>&gt; Number of land regularization titles issued in the name of women due to project support (Number)</b>						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0	0	0	55	110	195
<b>Family farming establishments with validated Rural Environmental Registry (CAR) under the Brazilian Forest Code due to project support (Number)</b>						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0.00	2,500.00	5,500.00	8,500.00	10,000.00	11,000.00
<b>Reduction in the average number of days between family farmer submission to CAR and validation of CAR (Days)</b>						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
730.00	730.00	180.00	180.00	180.00	180.00	180.00
<b>Subprojects with carbon balance assessment of primary production (Number)</b>						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0	0	0	0	0	10.00
<b>Anthropological Reports in Quilombola communities prepared by the project (Number)</b>						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0.00	5.00	15.00	30.00	40.00	40.00
<b>Component 3: Project management and coordination</b>						



Number of families directly benefitting under the project. (Number)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0.00	2,000.00	7,200.00	12,000.00	13,500.00	15,000.00
Beneficiaries satisfied with services received under the project (Percentage)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0.00	80.00	80.00	80.00	80.00	80.00
➤ PIQCT beneficiaries satisfied (Percentage)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0.00	80.00	80.00	80.00	80.00	80.00
➤ Women beneficiaries satisfied (Percentage)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0.00	80.00	80.00	80.00	80.00	80.00
➤ Youth beneficiaries satisfied (Percentage)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	0.00	80.00	80.00	80.00	80.00	80.00
Complaints and inquiries received through the Grievance Redress Mechanism recorded and resolved effectively (Percentage)						
Dec/2023	May/2025	May/2026	May/2027	May/2028	May/2029	May/2030
0.00	100.00	100.00	100.00	100.00	100.00	100.00
Component 4: Contingency Emergency Response Component						

#### Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Increase in gross value of sales by family farmers participating in approved subprojects	The indicator will measure, in real terms, the increase in gross value of sales by family farmers participating under component 1.	The indicator will be measured once at project beginning	Project data collection as part of project M&E approach.	The increase in gross value of sales will be measured for families participating in the subprojects as compared to a control	SEAF



		(baseline), once at midterm (MTR), and once at project closing (evaluation).		group. A baseline study will be carried out to determine the gross sales value before the project interventions. The survey will be repeated in the Mid-Term and Final Evaluation. The indicator value will be adjusted for inflation (using the Extended National Consumer Price Index - IPCA).	
Increase among women-led family farms participating in approved subprojects					
Increase among youth-led family farms participating in approved subprojects					
Increase among family farmers belonging to PIQCT communities participating in approved subprojects	PIQCT refers to Indigenous Peoples and other Traditional People and Communities				
Farmers adopting improved agricultural technology	This indicator measures the number of farmers (of agricultural products) who have adopted an improved agricultural technology	This indicator will adapt the core results indicator to measure the	Project data collection as part of project M&E approach.	The increase in gross value of sales will be measured for families participating in the subprojects as	SEAF



	promoted by operations supported by the World Bank.	number of family farmers adopting improved, <b>climate-smart</b> agriculture practices and technologies under component 1. The indicator will be measured at MTR and at project closing (impact evaluation).		compared to a control group. The Mid-Term and Final assessments will track the number of beneficiaries who effectively adopt the practices for at least 1 year.	
Farmers adopting improved agricultural technology - Female					
Farmers adopting improved agricultural technology - male					
Farmers adopting improved agriculture technology - youth					
Farmers adopting improved agriculture technology - PIQCTs	PIQCT refers to Indigenous Peoples and other Traditional People and Communities				



Family farmers benefited with improved environmental and land regularization services	This indicator will measure the number of family farmers receiving support for land and environmental regularization activities under component 2. The target is composed of the beneficiaries of the 11,000 CARs (environmental regularization) added to the 1,700 beneficiaries with finalized occupational inspection reports (land regularization).	Annual	Project Monitoring System, INTERMAT and SIMCAR.	Survey of beneficiaries and site visits, with data to be consolidated as part of project M&E at SEAF. Tracking of the indicator will account for the number of families that received actions related to land and environmental regularization, without double counting.	SEAF, INTERMAT, SEMA
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**Monitoring & Evaluation Plan: Intermediate Results Indicators**

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
CSA Family Business Plans prepared and implemented	This indicator will measure the number of business plans that have concluded their physical implementation.	Annual	Data will be collected through site visits and integrated into the project M&E system.	SEAF will collect and consolidate data in a project database of business plans submitted, approved, and their implementation status.	SEAF
CSA Family Business Plans led by women					
CSA Family Business Plans led by youth					



CSA Family Business Plans implemented in PIQCT communities	PIQCT refers to Indigenous Peoples and other Traditional People and Communities				
Family farmers receiving technical assistance to implement CSA Family Business Plan activities	This indicator will measure the number of project beneficiaries receiving technical assistance to implement activities included in CSA Family Business Plans under component 1. Technical assistance will focus on adoption of climate-smart agriculture practices to improve climate resilience together with other good practices related to production, environmental compliance, and agribusiness.	Annual	Participation data will be collected at technical assistance visits and integrated into the project M&E system.	Participation registration will be done by the Cadastro de Pessoa Física (CPF) so as not to overestimate the participation of beneficiaries.	SEAF
Women family farmers trained					
Youth family farmers trained					
Family farmers belonging to PIQCT communities trained	PIQCT refers to Indigenous Peoples and other Traditional People and Communities				
Increase in the number of new markets accessed by Producer Organizations benefitting under the project	This indicator will measure the percentage increase in the number of markets to	Annual	Data will be collected through	Data will be collected from POs participating under both windows 1	SEAF



	which Producer Organizations benefitting under the project are selling.		beneficiary surveys and site visits and integrated into the project M&E system.	and 2 under component 1.	
Percentage of subprojects implementing according to the proposed business plan activities	This indicator evaluates whether subproject activities are carried out in accordance with the business plan.	Annual	Data will be collected through beneficiary surveys and site visits and integrated into the project M&E system.	Criteria for evaluating this indicator will follow the protocol for monitoring the implementation of business plans established in the MOP. This indicator will be measured from the second/third year onwards, when the first business plans begin implementation.	SEAF
State settlements with geo-referencing finalized	This indicator will measure the number of State Settlements that receive support to undertake a critical component of the land regularization process: geo-referencing.	Annual	INTERMAT database of State settlements and their status of land regularization, to be incorporated into the	State settlement survey and site visits.	INTERMAT, SEAF



			project M&E system.		
Number of families in georeferenced State settlements with finalized occupational inspection reports due to project support	This indicator will measure the number of families (family farmers) in georeferenced State Settlements targeted by the project that have had their Occupational Inspection Reports carried out and finalized, a critical component of the land regularization process.	Annual	Survey of state settlements and site visits, to be incorporated into the project M&E system.	Progress toward this indicator will only be counted where the State settlement has already completed the geo-referencing process.	INTERMAT, SEAF
Number of families in the State settlements that receive land regularization titles due to project support	This indicator measures the number of families (family farmers) with land titles issued with support from INTERMAT in the State settlements targeted by the project. The 1,300 beneficiaries are a subset of the 1,700 that will have finalized occupational inspection reports, which are required to have for the land titles to be issued.	Annual	Survey of state settlements and site visits, to be incorporated into the project M&E system.	INTERMAT, SEAF	
Family farming establishments with validated Rural Environmental Registry (CAR) under the Brazilian Forest Code due to project support	This indicator will measure the number of family farmers with a validated CAR supported by the project.	Annual	SEMA information system (SIMCAR), which will	Beneficiary survey and site visits.	SEMA, SEAF



			form part of project M&E at SEAF		
Reduction in the average number of days between family farmer submission to CAR and validation of CAR	This indicator will measure the average reduction in time needed for SEMA to validate entries to CAR submitted by family farmers.	Annual	SEMA information system (SIMCAR), which will form part of project M&E at SEAF	Tracking of time between entry and validation of CAR in SIMCAR	SEMA, SEAF
Anthropological Reports in quilombola communities prepared by the project	This indicator will measure the number of Anthropological Reports prepared for quilombola communities under the project.	Annual	The data will be reflected in the project M&E system,	Data will be collected by SEAF and integrated into the project M&E system.	SEAF
Subprojects with carbon balance assessment of primary production	This indicator will measure the number of subprojects under component 1 that complete assessments of the on-farm carbon balance of primary production activities (crops, livestock, vegetation). The assessments will also estimate the economic and financial return on mitigation interventions. Value chain-appropriate	Carbon balance assessment to be undertaken once per subproject.	On-farm data collection and reliance on figures from the literature (e.g. emission factors) where necessary. Data collected to	To be determined according to the carbon balance assessment tool used.	SEAF, SEMA



	tools will be utilized for each subproject e.g. for dairy activities, the interactive version of the Global Livestock Environmental Assessment Model (GLEAM-i) may be used. For each estimation, a "with" and "without" project scenario will be generated, enabling estimation of project contributions to carbon balance changes.		be included in project M&E at SEAF for subproject monitoring.		
Number of families directly benefitting under the project.	This indicator will measure the number of families (family farms) benefitted directly by the project, under both components 1 and 2. The target takes into account the fact that an estimated 6,700 family farmers are expected to benefit under both component 1 and component 2 to avoid double counting.	Annual	ProjectSA	SEAF	
Beneficiaries satisfied with services received under the project	This indicator will measure the percentage of beneficiaries reporting as satisfied with services - including technical assistance and training	The indicator will be evaluated twice at MTR and in	Beneficiary survey.	The survey will cover beneficiary satisfaction to the major lines of services and assistance provided by the project: technical	SEAF



	under component 1 and land and environmental regularization services under component 2 - received under the project.	the final project evaluation.		assistance and training under component 1 and land and environmental regularization services under component 2.	
PIQCT beneficiaries satisfied	PIQCT refers to Indigenous Peoples and other Traditional People and Communities				
Women beneficiaries satisfied					
Youth beneficiaries satisfied					
Complaints and inquiries received through the Grievance Redress Mechanism recorded and resolved effectively	This indicator will measure the percentage of complaints and inquiries received through the project's Grievance Redress Mechanism that are recorded and resolved in a professional and timely manner.	Annual	Data collected through the Project Grievance Redress Mechanism	Complaints will be received and recorded through the project Grievance Redress Mechanism. A qualitative evaluation of the resolution for each complaint will be included in project M&E.	SEAF



## ANNEX 1: Implementation arrangements and support plan

1. **Borrower and implementing agency.** The State of Mato Grosso will be the Borrower for the loan, with the Federative Republic of Brazil serving as the Guarantor. The Secretariat of Family Agriculture (Secretaria Estadual de Agricultura Familiar – SEAF) will be the project implementing agency. SEAF will have the overall responsibility for the implementation of the project, including ensuring that sufficient counterpart resources to implement the project are foreseen in Mato Grosso's budget.
2. **Institutional arrangements.** Three institutions will assist SEAF to carry out specific project activities under component 2: the Land Institute of Mato Grosso (INTERMAT), the Mato Grosso General Comptroller of Justice Office (CGJ), and the Mato Grosso Secretariat for the Environment (SEMA):
  - (a) The **Land Institute of Mato Grosso (INTERMAT)** implements land policy and manages cartographic information in Mato Grosso, contributing to sustainable regional planning and development. Under Subcomponent 2.1, INTERMAT will supervise georeferencing activities and implementation of occupational surveys and processing of land titling for the selected Settlements.
  - (b) The **Mato Grosso General Comptroller of Justice Office (CGJ)** regulates and inspects the notarial offices (cartórios), used for land registration, and mediates potential land conflicts. Under subcomponent 2.1, CGJ will support the land regularization processes for project beneficiaries and mediate potential land conflicts, including *inter alia* coordinating and monitoring the team of specialists hired to support SEAF and INTERMAT on land governance and promoting the exchange of knowledge among the Justice Department of Mato Grosso, SEAF, and INTERMAT.
  - (c) The **Mato Grosso State Secretariat for the Environment (SEMA)** is responsible for environmental control, preservation, conservation, and recovery in Mato Grosso, as well as implementing environmental policies including the Brazilian Forest Code. Under subcomponent 2.1, SEMA will carry out the environmental regularization activities of the project. Under subcomponent 2.2, SEMA will support SEAF to identify high incidence of deforestation and forest fire in family farming areas.
3. Once the project is effective, SEAF will enter into Cooperation Agreements with INTERMAT, CGJ, and SEMA. The Cooperation Agreements will set out the obligations of each institution to assist in carrying out their respective project activities.
4. SEAF will also recruit **Fundação Uniselva**<sup>51</sup> as a procurement agent, under a Procurement Agent Agreement, to assist in hiring staff for the PMU and partner institutions and to provide technical assistance and small-scale procurement services for subprojects. The fiduciary capacity of Fundação Uniselva was assessed during project appraisal as acceptable to the Bank. The Fundação Uniselva contract will be financed with the counterpart funds of Mato Grosso.
5. **Project management.** A **Project Management Unit (PMU)** will be established within SEAF. The PMU will be responsible for the management and coordination of project activities including all of the project's fiduciary, safeguards, and monitoring and evaluation aspects, at both central and field levels. The PMU will also be responsible for project communications and stakeholder engagement. SEAF will guide the PMU to collaborate with the other State

<sup>51</sup> Fundação Uniselva is a non-profit private law entity, created by Law No. 8.958/94, with the objective to provide executive, administrative and financial management support to public entities to execute their projects.



Secretariats and agencies assisting project implementation as well as those that are active in areas relevant to the project.<sup>52</sup> Establishment of the PMU is a condition of effectiveness. The PMU will be staffed with key managerial and technical positions in accordance with the timelines and Terms of Reference included in the Project Operations Manual (POM).

6. The PMU will submit semiannual reports to the Bank covering the planned actions including selected business initiatives, status of implementation, outcomes, financial statements, procurement plans, environmental and social issues, and actions taken to ensure satisfactory implementation. These reports will be shared with Consultative Committee members to facilitate effective project management, reformulation of project strategy, if needed, and dissemination of experiences.
7. The PMU will implement the project in accordance with the POM, which shall include the rules, methods, guidelines, standard documents and procedures for the carrying out of the project, including the following: (a) the procedures for the implementing, monitoring and evaluation of the project (including the technical, procurement, disbursement, financial management, social and environmental requirements thereof); (b) the eligibility criteria for the selection of producer organizations; (c) detailed social, economic, financial, technical and environmental criteria for the evaluation and ranking for selecting Subprojects; (d) the functions, responsibilities, structure and key staff composition of the UGP; (e) model forms of Subproject Agreements; (f) indicators to be used for project monitoring and evaluation; and (g) the Safeguard Documents. Adoption of the POM, satisfactory to the Bank, is a condition of effectiveness.
8. Once the project is effective, a **Consultative Committee** will be established to provide inter-agency coordination and oversight of project activities. The Consultative Committee will be chaired by SEAF and composed of representatives of all entities involved in project implementation, including INTERMAT, CGJ, SEMA, EMPAER, PCI, the Governor's Office (Casa Civil), and SEFAZ. The Consultative Committee will convene regularly to report on progress and identify key actions needed to support project implementation. (See Figure 1.)
9. Component 1 will be furthermore supported by a **Subproject Evaluation Committee**, composed of, *inter alia*: (i) relevant value chain specialists; (ii) environmental and social specialists; (iii) one financial specialist; (iv) one procurement specialist; and (v) representatives from SEAF, INTERMAT, CGJ, SEMA, and EMPAER. The Committee will undertake the following activities under subcomponent 1.1: (i) issue public calls for proposals, including detailed eligibility criteria; (ii) after each public call for proposals, review, evaluate, and select those proposals to be developed into CSA Family Farming Business Plans; (iii) for each round of Business Plan submissions, review, evaluate, and select those to be approved for implementation. Evaluations and selections undertaken by the Committee will follow the eligibility and selection criteria for each of the following 2 windows (below) as will be set forth in detail in the POM (also see Annex 2 Figure 1). Final decisions made by the Committee will be ratified by the Consultative Committee and made publicly available.
  - i. "Commercial" family farming POs: formal, well-structured, and experienced POs and family farmer members with active and regular activity in formal markets;
  - ii. "Emerging" family farming POs: formal POs and family farmer members with technical potential to achieve a

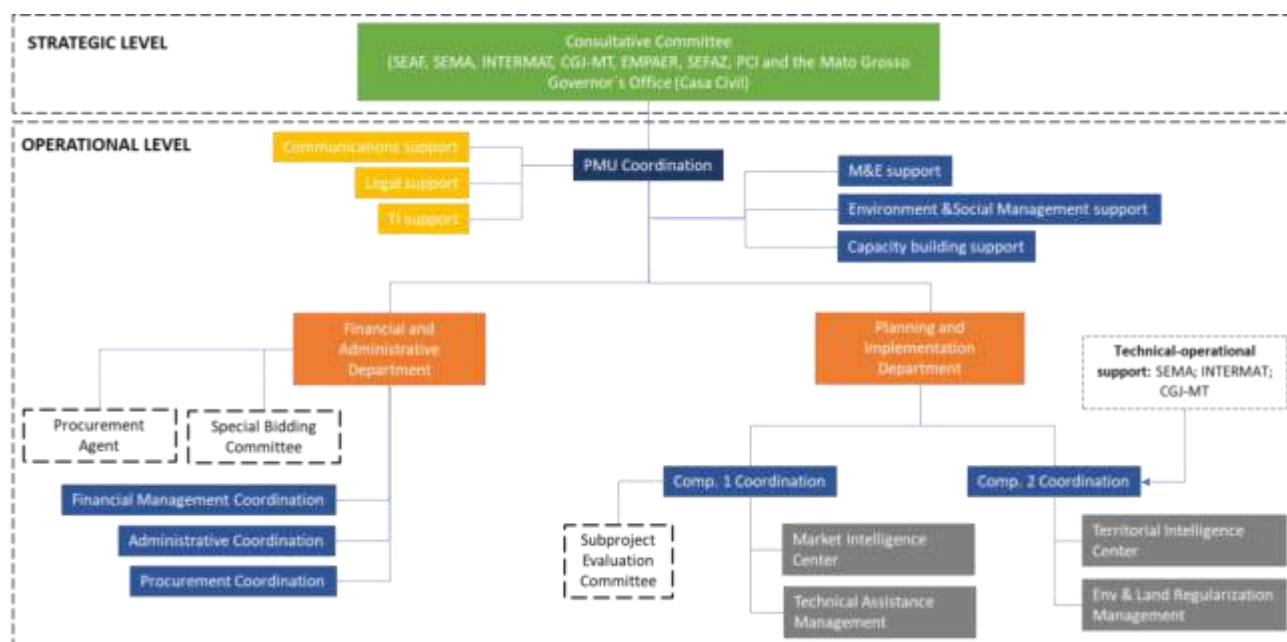
<sup>52</sup> These are: the Land Institute of Mato Grosso (Instituto de Terras de Mato Grosso, INTERMAT); Mato Grosso Secretariat for the Environment, Secretaria de Estado de Meio Ambiente, SEMA); Mato Grosso General Comptroller of Justice Office (Corregedoria Geral de Justiça de Mato Grosso, CGJ); State Research, Assistance and Rural Extension Company of Mato Grosso (Empresa Mato-grossense de Pesquisa, Assistência e Extensão Rural, EMPAER); Produce, Conserve and Include Strategy (Strategia Produzir, Conservar e Incluir, PCI).



considerable surplus production, but with surplus production currently deficient due to low productivity, poor organization and management, or deficient production quality standards.

10. **Producer/Family Farmers Organizations (POs)** will be required to comply with the eligibility criteria set out in each call for proposals. Those POs with CSA Family Farming Business Plans approved for financing will sign a Subproject Agreement with SEAF, as set out in the POM. The POs will be responsible for implementing the Business Plans in collaboration with the PMU and hired consultancies.

**Figure 1: Implementation arrangements for Mato Grosso Produtivo**



## Financial Management.

11. The PMU will be responsible for the management and coordination of project activities including all of the project's fiduciary-related responsibilities, following the POM, which will reflect the detailed staff duties, procedures, and guidelines for disbursements, payments, approvals, commitments, and reporting.
12. SEAF will recruit **Fundação Uniselva**<sup>53</sup> as a procurement agent, under a Procurement Agent Agreement, to assist in hiring staff for the PMU and partner institutions and to provide technical assistance and small-scale procurement services for subprojects. The Support and Development Foundation of the Federal University of Mato Grosso (Uniselva Foundation) was created by a group of professors from the Federal University of Mato Grosso ("UFMT – Universidade Federal de Mato Grosso") and was registered on December 17, 2001, in the 1<sup>st</sup> Notary and Registry Service of Cuiabá, Book 327 – Sheets 179 – 185, under Protocol No. 293482 – Registration No. 5481. Installed on June 10, 2002, its purpose is to support the development of teaching, research, extension, institutional development, scientific, technological, and innovation projects through the administrative and financial management necessary for the

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execution of these projects. The fiduciary capacity of “Fundação Uniselva” was assessed and considered satisfactory.

13. **Staffing.** Not later than three months after loan effectiveness, two fully dedicated Financial Management staff should be appointed at SEAF to undertake all FM-related tasks and to ensure segregation of functions, as to be detailed on the POM. The FM staff should be trained in all the necessary government budget, accounting, administrative rules, and procedures and attend all fiduciary training provided by the World Bank throughout project implementation.
14. **Uniselva:** Uniselva’s current accounting and financial areas have eight professionals (2-Accounts Payable, 1-Revenue Analyst, 2-Accounting Analysts, 1-Accountant, 1-Assistant and 1-Accounting Manager). Uniselva’s personnel are hired under the CLT54 Labor Laws type of contract, and the average of employment is six years. The current staff supports approximately 350 projects in the state of Mato Grosso – a total of R\$ 304M. As a result of this project, Uniselva has communicated that it will initiate the hiring process of ten additional professionals exclusive to the project: 1-Legal, 2-Administrative, 3-Finance, 1-Information Technology-IT and 3-Project Management, so the staff is trained once the project is approved. Not later than three months after loan effectiveness, two fully dedicated Financial Management staff should be appointed at Uniselva to undertake all FM-related tasks and to ensure segregation of functions, as to be detailed on the POM. The FM staff should be trained in all the necessary government budget, accounting, administrative rules, and procedures and attend all fiduciary training provided by the World Bank throughout project implementation.
15. **Planning and Budgeting.** The budget cycle includes planning and implementing all government activities, which reflects in the PPA, LDO, and LOA55. The State’s budget process is clearly defined, follows Law 4.320/64, and the budget and financial accounting frameworks align with Brazilian regulations.
16. For 2023 the project will be executed through program 4168 – “Desenvolvimento das Cadeias Produtivas da Agricultura Familiar” or Development of Family Farming Productive Chains. The respective approved which budget the FY 2023 is R\$ 16.3M (equivalent to USD 3.3M). If needed, supplementary additional budget may be approved throughout the year. The project intends to execute approximately USD 1.0M for the 2023 fiscal year. By May 31st, 2023, the PPA 2024-2027 should also be adjusted to reflect the project. By July 31st, 2023, SEAF will ensure that the PLOA56 for FY24 reflects the project under a specific (PAOE).
17. For 2023, the loan proceeds will be accounted within the FIPLAN system through: i) item 6 – the current program’s identification that will be used to account for this project’s transactions: 4168 - Mato Grosso Sustainable Development of Family Farming Project, and item 9 – the origin of sources57 through the category expense no. “1.754.0000” - where 1 stands for the current year, 754 stands for resources originating from credit operations and the 0000 – which will be used to identify the contract number for this operation once the contract has been signed with the World Bank.
18. In parallel, the SAFF58 - Solution for Physical and Financial Project Management system will also be used to manage the project. This system will be utilized for monitoring and reporting purposes (ie. including the generation of IFRs

<sup>54</sup> “Consolidação das Leis do Trabalho” – CLT.

<sup>55</sup> PPA–Plano Plurianual, LDO–*Lei de Diretrizes Orçamentárias*, LOA–*Lei Orçamentária Anual* which includes the Government’s goals and programs that are approved by State Legislative Branch every four years (PPA) and annually (LDO and LOA).

<sup>56</sup> PLOA – Projeto de Lei Orçamentária Anual or “Annual Budget Bill” submitted by the Executive Power to Congress, including the proposal for next year’s budget for total estimated income and expenses.

<sup>57</sup> Per “Portaria no. 710, 25 de fevereiro de 2021” which establishes the classification of sources or destinations of resources to be used by States, Federal District and Municipalities.

<sup>58</sup> “Solução para Administração Física e Financeira de Projetos – SAFF”



reports). The reports are generated using the Business Intelligence (BI) tool which is built in the SAFF system. The new web-based version of the SAFF system allows the online consultation of the information and access will be made available to all project executors. Not later than three months after loan effectiveness, the Borrower shall have the SAFF operating in a manner acceptable to the Bank and thereafter maintain it operational throughout project implementation. All project transactions will be booked in the FIPLAN state system, and the SAFF system. The project's transactions from FIPLAN and SAFF systems will be monthly reconciled by the PMU.

19. Uniselva: The project will follow Uniselva's budget cycle, followed by all units belonging to UFMT59. The Foundation's financial year coincides with the calendar year, ending December 31st of each year. The budget cycle of Uniselva has four phases: 1) the preparation and submission of the budget, 2) the budget approval, 3) the budget execution, and 4) the budget evaluation. By October of each year, the General Director must submit the budget proposal for the following year. The Board of Trustees has forty-five days to analyze and approve the budget proposal. Once the budget has been approved or the deadline has elapsed without any comment by the Council, the Foundation's budget execution is authorized.
20. Uniselva will utilize the "Business Process Modeling (Bizagi Modeler)" project management software to map all the budget activities and the necessary processes for effective project implementation. The process starts receiving the documentation required (upon approval by the Executive Board) by the financier. The project activities are entered into the system, resulting in a preliminary budget plan. This plan is submitted for the financier's review and approval. Once the plan is approved, it formalizes a legal instrument and opens a specific bank account (exclusive for the project). At this phase, an analyst from the Monitoring Center for the Project Management Area is assigned to carry out negotiations with the coordination of the respective project, aiming to deal with the initial guidelines, planning, and other necessary referrals to start the execution, such as the hiring of personnel, procurement, inputs presentation of the system, the establishment of a communication channel, frequency of monitoring, work schedule, etc. Within one month after loan effectiveness, Uniselva will forward to the Bank's review the project number added to the Bizagi Modeler software. In addition, the respective project number and its details should be included in the POM for follow-up budget execution.
21. SEAF's budget figures for the total project for Component 3 – Personnel include a total amount of USD 2.5M (equivalent to R\$ 13.4M60) related to the administrative fee Uniselva will receive for its rendered services. The legal instrument is being prepared by Uniselva and SEAF.
22. **Accounting.** The Federal Government published Decree no. 10.540/2020, which established additional mandatory guidelines for the article of Complementary Law no. 101 of 2000, which dealt with minimum requirements for the accounting and control systems of budgetary and financial execution and established the need to elaborate and publish an action plan to migrate to the new standards by the year 2023. The project's documented financial reporting responsibilities are being fulfilled (specifying what reports are to be prepared, when they are ready, periodicity of preparation, and content). The accounting system maintains the standards acceptable according to the Bank guidelines. All transactions under the project will be accounted for on a cash basis for disbursements, reporting, and auditing purposes.
23. The States' integrated Planning, Accounting and, Finance system of the state of Mato Grosso is FIPLAN – "Sistema Integrado de Planejamento, Contabilidade e Finanças do Estado de Mato Grosso." The state's system provides adequacy account for and control transactions and records in real-time and individually. It includes detailed

<sup>59</sup> "UFMT – Universidade Federal de Mato Grosso" or Federal University of Mato Grosso

<sup>60</sup> Based on a maximum of 10% of the total hiring personnel



information on the budgetary and financial execution of the budget units, referring to revenue and expenditure and other transactions that affect or may affect the entity's financial performance and financial position.

24. The State of Mato Grosso follows: (i) the NBC TSP, which represents the adoption of IPSAS in Brazil; (ii) Law N. 4.320/64, which established certain high-level accounting principles related to budget and accrual accounting; and (iii) the MCASP, issued under Law 10.180 of February 6, 2001. To establish a gradual implementation of the accounting reforms in a complex design with so many institutions and federation arrangements and to follow the guidelines of STN Ordinance nº. 634/2013, STN edited the PIPCP, which is a detailed IPSAS implementation plan ("Plano de Implantação dos Procedimentos Contábeis Patrimoniais – PIPCP"). In preparing the PIPCP, observing national and international experiences, establishing a gradual logic, and the broad participation of the agents involved, including the Federal Court of Auditors, were considered. The involvement of these agents was carried out through meetings, debates within the scope of established technical groups, dialogue with federation representatives, and conducting a comprehensive public consultation. Currently, the state is observing the agreed PIPCP schedule expected to be fully implemented by 2023<sup>61</sup>. Although the Bank is not financing any PIPCP activity, it will follow up on its implementation throughout the project's life as it is directly related to the achievement and sustainability of the Project Development Objectives.
25. Uniselva: Uniselva is a Brazilian non-profit organization and follows the Brazilian Accounting Rules (NBC), under Law 6.404/76, 11.638/07 and ITG 2002 - Non-Profit Entities, NBC TG 1000 – Accounting for Small and Medium Size Companies (CPC PME) or the complete standards (IFRS) also apply in those aspects not covered by this interpretation.
26. The Gerência accounting/financial system will account for all project transactions. The information previously inputted to the Project Management Software (Bizagi Modeler) is also registered in this accounting/financial system. This accounting/financial system was developed by the Support Foundation for Technology and Science – FATEC, Support Foundation of the Federal University of Santa Maria/Rio Grande do Sul, whose source code became the property of Uniselva Foundation.
27. All maintenance of auxiliary registers related to the project is done in this application, such as workforce, types of funding sources, executing unit, functions within the project, linked institutions, customer registration, etc. The maintenance is done internally by the IT Area. The system will also be accessible to the SEAF's finance team/PMU as "ready only. Within one month after loan effectiveness, Uniselva will provide "read-only system access" for the PMU-SEAF.
28. The current chart of accounts will be sufficient for all the project's transactions. However, the Gerência system must be adjusted to incorporate the reporting requirement from the Bank – i.e., by category, component, and sub-component. Within one month after loan effectiveness, Uniselva will include the project in the Gerência system.
29. **Internal Control/Internal Audit.** All project budgeting and accounting transactions will be processed through FIPLAN/MT. The first stage of the expenditures is the commitment (empenho) which is approved by the PMU, acquisition, verification, and certification (liquidação); and final payment (pagamento) is made by SEAF/MT. The approval and authorization controls are adequate to approve and make the necessary payments per the State's regulations. This process should be included in the POM. Monthly, all project transactions will be reconciled with the budget and procurement reports. A draft of the POM should be forwarded to the Bank for non-objection before

<sup>61</sup> Out of on nineteen accounting procedures, thirteen are fully implemented, two are partially implemented, and four have not been initiated. Delays are not expected.



Negotiations.

30. SEAF and Uniselva will ensure that all the projects' assets acquired with the loan's funds will be accounted for. The PMU will ensure (for the whole time of project implementation) that there is a control in place that guarantees all purchased assets by each implementing agency are: i) used only for the project's activities; ii) listed in an inventory record; iii) each asset is given an individual master record and number (i.e., recorded as an individual asset and depreciated according to its individual useful life); iv) the asset has the necessary insurance; v) physical inventory control is performed annually for these assets and reconciled with the respective control accounts, and vi) the asset is maintained in good condition. The project's assets will be protected from fraud, waste, and abuse. Assets purchased will be listed in an inventory record using the SIGPAT system<sup>62</sup> which is integrated to the FIPLAN-MT system. And for Uniselva, the asset will be booked in the Gerência system. Each asset is given an individual master record and number. Physical inventory control is performed at the end of each fiscal year for these assets and reconciled annually with the respective control accounts. The PMU will ensure to include in the POM the detailed procedures and guidelines for acquiring project's assets using Bank's resources.
31. The CGE/MT ("Controladoria Geral do Estado de Mato Grosso") is the unit responsible for supporting the State's direct and indirect agencies on legal procedural compliance for contracting public expenditures and complying with the public information access law. CGE/MT is also responsible for internal auditing-related functions and specific aspects of internal control and for coordinating, executing, evaluating, supporting, and guiding the activities inherent to the internal control of the Executive Branch of the State of Mato Grosso, according to the State's Constitution, which established the Integrated System of Internal Control of the Executive Branch of the State of Mato Grosso.
32. The CGE/MT will implement the Internal Audit Capability Model (IA-CM)<sup>63</sup>, issued by the Institute of Internal Auditors (IIA), to strengthen the internal audit functions in all entities that execute the State budget. IA-CM is a framework that identifies the fundamentals needed for effective internal auditing in the public sector and intends to ensure that the internal audit becomes an integral component of effective governance in the public sector and helps organizations achieve their objectives and account for their results. IA-CM consists of five levels, tied to leading practices, and level 3 (integrated) is where internal audit management and professional techniques are uniformly applied following international procedures. Through the project "Progestão – Mato Grosso" supports the government's effort to achieve Level 3 of IA-CM by MTR - Midterm Review<sup>64</sup>. Although the Bank is not financing (through this project) any activities towards the achievement of Level 3, it will follow up on it throughout the project's life, as it is directly related to the achievement and sustainability of the project Development Objectives.
33. It is expected that the internal audit department in the CGE/MT evaluates the adequacy and effectiveness of internal control in the project implementing agencies throughout project implementation. The project will be included in the Annual Audit Plan and the PAINT system within one month after loan signing.
34. Uniselva: All project budgeting and accounting transactions will be processed through the Project Management Software – Bizagi Modeler and the Gerência accounting/financial systems. The first stage of the expenditures is the

<sup>62</sup> SIGPAT – "Sistema Integrado de Gestão Patrimonial" or Asset Management System

<sup>63</sup> Internal Audit Capability Model (IA-CM): an internationally recognized framework that identifies the foundations necessary for effective internal auditing to meet the organization's management needs and the professional expectations of the role (CONACI – "Conselho Nacional de Controle Interno" or National Board of Internal Control).

<sup>64</sup> According to CGE's status of the implementation of the IA-CM and the Action Plan, there are two KPAs (3.6 – Risk Base Audit and 3.9 – Cost Information) that needs to be completed by CGE-MT to achieve level 3. KPA – Key Process Areas: a total of forty-one KPAs, which defines the technical-operational maturity of an internal audit unit, taking into consideration the way in which it establishes, implements, measures, controls and improves its processes and practices.



commitment approved by Uniselva, followed by the acquisition, verification, and certification, and Uniselva makes the final payment. The approval and authorization controls are adequate to approve and make the necessary payments per the institution's regulations. This process should be included in the POM. A draft of the POM should be forwarded to the Bank for non-objection before Negotiations.

35. As the result of this project, Uniselva decided to establish an Internal Audit department within its organization, which implementation will be carried out through a process guided by the Internal Audit of UFMT ("Universidade Federal de Mato Grosso"). Uniselva will include the project in its annual audit plan, with the supervision of the Internal Audit department of UFMT. The alteration of Uniselva's organization chart and the internal audit plan of Uniselva must be approved by the Board of Trustees of the Foundation by July 2023. Uniselva will notify the Bank that the establishment of the Internal Audit department was approved and its timeline. The project will be included in the Annual Audit Plan – PAINT by August 31, 2023.
36. Uniselva, through the PMU, will submit to the Bank an electronic copy of the Internal Audit Report (including the executive summary and the auditor's findings and recommendations for the institution and the project). This report should be submitted to the Bank annually (through the PMU/SEAF), not later than thirty days after its issuance, throughout the life of the project. The Bank will review it and should be used as input for the external auditor's work.
37. **Anticorruption Arrangements.** Borrower Actions to Prevent and Combat Fraud and Corruption in connection with the Use of Loan Proceeds. In furtherance of the above-stated purpose, the Borrower will:
- (i) take all appropriate measures to prevent Fraud and Corruption in connection with the use of Loan proceeds, including (but not limited to) (a) adopting appropriate fiduciary and administrative practices and institutional arrangements to ensure that the proceeds of the Loan are used only for the purposes for which the Loan was granted, and (b) ensuring that all of its representatives involved with the project, and all recipients of Loan proceeds with which it enters into an agreement related to the project, receive a copy of the Bank's IPF Anti-Corruption Guidelines and are made aware of its contents;
  - (ii) immediately report to the Bank any allegations of Fraud and Corruption in connection with the use of Loan proceeds that come to its attention;
  - (iii) if the Bank determines that any person or entity referred to in (i) above has engaged in Fraud and Corruption in connection with the use of Loan proceeds, take timely and appropriate action, satisfactory to the Bank, to address such practices when they occur;
  - (iv) include such provisions in its agreements with each recipient of Loan proceeds as the Bank may require giving full effect to the Bank's IPF Anti-Corruption Guidelines;
  - (v) cooperate fully with representatives of the Bank in any investigation into allegations of Fraud and Corruption in connection with the use of Loan proceeds; and
  - (vi) if the Bank declares any recipient of Loan proceeds ineligible take all necessary and appropriate action to give full effect to such declaration.
38. **Funds Flow and Disbursement Arrangements:** The disbursement methods used under this project will be based on the Disbursement Guidelines for IPF, dated February 2017. The proposed funds flow, and disbursement arrangements are streamlined within the proposed project to facilitate execution, avoid unnecessary incremental operational



arrangements, and rely on the existing country's public financial management systems as much as possible. SEAF will make all payments for all components using the FIPLAN-MT system once payment obligations have been incurred, verified, and adequately documented. For payments to be made, the system requires that funds be committed by source, making possible tracking of loan disbursements to the proposed project expenditures. The disbursement of project funds will be processed following the World Bank's procedures as stipulated in the Legal Agreement and Disbursement and Financial Information Letter (DFIL).

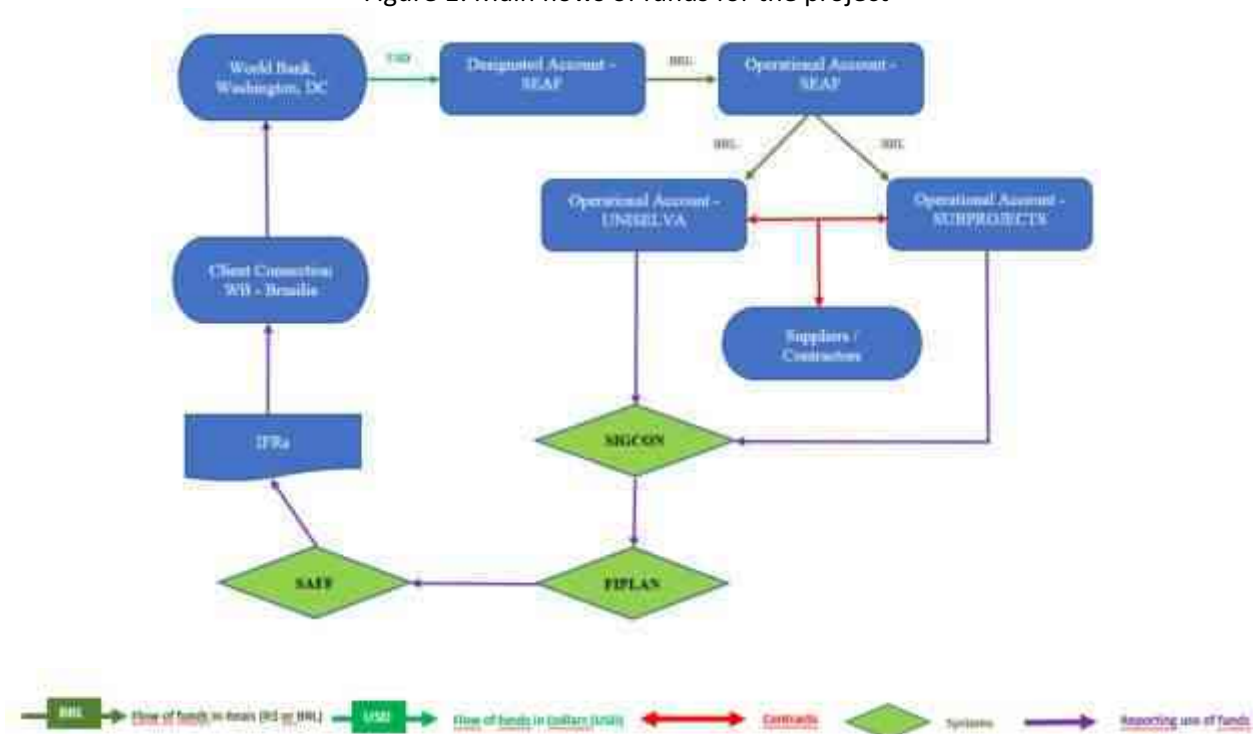
39. The following disbursement methods may be used to withdraw funds: (a) reimbursement, (b) advance, and (c) direct payment, with the advance method being the primary disbursement method.
40. SEAF/MT will open a segregated DA65, in Banco do Brasil, in Cuiabá, in the name of the "Secretaria de Estado de Agricultura Familiar do Estado de Mato Grosso" within one month after loan effectiveness, to receive loan funds in USD. An operational account, exclusive to the project, will also be opened, in Reais, for further payments to the suppliers and contractors in local currency. Withdrawal applications and supporting documentation will be submitted to the World Bank electronically through the Client Connection website.
41. Retroactive financing will not be allowed for this project.
42. The project has informed that the front-end-fee will not be financed from the Loan Proceeds.
43. The minimum application size for direct payments and reimbursements will be US\$500,000 equivalent. The project will also have four months after the closing date to document expenditures incurred before the closing date.
44. The Designated Account (DA) ceiling will be variable based on the forecast needed for six months' period, recalculated every three months. Direct Payments will be documented by records (copies of the invoices).
45. SEAF (including the subprojects/matching grants) and Uniselva will report the use of the Advances and Reimbursement requests through Statement of Expenditures (SOEs). A customized SOE has been agreed with SEAF (for the reporting of the transfer of funds for the subprojects/matching grants). The frequency for reporting eligible expenditures (including the Statement of Expenditures) paid from the DA will be quarterly.
46. Figure 1 shows the main flows of funds for the project.
  - (i) Funds advanced to Uniselva and subprojects/matching grants will be documented to the Bank, via Customized SOEs, based on actual expenditures as showed in charts ii) and iii) below.
  - (ii) In the case of Uniselva: funds will be advanced from the SEAF's Operational Account to the separate segregated operational account opened by Uniselva in BRL to cover their project expenses for a three-month period. Uniselva will submit a monthly reconciliation implementation report to the PMU. Every quarter a new advance will be provided to Uniselva based on the reconciliation and forecast reports.

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<sup>65</sup> To be opened within one month after loan effectiveness. This is not a condition of effectiveness.



Figure 1: Main flows of funds for the project



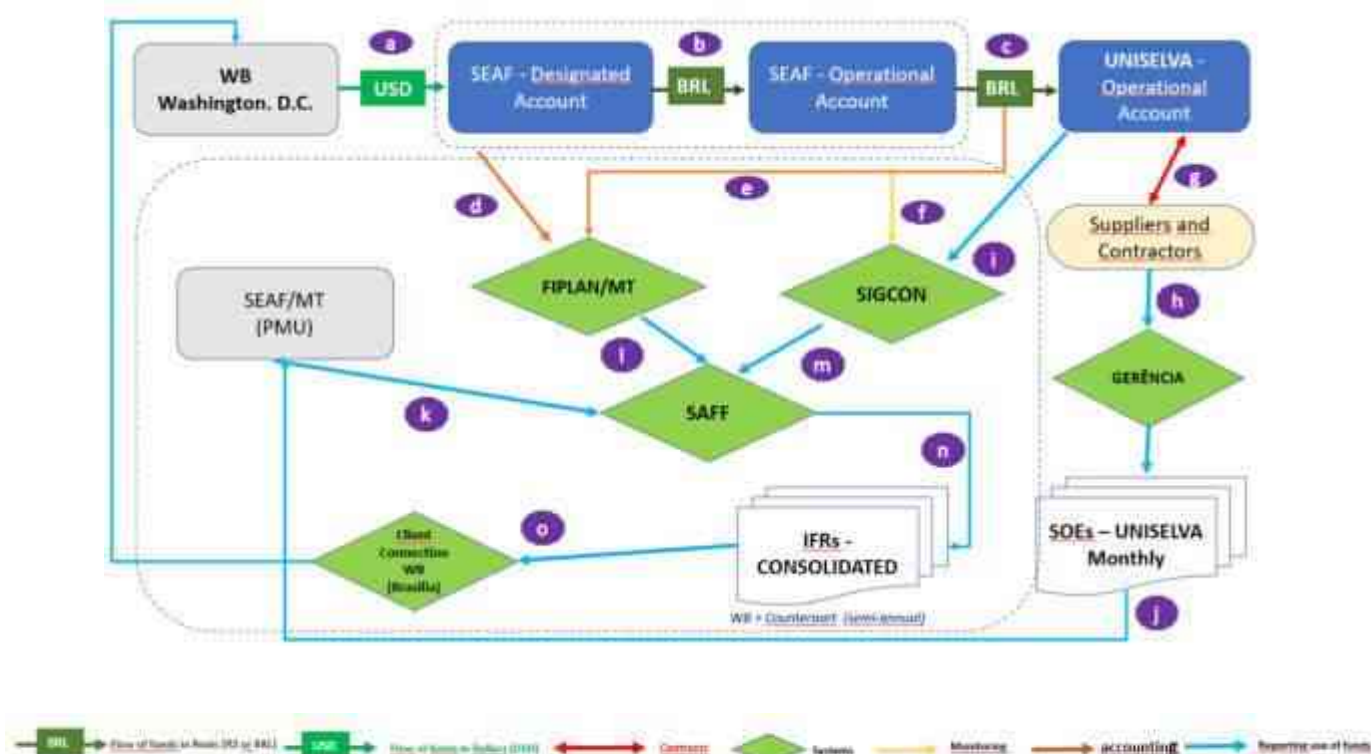
(iii) The SIGCON (“Sistema de Gestão de Convênios e Parcerias”) will be utilized by the subprojects’ beneficiaries/matching grants and Uniselva to monitor the physical and financial implementation. The system has been reviewed and considered satisfactory.

(iv) Advances to the subprojects/matching grants: (i) SEAF allocates funds to be executed based on subproject budget estimates and the approved Business Plan; (ii) a subsidiary financial agreement (“Convênio de Financiamento”) would be signed between the subproject executor and SEAF, to receive funds in a bank account opened for the subproject and setting out other payment clauses; (iii) SEAF reviews, monitors and approves the requests for payments to the subproject executors (upon provision of the full documentation of any previous advances/payments made to the subproject executor); (iv) new advances to the subproject executors are made.

47. Figure 2 shows the flow of funds from SEAF’s Designated Account to the Uniselva Operational account.



Figure 2: Flow of funds from SEAF to Uniselva



(a) World Bank funds, in USD, are transferred to SEAF's exclusive Designated Account in USD.

(b) The funds in USD are internalized in the SEAF's Operational Account – R\$.

(c) SEAF will advance only banks' funds by FIPLAN to a segregated Uniselva's operational account – R\$, which will be open exclusively to receive WB funds.

(d) and (e) Inflows of funds from the Designated Account (R\$ or USD) and transfers of funds to Uniselva carried out by SEAF's operational account are booked in the FIPLAN system.

(f) The resource referring to the transfer to Uniselva will be monitored via the SIGCON system.

(g) Uniselva will make payments for services provided and/or acquisition of goods.

(h) and (i) Monthly, based on the accounting/financial Gerência system, Uniselva will report to SEAF (through customized SOEs ) and in the SIGCON system, the source and use of project's funds resources. Funds transferred will only be reported in the SOEs upon proof of expenditures.

(j) Uniselva will submit the SOEs to SEAF, and SEAF will consolidated it with the project's IFRs.

(k), (l), and (m) The SOEs received from Uniselva are transferred to the SAFF system, as well as transactions originating in the FIPLAN and SIGCON systems.

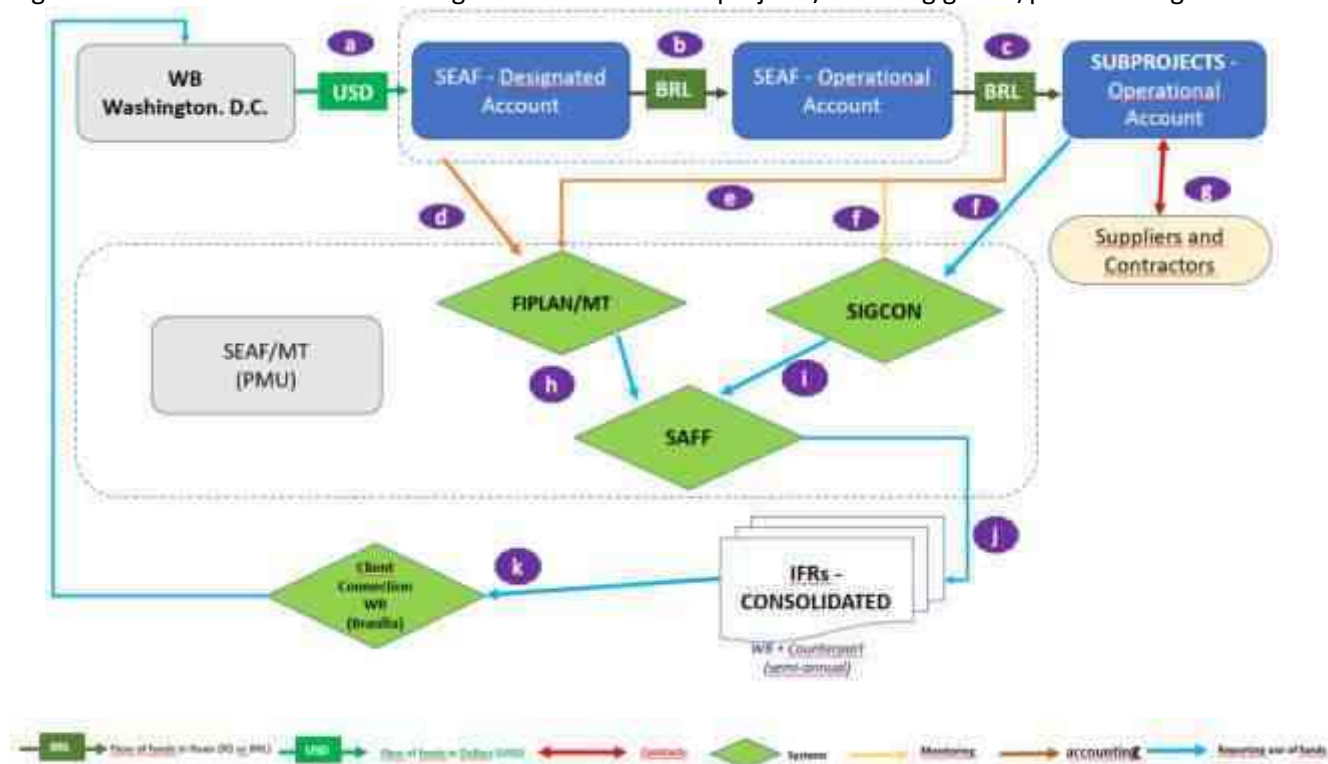


(n) Through SAFF, the project's financial statements – IFRs (cash basis, R\$ and USD) are generated (including the World Bank Resources and Counterpart).

(o) Every six months, the project's IFRs reports are sent to the Bank, through the Client Connection system.

48. Figure 3 shows the flow of funds from the Designated account to subprojects/matching grants/producer organizations.

Figure 3: Flow of funds from the Designated account to subprojects/matching grants/producer organizations.



(a) World Bank funds, in USD, are transferred to the project's exclusive Designated Account in USD.

(b) The funds in USD are internalized in the project's Operational Account – R\$.

(c) SEAF will transfer resources from the project's exclusive Operating Account – R\$ - to each of the respective bank accounts of the subprojects/matching grantees. The bank accounts for the Subprojects are exclusive to the project.

(d) and (e) The entries of resources from the Designated Account (R\$ or USD) and transfers of resources to the operational accounts of the subprojects are booked in the FIPLAN system.

(f) The transfer of funds and accountability of the subprojects to SEAF will be monitored via the SIGCON system.

(g) The subprojects will use the transfer of funds to make payments for services rendered and/or acquisition of goods.



(h) and (i) Periodically, all transactions related to the project in the FIPLAN system are transferred to the SAFF system.

(j) Through the SAFF system, the project's financial statements – IFRS (cash basis, R\$ USD) are generated (including World Bank resources and Counterpart) – including the contribution % or “in-kind” of the subprojects/Production Organizations<sup>66</sup>.

(k) Every six months, the project's IFRs reports are forwarded to the Bank, through the Connection system.

49. SEAF agreed with the Bank on the activities that will be considered counterpart funds. The counterpart funds shall be earmarked in detail in their sources to link to the project's activities. The source of the counterpart resource should be in detail according to the object, seeking evidence, and strengthening the control of project execution, requiring the opening of the process, providing information, and requesting that SEAF's team proceed with the respective transfer with a source already detailed. The counterpart funds will be managed separately from the Designated Account. Counterpart funds will be properly accounted for, monitored, and reported by SEAF through the IFRs reports – by category, component, and sub-component.

Table 1: Category of Expenditures and Financing Percentages (n US\$):

Category	Amount of the Loan Allocated (USD million)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, consulting services, Operating Costs and Training for Parts 1.1 and 3 of the project	11.0	100%
(2) Matching Grants under Part 1.2 of the project	56.0	100%
(3) Goods, works, non-consulting services, consulting services, Operating Costs and Training for Part 2 of the project	13.0	100%
(4) Emergency Expenditures	0	100%
[(5) Front-end Fee	0	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(6) Interest Rate Cap or Interest Rate Collar premium <sup>67</sup>		Amount due pursuant to Section 4.05 (c) of the General Conditions]
TOTAL AMOUNT	80,000,000	

50. A **Contingent Emergency Response Component (CERC)** with no funds is included in the project as a mechanism for funding requests arising from emergencies such as natural disasters and other shocks, as defined in the operational manual for the CERC. If such a crisis develops, the State can ask the World Bank to reallocate part or all the undisbursed

<sup>66</sup> See Annex 2 – Beneficiary Contribution

<sup>67</sup> Include bracketed withdrawal category ONLY if the Borrower has elected caps and collars **AND** requested to finance the premia out of the proceeds of the loan. The amount allocated to this category will be zero until premia is to be charged.



loan proceeds to cover the costs of emergency response and recovery. During project preparation, the definition of the key aspects of the CERC will be detailed in the POM. The same flow of funds, accounting, financial reporting, disbursement methods and corresponding supporting documentation requirements, will apply to disbursements under the CERC, that will be described in the initial DFIL, as the CERC will also be implemented by the same implementing agencies.

**51. Financial Reporting and Monitoring.** The FIPLAN system will adequately control, account for, report on, and manage the proposed project. The system will provide the necessary data to prepare the respective reports (using the SAFF System), in local currency (BRL), for statutory reasons, and US Dollars (USD), for Bank's disbursements and monitoring purposes on a cash-basis (although the State also follows accrual accounting). As a result, the PMU will ensure the timely production of semiannual Interim Financial Reports (IFRs) for further submission to the Bank, within 60 days after the end of each semester. The IFRs will be generated from the SAFF system. SEAF should submit for Bank's validation the IFRs (the automated format and content) no later than three months upon loan effectiveness.

**52.** Accordingly, the format and content of the IFRs will cover the following items:

- IFR 1 - Sources and Uses of Funds by disbursement category, with evidence of the World Bank's share in the financing of expenditures, cumulative (project-to-date, year-to-date, and for the period) versus actual expenditures, including a variance analysis
- IFR 2 - Uses of Funds by Project Activity or Component and Subcomponent, cumulative (project-to-date, year-to-date, and for the period) versus actual expenditures, including a variance analysis
- IFR 3 - Designated Account bank reconciliation and Bank statements
- IFR 4 – Monitoring of the Subprojects
- IFR 5 – Disbursement Forecast
- IFR 6 – Procurement/Contracts

**53. External Auditing.** For project's purposes, the annual financial statements will be audited by independent auditors<sup>68</sup>, according to the TOR (which will also include "Fundação Uniselva") acceptable to the World Bank (prepared by the PMU and approved by the Bank, not later than one month after loan effectiveness and following the International Standards on Auditing (ISAs) issued by The International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) or national auditing standards if, as determined by the Bank, these do not significantly depart from international standards. The audited financial statements will be prepared following the accounting standards acceptable to the Bank (i.e., IPSAS or national accounting standards where, as determined by the Bank, they do not significantly depart from international standards). The auditors should be hired within three months after loan effectiveness.

**54.** According to the World Bank's guidelines, the auditors will also have to prepare a Management Letter, where any

<sup>68</sup> The TCE-MT (Tribunal de Contas do Mato Grosso) was contacted to see if they were available to audit the Bank's projects. SEAF-MT has not been audited by TCE-MT since 2014 due to TCE's workload and the small budget amount within the state of Mato Grosso. The State Audit Court (TCE) is responsible for the State's external scrutiny, and the legislature plays an external oversight role. The State has been able to prepare timely financial statements of reasonable quality, however, SEAF-MT has not been audited by TCE-MT since 2014 due to TCE's workload and lack of budget.



internal control weaknesses will be identified, contributing to strengthening the control environment. The auditor's report will be submitted to the World Bank no later than six months after the closing of the fiscal year, and the annual audit may be financed out of the loan proceeds.

55. All audited financial statements and related audit opinions are disclosed by the project and by the Bank following the Bank's Policy on Access to information.
56. **The General Conditions require the Borrower to retain all records (contracts, orders, invoices, bills, receipts, and other documents) evidencing eligible expenditures and to enable the World Bank's representative to examine such records.** They also require the records to be retained for at least one year following receipt by the World Bank of the final audited financial statement required in accordance with the Legal Agreement or two years after the closing date, whichever is later. The Borrower is responsible for ensuring that document retention beyond the period required by the Legal Agreement complies with its government's regulations.
57. **Conditions or Nonstandard/Significant Financial Covenants (i.e., Relevant issues to be included in the Legal Documents).** There are no FM-related conditions for Board and/or Effectiveness.



## ANNEX 2: Geographic and beneficiary targeting approach

1. The project's geographic and beneficiary targeting approach resulted in the identification of 61 municipalities as eligible for project support for business plans under component 1. Under component 2, 35 State Settlements will be eligible for project support to improve land and environmental management. Given the interlinked nature of the activities proposed under components 1 and 2, the eligible municipalities are intended to overlap with the eligible Settlements such that beneficiaries may benefit under both components; critically, this will allow beneficiaries of component 1 to include aspects of land and environmental regularization in their business plans. The project's monitoring and evaluation approach will ensure against double counting of beneficiaries in these cases. As a result of this targeting approach and as described below, the project will directly benefit an estimated **15,000** family farmers and their respective POs participating under project components 1 and 2. These 15,000 direct beneficiaries include an estimated 9,000 family farmers operating in eight prioritized value chains (milk, fruits, horticulture, cassava, coffee, cacao, honey, and non-timber forest products) under component 1 and an estimated 12,900 family farmers residing in the selected State Settlements under component 2; an estimated 6,900 beneficiaries are expected to participate under both components. Indirect beneficiaries include all family farmers (81,635 according to IBGE, 2017) and PIQCTs in Mato Grosso, who will benefit from the improved technical assistance and land regularization services supported by the project under component 2.
2. **Component 1.** Mato Grosso is divided into 141 municipalities, 61 of which were selected as eligible for project support under component 1. The component 1 targeting approach consisted in a two-step process. In the first step, a mapping exercise was conducted to score municipalities according to three indicators: (i) gross value of family farming production for eight priority value chains considered significant for family farming (milk, fruits, horticulture, cassava, coffee, cacao, honey, and non-timber forest products; see Table 1),<sup>69</sup> (ii) number of family farms, and (iii) estimated deficit in permanent preservation areas ("deficit de APP").<sup>70</sup> The socio-economic indicators (i) and (ii) serve to ensure sufficient opportunity for project interventions to support family farmers residing in the eligible municipalities. While all value chains will be eligible for project support, a select number (eight) were prioritized due to their significance for family farmers and potential for generating benefits under the project for both family farming livelihoods and the environment.<sup>71</sup> The environmental indicator (iii) serves to ensure that the project targets those municipalities with significant potential for improvement in the management of permanent preservation areas under the Brazilian Forest Code. Using a statistical approach, the indicator scores of each municipality were standardized, compared to the average indicator values across all municipalities, and ranked.<sup>72</sup>

<sup>69</sup> While all value chains will be eligible for project support (including non-agricultural activities such as artisanal craftwork and agro-eco-tourism, which are common in PIQCT communities), these eight were prioritized as part of the targeting approach due to their significance for family farmers and potential for generating benefits under the project for both family farming livelihoods and the environment. See Annex 2 for more detail.

<sup>70</sup> Permanent preservation areas under the Brazilian Forest Code are natural protected areas that farmers are required to delimit and maintain according to certain management standards.

<sup>71</sup> For example, family farmers account for approximately 90 percent of milk (dairy cattle) production in the State and generate significant production value, making this value chain a critical entry point for reaching family farmers through the project. Non-timber forest products generate less in production value, but constitute a key source of income for family farmers identifying as PIQCT and are associated with environmental benefits such as forest conservation and carbon sequestration. In contrast, beef (cattle) was not prioritized due to the potentially significant, adverse environmental benefits associated with beef production (deforestation, other land use change, and high GHG emission intensities associated with beef systems).

<sup>72</sup> For each municipality, Z-scores were calculated for the three indicators as follows:  $Z\text{-score} = (\text{value for the municipality} - \text{average value of the State}) / \text{standard deviation}$ . Z-scores > 0 indicate scores above the average.



3. In the second step, a survey was conducted to determine the number of family farming POs (associations and cooperatives) actively engaged in the priority value chains and the size of their membership. This exercise serves to ensure a minimum applicant pool for the call for business plan proposals. Those municipalities both scoring above a certain threshold against the socioeconomic and environmental indicators and with at least one PO actively engaged in the priority value chains and with at least 60 members were selected. This resulted in 61 municipalities identified as eligible for project support (see map in Annex 3).

Table 1: Key characteristics of prioritized value chains

Value chain	Key characteristics	
1. Milk	<ul style="list-style-type: none"> <li>90 percent of production in Mato Grosso is from family farmers (more than 30 thousand family farmers in Mato Grosso with dairy cattle).</li> <li>Low productivity and insufficient rural credit.</li> </ul>	<ul style="list-style-type: none"> <li>Very low use of integrated technologies.</li> <li>Systemic use of poor practices e.g. for hygiene during milking, degraded pastures, and feed supplementation.</li> </ul>
2. Fruits	<ul style="list-style-type: none"> <li>Low productivity and insufficient rural credit.</li> <li>Very low use of integrated technologies.</li> <li>Low organization among producers.</li> </ul>	<ul style="list-style-type: none"> <li>High demand for family labor.</li> <li>High demand for products from other Brazilian States.</li> </ul>
3. Horticulture	<ul style="list-style-type: none"> <li>Low productivity and insufficient rural credit.</li> <li>Very low use of integrated technologies.</li> <li>High demand for rural extension.</li> </ul>	<ul style="list-style-type: none"> <li>High demand for products from other Brazilian States.</li> <li>High net return per hectare.</li> </ul>
4. Cassava	<ul style="list-style-type: none"> <li>Low availability of productive materials.</li> <li>Low technological level in crop management.</li> <li>Artisanal processing without sanitary compliance and registration.</li> </ul>	<ul style="list-style-type: none"> <li>90 percent of production in Mato Grosso is from family farmers.</li> <li>Staple providing food security for families.</li> </ul>
5. Coffee	<ul style="list-style-type: none"> <li>Low productivity.</li> </ul>	<ul style="list-style-type: none"> <li>High demand for products.</li> </ul>
6. Cacao	<ul style="list-style-type: none"> <li>Low availability of quality seedlings.</li> <li>Low availability of labor at harvest.</li> </ul>	<ul style="list-style-type: none"> <li>High demand for family labor.</li> </ul>
7. Honey	<ul style="list-style-type: none"> <li>Low productivity due to insufficient native flowering and damage from pesticides.</li> <li>Lack of extraction, processing, certification and technology infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>High market demand for products.</li> <li>Low investment and high net return.</li> <li>High potential for environmental benefits (forest conservation).</li> </ul>
8. Non-timber forest products	<ul style="list-style-type: none"> <li>Low availability of forest seeds for recovery of degraded areas.</li> <li>Drastic reduction of rustic and productive traditional seeds.</li> </ul>	<ul style="list-style-type: none"> <li>Key source of income for family farmers identifying as PIQCT.</li> <li>High potential for environmental benefits (forest conservation, carbon storage).</li> </ul>

4. Within the municipalities eligible under component 1, the project aims to directly support an estimated **9,000** family farming and PIQCT households through the preparation and implementation of an estimated 128 business plans. Business plans will be prepared and implemented by POs (associations and cooperatives) and their members. The business plans will contribute to socioeconomic inclusion in two main ways. First, a minimum of 15 percent of subprojects will be led by youth, a minimum of 15 percent will be led by women, and a minimum of 15 percent will be led by PIQCTs. Moreover, targets will be set across windows for the overall participation in business plan activities by these vulnerable groups (30 percent youth, 20 percent women, and 15 percent PIQCTs). Second, to enable inclusion of diverse economic groups, two grant windows will be available under component 1 to finance business plans, each with conditions tailored to the needs of POs with different levels of organization, commercialization, and experience:

- i. **“Commercial” family farming POs:** formal, well-structured, and experienced POs and family farmer members

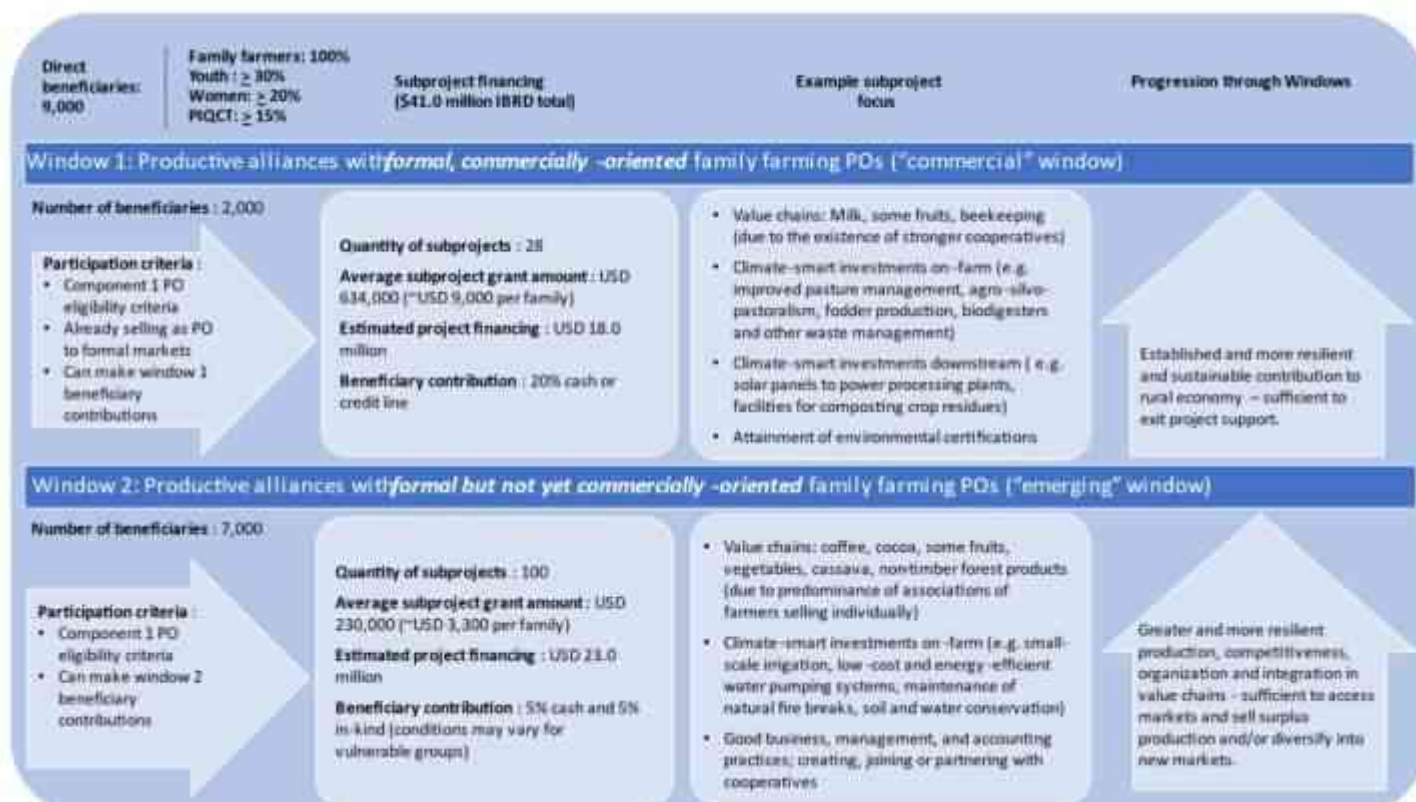


with active and regular activity in formal markets;

- ii. **“Emerging” family farming POs:** formal POs and family farmer members with technical potential to achieve a considerable surplus production, but with surplus production currently deficient due to low productivity, poor organization and management, or deficient production quality standards.

5. It is intended that through this window differentiation, family farmers are supported to **“graduate” over time** from emerging to commercial models of production and from commercial models utilizing project support to those that can thrive on their own (see Figure 1).

Figure 1: Beneficiary targeting and window differentiation under Component 1



6. The 9,000 estimated beneficiaries of business plans under component 1 will also be eligible to receive support for land and environmental regularization under component 2 (see below).
7. **Component 2.** 35 State Settlements will be eligible for project support to improve land and environmental management under component 2. Within these Settlements, the project will aim to directly support an estimated **12,900** family farmers and PIQCTs with activities to support land and environmental regularization. Regarding land regularization, 35 Settlements (corresponding to **1,900** family farms residing in 6 municipalities) will be supported with geo-referencing and validation surveys toward completion of the State land titling process under INTERMAT. These 35 Settlements constitute the only State Settlements currently without support for land titling. Four of the 6 municipalities containing these Settlements are also eligible for project support under component 1, providing the



opportunity for business plans in those municipalities to support aspects of the land titling process.<sup>73</sup> Regarding environmental regularization, a target of **11,000** family farmers and PIQCTs will be supported to register in the CAR and develop CAR compliance plans. Those beneficiaries who respond to Expressions of Interest under the calls for proposals for component 1 will be prioritized for CAR support, in order to enable CAR registration and compliance to form part of the proposed business plans. Family farmers and PIQCTs residing in the State Settlements already with land titles, or in the process of land titling, will also be prioritized. Beneficiary targeting under component 2 will also contribute to inclusion of women through targeting a minimum portion (15 percent) of land regularization titles to be issued in the name of women. Should the needs for CAR registration within the Settlements be less than anticipated, private land holders outside the Settlements will become eligible for support under this activity to enable reaching the target of 11,000.

8. Indirect beneficiaries of the project include: (i) private agribusiness enterprises and government entities who may enter into partnerships with producers under component 1, and (ii) all family farmers (81,635 according to IBGE, 2017) and PIQCTs in Mato Grosso, who will benefit from project activities to improve extension services and increase the efficiency of environmental and land regularization services in Mato Grosso as a whole.

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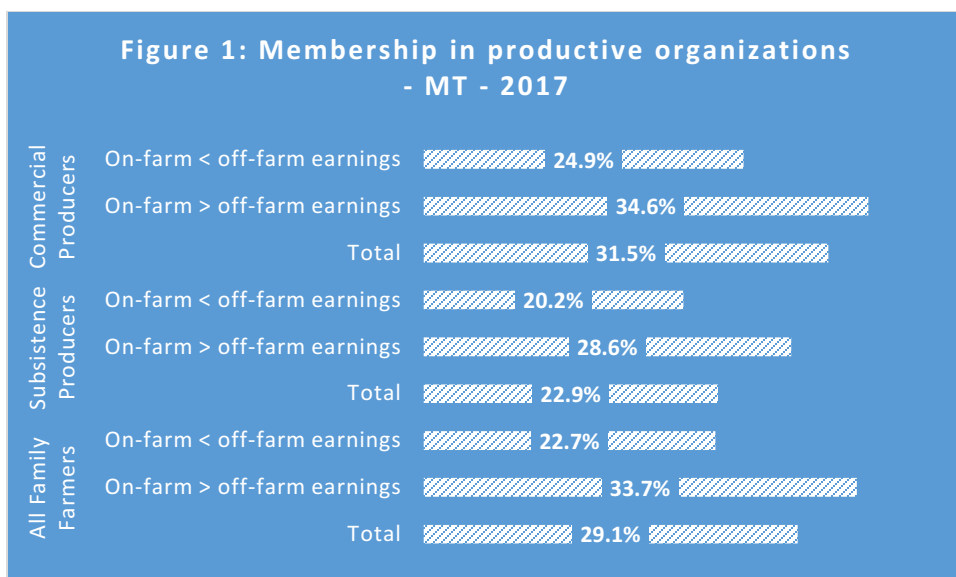
<sup>73</sup> Of the 6 municipalities contained in the 35 State Settlements targeted for land regularization, Cuiabá, Nossa Senhora do Livramento, Poconé, and Santo Antônio de Leverger are eligible for support under component 1 while Barra do Bugres and Poxoréu are not.

### ANNEX 3: Gender Action Plan

1. **Objective.** The project's Gender Action Plan aims to reduce income gender gaps among family farmers in Mato Grosso, by providing access to agricultural extension, technical information, and subsidized funding for productive activities to women and their Producer Organizations following a Productive Alliance approach in selected productive chains.
2. **Gender Gap Analysis**

*Context: Family Farms in Mato Grosso*

3. The last official data available (IBGE's Agrarian Census of 2017) shows that there were 81,635 family farms in Mato Grosso, counting for 68.8% of the landholdings and holding just 9.3% of the land area. The average size of these family farms equaled 62.85 hectares. Most of the family farmers were male (71.7%). One fourth of the family farms were run by the elderly (65 and more years old) and just 9% by people under 35 years of age. Twelve percent of them were illiterate and just 5% have achieved an under-graduation degree. Most of the family farmers were Afro-Brazilians (53%), followed by whites (45%). Indigenous peoples counted for 1% of the family farmers in Mato Grosso.
4. Among family farmers, the main economic activity was ranching and cattle breeding (82% of the farms and 87% of the land area), followed by temporary crops (11% of the farms and just 8% of the land area). According to the main purpose of agricultural production, most of the family farms in Mato Grosso produce for markets (71.8%), but 28.2% continued to produce mostly for family consumption and emerging. In this year, 79.8% of the family farmers in Mato Grosso had on-farm earnings and 48.5% had off-farm earnings (pensions, conditional cash transfer programs, off-farm jobs, etc.). The average annual on-farm earnings reached more than 43.3 thousand Brazilian Reais, whereas the average annual off-farm earnings were just above 8.7 thousand Brazilian Reais. On-farm earnings were higher than the off-farm earnings among 58.4% of them. This rate reached 68.7% among the market producers and dropped to 28.2% among the emerging producers.
5. Only 29.1% of Mato Grosso's family farmers belonged to producers' organizations (associations and/or cooperatives). There was a huge gap between family farmers producing for self-consumption (emerging) and for the market in terms of membership to these producers' organizations. On the one hand, 31.5% of the family farmers who produce for the market belonged to producers' organizations and counted for 77.8% of the total members of producers' organizations. On the other hand, only 22.9% of those who produce for emerging did so and counted for just 22.2% of the total members of these organizations. Furthermore, among the members of producers' organizations 67.6% had on-farm earnings that were higher than off-farm earnings (13.2% recruited among emerging producers and 86.8% among market producers). Figure 1 (below) breaks down the data one step further and suggests that there was a positive correlation between participation in productive organizations, production for market, and farmers' greater dependency on the on-farm earnings.



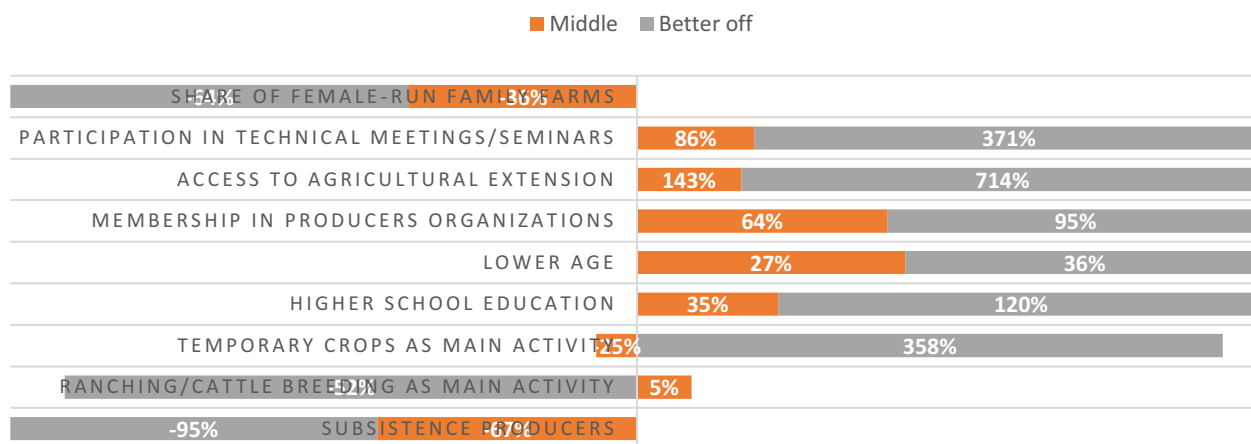
6. Only 12.5% of the family farms had access to agricultural extension – the provision of information, training, and advice in agricultural production – and 4.5% had access to governmental agricultural extension. These figures were much higher among the members of producers' organizations: 21.1% of them had access to agricultural extension and 7.6% to governmental agricultural extension. Most of the family farms (83.7%) got access to technical information through different channels: 61% through TV broadcasting networks, 38% through radio broadcasting networks; 13% through websites, only 10% through technical meetings and seminars, 6% through newspapers and 5% through magazines.
7. The Agrarian Census 2017 classifies the family farms in three different groups based on the eligibility criteria of the National Program for Family Farming Strengthening (PRONAF):<sup>74</sup> a) those who were eligible for PRONAF

<sup>74</sup> The credit lines of PRONAF are open to farmers, artisanal fishermen (dedicated to artisanal fishing, for commercial purposes, exploring the activity as autonomous, with their own means of production or in partnership with other equally artisanal fishermen), aquiculture producers (dedicated to the cultivation of organisms that have their normal or most frequent means of life in water and exploit an area not exceeding 2 hectares of water or, when the exploitation is carried out in a net-tank, occupy up to 500 m<sup>3</sup> of water), silviculturists (who cultivate native or exotic forests and who promote the sustainable management of those environments), extractive producers (who carry out artisanal extractives in rural areas, excluding scrap gold miners and sparklers, and members of rural *Quilombola* communities or indigenous peoples or members of other traditional peoples and communities, who: i) explore a plot of land as owner, squatter, tenant, borrower, partner or concessionaire of the National Agrarian Reform Program, or permission holder of public areas; ii) reside on the property or nearby; iii) do not have, for any reason, an area greater than four fiscal modules, contiguous or not, quantified according to the legislation in force (this item does not apply in the case of rural condominiums or other collective forms of property, provided that the ideal fraction per owner does not exceed the four fiscal modules); iv) obtain at least 50% of the family's gross income from the farm and non-agricultural exploitation of the establishment; v) have family work as predominant in the operation of the establishment, only eventually using salaried work, in accordance with the seasonal requirements of the agricultural activity, being able to keep permanent employees in a smaller number or equal to the number of people in the family employed with the family enterprise - except in the PRONAF Microcredit Line (Group "B"), which does not admit the maintenance of any salaried employee on a permanent basis; and vi) have obtained annual gross family income of up to R\$500,000 in the last 12 months of normal production prior to the request of the PRONAF Aptitude Declaration (DAP), considering in this limit the sum of the entire Gross Value of Production (GVP), 100% of the amount of on farm earnings and other income from activities carried out on the establishment and outside it, received by any family component (except social benefits and social security income arising

B's credit line as they meet the eligibility criteria and had average annual earnings up to 23 thousand Brazilian reais; b) those who were eligible for PRONAF V's credit line as they meet the eligibility criteria had annual earnings above 23 and up to 500,000 thousand Brazilian reais; and c) those who were not meet the eligibility criteria for PRONAF. The first group comprised 51% of the family farmers in Mato Grosso (and held 35% of the land area under family farming), the second group comprised 48% of them (and held 60% of this area) and the last group just 2% of them (and held 5% of the area). The total annual average earnings of the first group equaled 19% of the second group and just 2% of the third one. In consequence, for easiness of reference, these groups will be thereafter called: the worse-off, the middle, and the better-off family farmers.

8. There are many other relevant and explanatory distinctions between these groups besides their annual revenues. The average size of the farms of the worse off was less than ¼ of the better off farms and equaled 54% of the middle group farms. While the average off-farm earnings of the worse off were higher than the on-farm earnings, the off-farm earnings of the middle group were just 15% of the on-farm earnings and this ratio equaled 2% among the better off. Furthermore, and as depicted in Graph 2 (below), the share of emerging producers among the worse off was much larger than among the other two groups. While ranching/cattle breeding was the main economic activity among the worse-off and the middle groups, the better-off were more involved with temporary crops. The members of the worse-off group tended to be older and have achieved lower levels of school education. Membership to producers' organizations, access to agricultural extension and reliance on technical meetings and seminars as a source of technical information also increased with the income scale.<sup>75</sup> **Contrariwise – and essentially – the share of female-run's family farms sharply declined gender gaps as income increases.**

Figure 2: Selected comparators taking the worse-off group as reference - MT - 2017

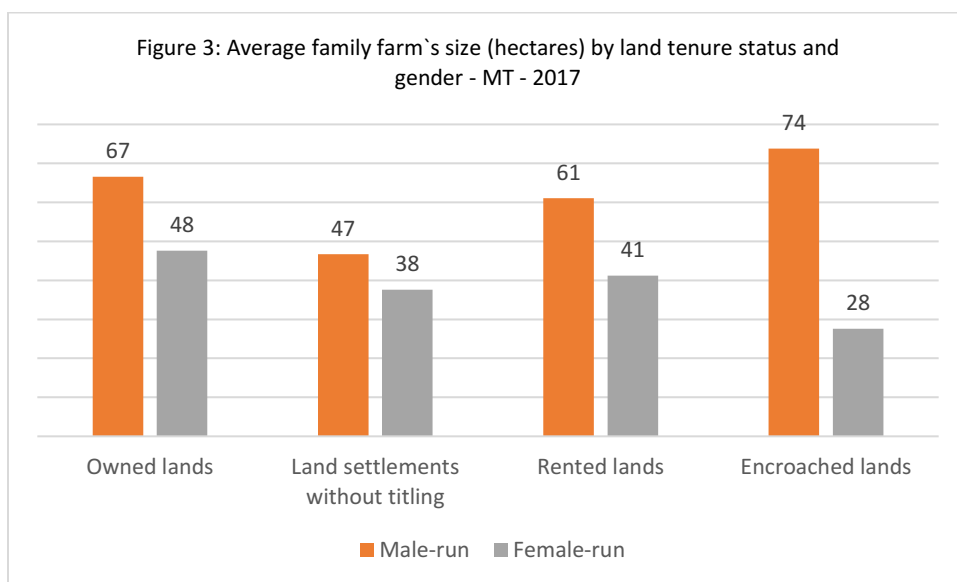


### Gender Gaps in Mato Grosso's Family Farms

from rural activities).

<sup>75</sup> It is worth noticing that within each of these income groups, membership to producers organization increased access to agricultural extension. Thus, the overall rate of access to agricultural extension equaled 2.9%, 8.8% and 17.8% among the worse-off, the middle group and the better-off, respectively; whereas this rate reached 13.1%, 24.5% and 64.4% among the members of these groups who were also members of producers organizations.

9. Women run 18.3% of the family farms in Mato Grosso. Female-run family farms and farms run by a couple count for around 40% of the family farms in Mato Grosso.<sup>76</sup> The average size of their farms equaled 46.41 hectares (in average 30.3% less than male-run's family farms) and, in total, only 13.5% of the family farms' lands were under women's control. Management of family farms can be taken as a proxy for control over land assets and family decision-making on agricultural production. The distribution of male- and female-run's family farms by land tenure status showed that most of them were under full land ownership (85% and 82%, respectively); 10% of the male- and 15% of the female-run's family farms are comprised by establishments in land reform settlements; twice as much male- than female-run's family farms were in rented lands (6% and 3%, respectively); and 2% of both male- and female-run's family farms occupy encroached lands. It is worth noticing that under any land tenure situation, female-run's family farmers were smaller than male-run's ones (as shown in Graph 3, below). The gap in average size was smaller among land reform settlers (20%), raised to 29% among landowners and 33% among renters, and peaked among encroachers (63%).

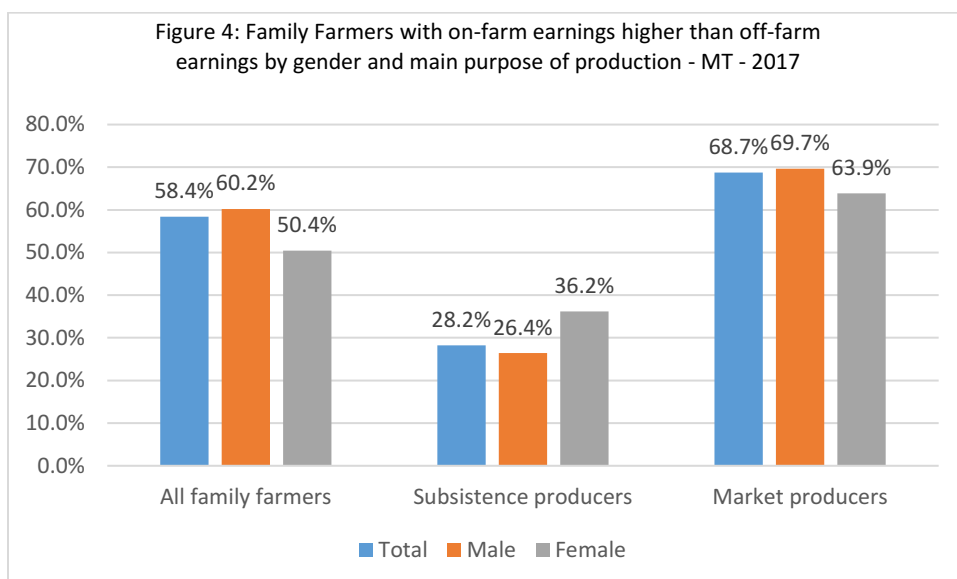


10. Women running family farms tended to be younger and to have achieved higher levels of school education than men's family farmers. They had less access to agricultural extension than men. The share of men and women having access to technical information was quite the same (83.5% among the women and 83.7% among men), and, overall, they got information through the same channels (prevailing the TV and radio broadcasting networks and have a slight difference in the share that got it through technical meetings and seminars – 11% among men and 9% among women). Overall, there is also a very slender difference in terms of membership to producers' organizations: only 29.1% of the family farmers are enrolled in producers' organizations and this rate equals 29.5% among men and 27.5% among women.
11. Their on-farm productive activities are quite the same as men's: ranching/cattle breeding was their main activity (80.1% of the male-run's family farms and 79.8% the female ones are involved on it), followed by temporary crops (13.7% and 13.6% of them, respectively).<sup>77</sup> However, the main purpose of the agricultural

<sup>76</sup> In the state, 22.0% of the family farms were informed to be run by the married couple. Out of the female-run family farms, 22.4% were indeed run by the married couple and this rate equaled 21.9% among the male-run family farms.

<sup>77</sup> Exceptionally, the very small number of female-run's family farms among the better-off income group relies mostly in temporary crops. While 54% of the male-run's family farms in this group sow temporary crops as their main economic activity, 69% of the better-off female family farmers do it.

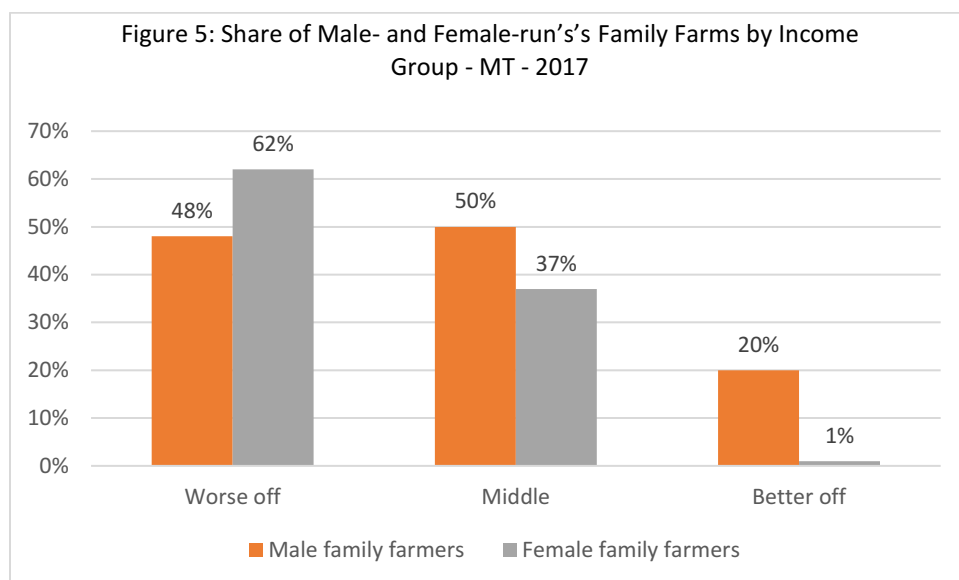
production was a major point of distinction between female and male family farmers from Mato Grosso: a larger share of those run by women than those run by men still remained mostly emerging producers (36.2% of the females' vis-à-vis 26.4% of the males'). The weight of on-farm earnings on family budget was also largely disparate among female and male family farmers: on-farm earnings were higher than off-farm earnings among 50.4% of the female-run's family farms and climbed to 60.2% among the male-run's ones. It was directly associated with the predominance of production for emerging or for the market as shown in Graph 4, below.



12. However, these average gender gaps and similarities do not provide an accurate picture. Breaking down the data available and considering the different income groups in which family farmers can be classified, it is found that:

- Female family farmers from all income groups have achieved higher levels of school education than males.
- The average size of female-run's family farms was smaller than male-run's family farms, but this gap decreased with income, as it peaked at -25% among the worse-off and decreased to -22% among the middle group and just -13% among the better-off.
- Regarding land tenure, a small share of male family farmers were owners among the worse-off and middle groups, whereas a higher share of female family farmers was found among the land reform settlers in all three income groups (gaps equal to +4% among the worse-off, +5% among the middle group and +8% among the better-off). Among the better-off, the share of male family farmers using rented lands more than double the share of female family farmers).
- With regards to the main economic activity, there was relevant gender gap on the share of family farmers sowing temporary crops that grows with income: in all income groups more female family farmers than men's family farmers sowed temporary crops, but this gap rose from +2% among the worse-off, up to +5% among the middle group, and up to +15% among the better-off.
- Emerging production was more frequent in female-run's family farms than male-run's - apart from the better-off, among which no female-run's family farm produced for subsistence. The gap reached +16% among the worse-off and +32% among the middle group.

- A smaller share of female family farmers than male's family farmers had on-farm earnings higher than off-farm incomes among the worse-off and middle-groups (a gap of -6% in both groups). This trend was reversed among the better off (a gap of +4%).
- Within each income group, there was no gap in terms of access to agricultural extension and membership to Producer Organizations (as seen these gaps were huge between the income groups).
- There were no relevant gender gaps among the worse-off and the middle group regarding technical information access. However, there was a relevant gender gap (-6%) among the better-off. Above all and as shown in Graph 5 (below), female-run's family farms were overrepresented among the worse-off.<sup>78</sup> Consequently, a huge gender gap on income was a hallmark of family farming in Mato Grosso.



13. In short: Female family farmers were overrepresented among i) the worse-off farmers, ii) the emerging producers and iii) the family farmers whose on-farm earnings are smaller than off-farm earnings. Female family farmers also held smaller farms and had less access to agricultural extension and opportunities to participate in technical meetings and seminars. Female family farmers from the most economically vulnerable group faced even worse conditions of access to productive means, rural extension, technical knowledge, productive associations, and the market. And their condition is even worse than that of male family farmers in the same economic group.

#### 14. Gender Sensitive Project Activities

15. The objective of the project is to improve the access to markets, climate resilience, and land and environmental management of selected family farmers in Mato Grosso and in case of an Eligible Crisis or Emergency, respond promptly and effectively to it. Improved access to markets will be pursued by adopting a Productive Alliance approach and can contribute to social inclusion and reduce the prevailing gender gaps among family farmers.
16. The project aims to: (i) increase women's access to productive assets and inputs: improving women's access to inputs and extension services and access to technology to increase productivity ; (ii) provide training, to

<sup>78</sup> Considering family farms run by the married couple, they counted for 19.3% of the worse-off farmers, 25.1% of the middle-income farmers and 14.8% of the better off.

improve technical and business management skills and to equip women to take advantage of profitable economic opportunities; (iii) improve access to technical information and marketing networks for women: stimulating the demand for women's products by improving their access to markets and linking women farmers with market intelligence services; and (iv) improve women's participation in cooperatives and representative organizations.

17. The project's support for women will be mainstreamed in the key value chains in which they are involved and the project will address the gaps that exist in women's access to training, inputs, capital, and markets compared to their male counterparts. Furthermore, the project will incorporate beneficiary targeting criteria that explicitly include gender equality aims. Hence:

- a) In the foreseen land regularization activities in 35 land reform settlements created by Mato Grosso and managed by INTERMAT, all land titles will be issued in the name of the women of the family and/or of the married couple.
- b) In the foreseen activities supporting the preparation and implementation of Business Plans of Producer Organizations:
  - i. Fifteen percent of the funds will be provided in support of women Producer Organizations to increase women's incomes by growing and marketing high-value cash crops.<sup>79</sup>
  - ii. In the selection of the remaining business plans,<sup>80</sup> additional scores for prioritizing will be applied in advantage of the proposals from Producer Organizations in which women producers comprise at least 40% of the beneficiary members.<sup>81</sup>

18. In providing support to Women's Producer Organizations – and particularly the organizations that are mostly composed by the worse-off family farmers – the project will take into consideration the barriers that prevent many female family farmers from producing cash crops rather than food crops. Thus, the project has distinguished the eligibility criteria for its two windows and may consider – as an adaptative management measure – a reduction in the counterpart contribution required for female Producer Organizations or a higher matching grant for business plans involving Producers Organizations with a minimum number of formal members who are women.

19. Furthermore, the technical assistance elements embedded in the approach for Component 1 will be based on a strong analysis of gender issues to identify obstacles to women's participation and a set of specific actions to address them (as already incorporated in the project's Stakeholder Engagement Plan). Thus:

- a) Measures related with a Gender Equitable Agricultural Extension:
  - i. Project agricultural extension workers (staff from EMPAER and consultants) – particularly those supporting the preparation of both the Expressions of Interest and the Business Plans by Producer Organizations – will be fully trained in gender-sensitive extension approaches, to be able to:

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<sup>79</sup> It is worth noticing that two other equal shares of 15% of the funds are reserved for a) Indigenous Peoples, *Quilombolas* and Traditional Communities and b) youth Producer Organizations.

<sup>80</sup> Eligible for 55% of the funds of the component.

<sup>81</sup> This ratio is considered as it has been adopted since 2011 by the National Food Acquisition Program (PAA), created by Law 10,696/2003. Since then the share of women producers among PAA beneficiaries has increased from 27% up to 74% in 2022.

- assess gender-related issues;
  - identify women's "invisible" economic contribution to family farms;
  - identify the barriers that may exclude them from and/or hamper their full participation in Producers Organizations, in the market, and in Productive Alliances; and,
  - help determine feasible ways in which the project can contribute to ease those barriers.
- ii. Agricultural extension teams will encourage women's participation on exposure visits as well as women to host on-farm demonstrations and field days.
  - iii. The recruitment of agricultural extension workers to perform works related to the project – particularly supporting the preparation and implementation of Business Plans – will be committed with providing field teams composed by both women and men, looking to ensure the best possible gender balance in the composition of the project's labor force. Thus, gender-sensitive language will be used to describe consultant positions in the ToRs and gender targeting concerns will be reflected in the tendering process and in all contracts with service providers and consultants.
  - iv. Gender-equitable staffing has also been proposed for the Project Management Unit.
  - v. Measures related to Beneficiary Selection. The project staff in charge of evaluating Expressions of Interest and Business Plans will also be fully trained, aware and capable of addressing gender issues.

b) Measures related with Communication and Information:

- i. All communication and information activities will consider and use the different media that are preferred by both women and men. According to the available information, language is not a relevant barrier, but literacy levels and access to the internet may be barriers for women of the worse-off group of family farmers.
- ii. Communication and information materials will cover topics that necessarily meet women's needs and will disseminate good experiences held by Women Producer Organizations as well as Producer Organizations that promote women's full participation and empowerment.
- iii. Agricultural extension workers will be oriented to distribute communication and information materials to as well as to engage on a routine basis with both women and men, adult and youth in each family farm engaged in the implementation of the Business Plans.

c) Measures related with Capacity Building:

- i. All training and capacity building events will be designed taking in consideration the special needs and the contents that are relevant for women – including their heavy household workload, childcare responsibilities, travel, and time constraints to participate in technical meetings and seminars, concerns with production for family food consumption.
- ii. All training and capacity building events – particularly those dealing with the development of cash crops/production for markets that are not traditionally in the domain of women, the development of women's skills in areas that are not traditionally considered to be in the women's domain and the development of leadership and negotiating skills – will foster the participation of women family farmers and ensure that the timing and venues are convenient for women.<sup>82</sup>

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<sup>82</sup> The timing and types of project activities and training will be coordinated with women's time, resources and operational skills.

- iii. The project will also promote awareness raising sessions – engaging women, men, girls, and boys - on adverse masculinity norms and the enhancement of women’s voice and agency.

d) Measures related with monitoring and evaluation (M&E):

- i. M&E activities – particularly those involving beneficiary surveys – will ensure that both women and men will have the opportunity to express their views and share their concerns about the implementation of project activities and the findings of these activities will report gender disaggregated data.

## 20. Project Expected Outcomes for Reducing Relevant Gender Gaps

21. The combination of gender-sensitive activities incorporated in project design is expected to contribute to reducing the overrepresentation of female family farmers among the most vulnerable family farmers. This outcome will be measured in two main aspects that contribute to such overrepresentation of women among the worse-off group:

- a) The first refers to the identified gender gap among beneficiary family farmers producing for the market. Based on the information available, it can be estimated that the baseline gap is around 9 percent points in detriment of women family farmers. The project goal is to halve this gap.
- b) The second refers to the identified gender gap among beneficiary family farmers whose on-farm earnings are higher than their off-farm earnings. Based on the information available, it can be estimated that the baseline gap is around 10 percent points in detriment of women family farmers. The project goal is also to halve this gap.<sup>83</sup>

22. The gender equity theory of change for the project is presented in Figure 6.

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<sup>83</sup> To ensure these outcomes are fully attributable to Project activities and a relevant test of the applied approach on reducing gender gaps, the Project will run a nonrandomly assigned control group study. With this purpose, the project will conduct baseline (during the first year of Project implementation) and endline surveys, including a control group.

**Figure 6: Gender equity theory of change for the project**

Gender Gap		Activities	Output Indicators	Outcomes	
Female family farmers were overrepresented among the worse-off family farmers	Female family farmers held less and smaller family farms	In the foreseen land regularization activities in 35 land reform settlements created by Mato Grosso and managed by INTERMAT, land titles will be preferentially issued in the name of the women of the family and/or of the married couple.	Percentage of land titles issued in the name of the women and/or married partners Baseline: zero Target: 85%	Increased land tenure security among female land reform settlers, opening their access to credit markets.	Reduced vulnerability of family farmers and reduced overrepresentation of female family farmers among the worse-off family farmers
	Female family farmers had less access to agricultural extension and opportunities to participate in technical meetings and seminars.	The project will support the implementation of Gender Equitable Agricultural Extension aiming to enhance women's visibility as a productive actor and their voice by: (i) employing women as agricultural extension workers; (ii) training agricultural extension workers to improve the delivery of services to women family farmers; (iii) designing all communication materials, training and capacity building events taking in consideration the special needs and the contents that are relevant for women; (iv) fostering the participation of female family farmers in all capacity building activities; (v) carrying out of training workshop on gender issues; and, (v) adopting a monitoring and evaluation approach that ensures women have the opportunity to express their views and share their concerns.	(i) Percentage of women hired to provide Agricultural extension in project supported activities Baseline: zero Target: 25% (ii) Share of women family farmers among the beneficiaries of agricultural extension activities Baseline: zero Target: 30% (iii) Share of women family farmers among the beneficiaries of training and capacity building activities Baseline: zero Target: 30% (iv) Share of women family farmers in the sample of the beneficiary assessment of project supported activities Baseline: zero Target: 50%	Increased access of female family farmers to or reduced gender gap in access to agricultural extension, training and capacity building opportunities.  Increased recognition of women's contribution to family farm.	
	Female family farmers were overrepresented among the emerging producers and among family farmers whose on-farm earnings are smaller than off-farm earnings.	In the financing of Business Plans, adopt criteria for prioritizing: a) Women-led producers' organizations; and,  b) Producers' organizations with a minimum number of female family farmers among their members	a) Share of women-led producers' organizations implementing Business Plans Baseline: zero Target: 15%  b) Share of women members of non-women-led organizations benefiting from Business Plans Baseline: zero Target: 25%	Halving the gender gap in production for markets among project Beneficiaries Baseline: -9.0% Target: -4.5%  Halving the gender gap on-farm earnings are greater than off-farm earnings. Beneficiaries Baseline: -10.0% Target: -5.0%	

## ANNEX 4: Economic and financial analysis (EFA)

### Introduction

- 1. The project's Economic and Financial Analysis (EFA) undertakes an ex-ante analysis of the economic and financial cost-benefit of project interventions.** The analysis builds cash flows for “with” and “without” project scenarios, using realistic and conservative figures to estimate the following indicators: gross and net margins, return on labor, Net Present Value (NPV), Financial Internal Rate of Return (FIRR), and Benefit-cost ratio (B/C ratio). These indicators are estimated: (a) for the overall project; (b) specifically for the CSA Family Farming Business Plans under component 1; (c) by investment categories; and (d) by production models. Environmental benefits generated by the project are included as economic benefits. A sensitivity analysis is carried out to explore the likely impacts of possible changes in key variables such as benefits, costs, interest rates and years of evaluation.
2. The analysis of Component 1 estimated the net incremental benefits for farmers, rural entrepreneurs and communities, including vulnerable priority groups as a result of project intervention. Benefits accruing to farmers include i) larger production volumes available for sale, ii) increased value added of family farming products, iii) more stable income from family farming through increased production systems' resilience. In the long term, improved environmental compliance and land tenure should also contribute to the sustainability of farm incomes. Additional benefits for the society will be generated from improved or maintenance of ecosystem services in the areas in which the project will intervene, such as increased or maintenance of carbon storage and increased biodiversity.
3. The project will contribute to increased and more stable incomes of smallholder farmers through: (i) adoption of practices and technologies that enhance agricultural and livestock productivity; (ii) adoption of practices that contribute to improved resilience to climate change and extreme weather events; iii) enhanced processing efficiency, and iv) improved quality of products and access to markets that remunerate quality.
4. This change will be brought about by targeted technical assistance, investments in infrastructure and equipment, and changes in inputs and production factors use as designed in each PO business plan. The project will focus on the most promising value chains for family agriculture in Mato Grosso from a financial return and competitiveness standpoint. Interested producer groups, responding to market opportunities will ultimately determine the product mix of their business plans. The project is expected to support two types of producer organizations (PO): (i) “commercial”, cooperatives, or associations with the aim to become cooperatives, that plan to sell as a group to formal private markets (wholesalers and retailers), (ii) “emerging”, associations that aim at improving the individual production of their members and organize and improve their sales, but do not aim at selling as a group yet, or aim at selling to institutional markets.
- 5. This annex presents the Economic and Financial Analysis (EFA) of the project's interventions based on twelve models that illustrate possible financial results from business plans financing.** For each illustrative example, the analysis accounts for project costs and benefits in a realistic and conservative manner and builds cash flows for scenarios “with” and “without” project, as well and for the difference between these scenarios (project result). Key-indicators of the analysis for each case are gross and net margins, value addition, Net Present Value (FNPV), Financial Internal Rate of Return (FIRR), and switching values for both benefits and costs.
6. The economic analysis of component 1 is based on a cash flow that considers the phasing in of the total estimated investment in producer organizations – direct (subprojects) and indirect (structuring of technical assistance services, management costs, etc.). The overall project cash flow was constructed for “with” and “without” project intervention scenarios, as well and for the difference between these two. The analysis is made considering economic prices and

accounts for estimated externalities in terms of carbon sequestration or avoided emissions estimated using Ex-act for the changes in land use described in each illustrative case. Key-indicators of the analysis are Project Net Present Value (NPV), and Project Economic Internal Rate of Return (EIRR).

7. Component 2 will invest in strengthening existing government capacity for family farms, land administration and environmental legal compliance. It will add to multiple exiting efforts and sources of finance and therefore its economic and financial analysis as a whole is not granted.

## Financial Analysis

8. The primary objective of the financial analysis is to determine the incentives for the target group's participation in project activities. Hence, it examines the project's estimated effects on family labor, net margins and cash flow. Pre-identified strategic products and their respective productive chains include a) milk and dairy products, b) fruit tree crops fresh and for pulp; c) fruit and vegetables, d) cassava; e) cocoa integrated in a agroforestry system, f) coffee, and g) beekeeping products. Illustrative models of primary production and processing, when relevant, were developed for each of these value chains.

9. The models were built with data from a mix of primary information (preliminary investment needs identified by a number of interviewed POs) and secondary sources (information from successful experiences EMPAER or EMBRAPA have developed or assisted to develop, or from documented experiences in similar contexts). The sizes of the POs were established based on a mapping conducted by EMPAER on the number of existing and functioning POs in Mato Grosso as well of the families associated to such POs.

10. **Exchange rate.** The exchange rate used in the analysis will be fixed at 1 USD = 0.19 BRL computed as an average of the exchange rate prevailing during pre-appraisal mission.

11. **Prices.** Price level expressed in local currency unit for sub-projects inputs and products at farm gate according to average market prices as collected by Empaer next to prospective beneficiaries or available through updated secondary sources. The analysis was undertaken using nominal constant prices.

12. **Opportunity cost of capital.** A discount rate of 6% for a 12 year period was applied in this analysis to assess the viability and robustness of the investments.

13. The following paragraphs provide a short description of each of the 12 models that were used. Tables 1 and 2 summarize the main indicators that characterize them.

14. **Dairy (commercial and emerging)** – Investment in the dairy value chain is modeled for two types of beneficiary organizations, commercial and emerging:

15. **Commercial:** A milk processing cooperative with underutilized capacity would invest in 119 families to improve milk productivity and the resilience of their production systems, according to an agro-forestry-livestock model developed by Embrapa. Each family would have in average 17 cows in 20 hectares of degraded pasture. The cows' fertility rates would hover around 30% and they would produce 5 litres of milk per day. The new model would invest in silage production and pasture improvement (including tree shading), and improved genetics. This would result in a reduction of dedicated pastureland to 10 hectares over 5 years (the remaining 10 hectares would naturally regenerate), in the increase in production per cow per day to 10 litres per day and in a fertility rate of 68%.

16. In order to receive the milk that would be produced in excess, the cooperative would be supported with a

refrigerated truck and 6 refrigeration tanks of 1000l. An investment would also be made in solar panels to reduce processing energy costs and in the acquisition of equipment to provide silage production services to members.

17. **Emerging:** The base model consists of investing in 119 families belonging to a producer organization to improve milk productivity and the resilience of their production system. The 119 families would own in average 8 cows in 10 hectares and the project would invest in primary production according to the model described above. In order to refrigerate the milk that would be produced in excess, the association would be supported with additional cooling tanks and respective shed, as well as milk analysis equipment.

18. In both cases, the adoption of improved pastureland would reduce land requirements and increase tree cover and thus produce climate change mitigation benefits. The increase in productivity per animal would also decrease the carbon intensity of the milk that is produced.

19. **Cassava (emerging)** – The project would invest in a producer organization with 51 producers who would be supported in adopting best practices. In particular, the project would invest in planting and harvesting equipment and support with the purchase of inputs for 2 hectares per family in the first year. Productivity would increase from 14 to 20 tons per hectare after 2 cycles.

20. **Fruit tree crops (commercial and emerging)** – Two models were considered for this subsector:

21. **Emerging, only primary production** – The producer organization would work with 33 members and invest in 0.5 hectare of fruit plantations in each of them. The plantation would be improved with seedlings adapted to local conditions, construction of dams or well drilling, and installation of a drip irrigation system. For the first year, the project will also support the acquisition of inputs and technical assistance for irrigated fruit crop production, with a focus on fertilization and integrated pest management. Sales would be conducted individually to grocers and processing units, but possibly organized by the association.

22. **Commercial, primary production and fruit pulp production** – The project would invest in an existing small-capacity fruit pulp unit currently producing 20 ton of fruit pulp per year. The investment would increase capacity to 400 ton per year and make it compliant with food safety regulations. The main equipment includes: fruit pulp extraction equipment, industrial freezers, fruit washing and cutting equipment and solar panels for electricity production. The unit would be supplied by its 33 members with fruit from one ha of irrigated orchards which would also be supported with investment according to the model described above.

23. **Fruits and vegetables (emerging)** – The investment would be made in an association by 73 small producers who would produce in common or individual areas (backyards up to 300 m<sup>2</sup>). The project would invest at farm level in localized irrigation, improvement of production practices (soil management and fertilization, IPM, and irrigation), and farm equipment. All these would contribute to increased yields, and reduction of production losses, which in turn are expected to reduce carbon intensity per dollar and caloric unit produced.

24. The sale of vegetables would be carried out individually in local markets and fairs, but organized by the association, which would manage a number of fair stalls for members and a vehicle for transporting production. The association would be supported with a vehicle for transport of production.

25. **Cocoa (emerging)** – The investment was modeled for an association of 29 small producers who would plant one hectare of cocoa per family under an agro-forestry system with banana (fruit with a quick return and providing initial shading) and trees capable of shading in the longer run (andiroba for commercial oil seeds). In the first year, the tree rows would be inter-cropped with maize and cassava. The intervention is expected to be resilient to climate shocks as

the project would invest in irrigation equipment and improved production practices (IPM, pruning, fertilization). Additionally, the project would introduce improved post-harvest practices, in particular for the high quality cultivars whose fruits may fetch a premium in the market. In those cases in which shading is increased or new plantations are made on bare land, the project will yield positive GHG emission mitigation effects from changes in land use.

26. **Coffee (emerging)** – The investment was modeled for an association of 62 small producers. Each producer is supported in rejuvenating and improving the management of two hectares of existing coffee plantations. The investment includes building a dam or drilling a well, as well as the installation of an irrigation system. During the project, the coffee will continue to be dried on the farm or designated productive area and pulped and processed after it is sold, but the organizations will be strengthened so that in the future they will be in a position to process the coffee themselves. The intervention would also increase resilience to climate shocks and reduce GHG emissions per dollar generated.

27. **Honey (commercial)** – The model for honey production considers an investment in both primary production improvement and honey extraction and commercialization. The project would invest in an association of 24 honey producers with the intention of becoming a cooperative or be able to commercialize the production individually to a grocer. The investment would include increasing the number of hives per family from 10 to 25 and improving productivity by improving reproduction, feeding and management practices. The project would also invest in adapting an existing shed and equipment for a certified honey extraction unit. Honey would be sold in buckets to a honey grocer. The project would support grocers that would enter the commercial alliance with the association by hiring a technician to supervise and coordinate production.

28. Key performance indicators for all models are shown in tables 1 and 2 and in figures 1 and 2.

**Table 1: Summary of incremental results of financial models (with project - without project)**

	Investment project (a)	Investment beneficiary	% project	FIRR	FNPV	Net Margin per family /year(b)	Return on labor/family /year(c)
<b>Primary production – models for one family</b>							
Milk production*	21,000	5,000	80%	31%	107,000	41,000	78,000
Milk production**	18,000	2,000	90%	26%	50,000	21,000	38,000
Cassava**	14,000	4,000	80%	39%	14,000	7,000	8,000
Fruit tree crops*/**	32,000	6,000	70%	22%	30,000	28,000	39,000
Fruit & vegetable**	3,000	500	90%	124%	14,000	4,000	7,000
Coffee**	31,000	6,000	80%	31%	44,000	18,000	20,000
Cocoa**	36,000	2,000	90%	35%	33,000	27,000	32,000
Beekeeping*	8,000	1,000	90%	29%	7,000	9,000	12,000
<b>Processing – models for a producer organization</b>							
Dairy plant*	2,320,000	590,000	80%	14%	2,043,000	12,000	14,000
Milk refrigeration**	108,000	12,000	90%	(b)			
Pulp producing unit*	260,000	65,000	80%	43%	4,268,000	42,000	44,000
Honey extraction*	49,000	12,000	80%	113%	392,000	3,000	3,000

Notes: (a) Does NOT include investment in technical assistance (technicians and rural development agents)

(b) Values once the project achieves maturity (4th year).

(c) Investment in refrigeration does not generate benefits per se, it only enables selling the milk that is produced – aggregated results of primary production + refrigeration are shown below.

Commercial organization.

\*\* Emerging organization.

**Figure 1: Investment and Internal rate of return for each model (above) and financial results per family (below).**



**Table 2: Summary of the aggregated models per producer organization (primary production + processing)+**

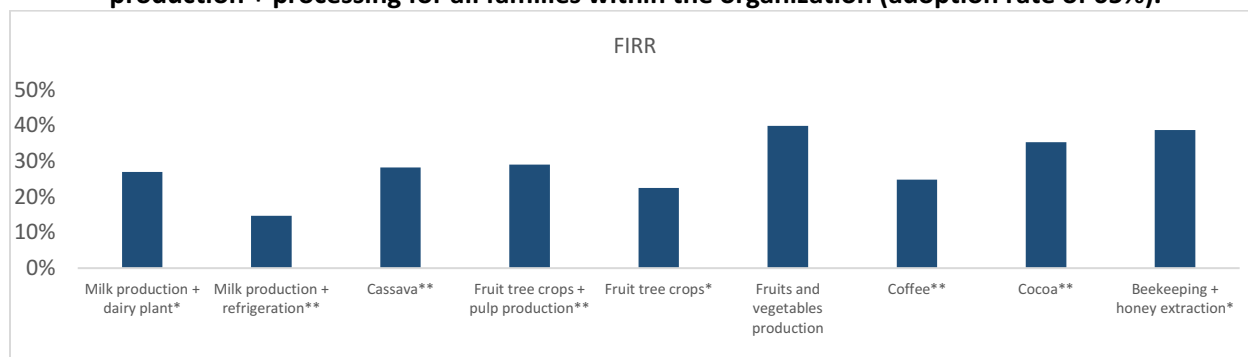
	Number of beneficiaries	Total investment	Investment per family	% project	FIRR	FNPV (R\$ million)
Milk production + dairy plant*	119	9,095,000	76,000	80%	19%	132.8
Milk production + refrigeration**	119	4,878,000	41,000	90%	15%	2.3
Cassava**	51	720,000	948,000	90%	28%	0.8
Fruit tree crops + pulp production*	33	1,579,000	48,000	80%	29%	4.3
Fruit tree crops**	33	627,000	19,000	90%	23%	0.8
Fruit and vegetable production	73	421,000	6,000	90%	40%	0.7
Coffee**	62	-	-	90%	25%	2.3
Cocoa**	29	1,091,000	38,000	90%	35%	1.5
Beekeeping + honey extraction*	24	256,000	11,000	80%	39%	0.4

+ Results considering 65 percent adoption rate within each organization.

\* Commercial organization.

\*\* Emerging organization.

**Figure 2: Financial rate of return for the aggregated models per producer organization - primary production + processing for all families within the organization (adoption rate of 65%).**



29. The selected models demonstrate that there are opportunities to finance feasible investments in each of the selected value chains. As expected, the highest IRRs are obtained for the smallest investments (where marginal gains are still high), namely in fruits and vegetables and in honey (both above 100%). However, these, together with cassava show the most modest impacts on family income (increase in net margins below R\$ 10,000 in all cases). On the other hand, the improvement of milk production provides an opportunity to make considerable changes in family income (increases in net margins of R\$21,000 and R\$41,000, for 8 and 17 cows' farms, respectively), should prices remain stable. Despite presenting positive results, all models represent a number of risks that should be taken in consideration during project implementation:

30. **Milk:** The proposed models require working capital for the purchase of inputs for the silage crops and for improved pasture management (R\$ 13,000/year for the commercial model). The increase in milk production will require investment capacity in a milking parlor in the third year after project implementation (R\$25,000). Additionally, the adoption of the new production system requires an important and gradual shift in practices that can only be sustained with continuous and timely technical assistance. The model is conservative in terms in increase in production, but it is also relatively sensitive to changes in production costs. Should the project not be able to select motivated farmers, facilitate access to credit, and provide effective technical assistance, the expected results may not materialize.

31. **Cassava:** The model is based on the intensification of production. Such model should be only promoted next to families who can sell the cassava roots to a well-identified market. Families who cultivate cassava almost exclusively for self-consumption will have no incentive to adopt more expensive practices to increase production, and may abandon them once the project inputs have been used.

32. **Fruit tree crops:** The models are sensitive to changes in the value of production, i.e. to harvest and post-harvest losses and decreases in prices at primary levels. At processing level working capital needs will be very high, particular to secure the supply (and payment) of fruit from its members (R\$ 400,000 for the second year). The project must be capable to (i) ensure adequate technical support to primary production, and most importantly, (ii) ensure access to credit, and (iii) ensure rapid turnover of fruit pulp (due to limited refrigerated storage capacity) and (iv) short payment periods from clients (to decrease needs in working capital). Investment in increased management capacity is of foremost importance for the success of this type of businesses.

33. **Fruits and vegetables:** This analysis modelled a small production of fruit and vegetables that can be managed by one element of a family and easy to sell in local markets – this is important as fruits and vegetables are labor-intensive perishable products. However, it is essential that the project promotes cooperation, rather than competition, amongst the beneficiaries to place the products in market. Only through organized sales, will the members of the producer organization attain the reduced post-harvest losses and sales values described in the model.

34. **Coffee:** Increased productivity of coffee plantations requires conducting heavy pruning every 7 years (to remove unproductive parts that waste nutrients). The years after pruning are of lower yields. Yields increase progressively, peaking on year 5 and then start decreasing. If a farmer is to keep a constant level of income, it will need to prune its orchard in phases, keeping always a share of the plants in each growth stage. Otherwise, inter-year yield and income variations will be high and farmers may have problems managing their working capital. The project needs to be effective in assisting the farmers in designing their own 7 years farm management plan and help them through the first years of implementation. Otherwise, the risk of low adoption is high.

35. **Cocoa:** The model presented for cocoa is of low risk (and conservative in its results). However, it will be a new production system for many farmers and needs to be followed up by well-trained technical assistance to ensure high levels of adoption.

36. **Honey:** Production and extraction of honey are not separable activities (honey needs to be extracted to be sold and consumed) and must be analyzed together. Large investments in primary production are difficult to make in one year only, as swarms need to be multiplied into the new hives and (i) there is only so many new swarms that can be produced from the original ones, (ii) swarms used for multiplication will produce less that year. This means that it is unfeasible to make investments in large extraction units that will then spend years underutilized. Hence the model adopted a small production (from 10 to 25 hives per producer, with 22 hives producing honey from the fourth year). The model also was conservative in the marketing capacity of such units and assumed that sales would be done in buckets (no brand or differentiation) to a grocer or packing house. Developing a brand and selling directly to retailers would require constant volumes from the start, a high investment in marketing, and higher needs in working capital for packaging, which would possibly be beyond the immediate capacity of the majority of producer associations in Mato Grosso.

**Table 3 - Sensitivity analysis: switching values for benefits and input costs for per model**

	Benefits switching value	Input costs switching value
<b>Primary production – models for one family</b>		
Milk production – commercial	54%	17%
Milk production - emerging	48%	12%
Cassava	92%	14%
Fruit tree crops - commercial	88%	32%
Fruit tree crops - emerging	89%	22%
Fruit and vegetables	41%	108%
Coffee	74%	50%
Cocoa	41%	65%
Beekeeping	22%	17%

## Economic Analysis

37. The objectives of the economic analysis are: (i) to examine the overall project viability, and (ii) to assess its overall economic rate of return; and (iii) to perform sensitivity analyses upon variables affecting project's results. Key phases and assumptions will include:

38. **Phasing-in of beneficiaries and project total cash flow.** The results of a survey undertaken by EMPAER suggest that there is a total of 406 producer organizations (POs) operating in the project key value chains in the 61 municipalities targeted by the project, with a total of about 27,700 members. The analysis assumes that the project will invest in 128 POs. These 128 POs are distributed throughout the 8 selected value chains and 2 typologies in a similar proportion to the 406 surveyed. Average membership per value chain is also considered to be about the same for the surveyed POs. Table 4 summarizes these assumptions.

**Table 4: Subprojects and investment per subsector and typology (investment in USD million in financial prices)**

	Number of Pos/typology		Average # of families	Total investment (USD million)		
	Commercial	Subsistence		Commercial	Subsistence	Total
Dairy	15	34	119	17.0	16.5	33.5
Cassava	0	6	51	-	1.1	1.1
Fruit tree crops	9	21	33	2.7	2.5	5.3
Fruit and vegetables	0	20	73	-	1.6	1.6
Cocoa	0	9	62	-	0.6	0.6
Coffee	0	3	29	-	3.9	3.9
Beekeeping	4	0	24	0.2	-	0.2
Non-Timber forest products	0	7	26	-	0.7	0.7
	0	28	100	19.9	27.0	46.9

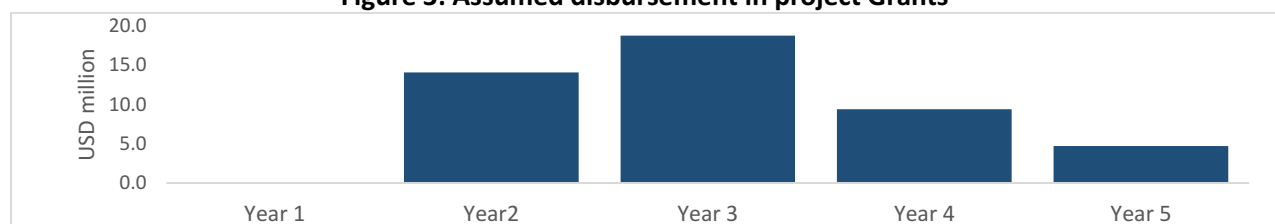
39. It is assumed that total project investment in Component 1 will be phased-in as follows: 30% in the second year, 40% in the third year, 20% in the fourth year and 10% in the fifth year of project implementation. Average project grant per family is expected to be about USD 9,000 for “commercial” POs, while for “emerging” ones should be USD 3,600 per family. Table 5 summarizes the phasing-in of beneficiaries and project investment through component 1.

**Table 5: Subprojects phasing for Component 1 (investment in USD million)**

Table 3: Subprojects phasing for Component 1 (investment in USD million)																	
	Assumed implementation timeline					Number of Pos financed						Investment of the project in subprojects*					
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Dairy (commercial)		30%	40%	20%	10%	0	4	6	3	1	15	0.0	5.1	6.8	3.4	1.7	17.0
Dairy (subsistence)		30%	40%	20%	10%	0	10	14	7	3	34	0.0	4.9	6.6	3.3	1.6	16.5
Cassava		30%	40%	20%	10%	0	2	2	1	1	6	0.0	0.3	0.4	0.2	0.1	1.1
Fruit tree crops (commercial)		30%	40%	20%	10%	0	3	4	2	1	9	0.0	0.8	1.1	0.5	0.3	2.7
Fruit tree crops (subsistence)		30%	40%	20%	10%	0	6	8	4	2	21	0.0	0.8	1.0	0.5	0.3	2.5
Fruit and vegetables		30%	40%	20%	10%	0	6	8	4	2	20	0.0	0.5	0.6	0.3	0.2	1.6
Cocoa		30%	40%	20%	10%	0	3	4	2	1	9	0.0	0.2	0.3	0.1	0.1	0.6
Coffee		30%	40%	20%	10%	0	1	1	1	0	3	0.0	1.2	1.6	0.8	0.4	3.9
Beekeeping		30%	40%	20%	10%	0	1	2	1	0	4	0.0	0.1	0.1	0.0	0.0	0.2
Non-Timber forest products		30%	40%	20%	10%	0	2	3	1	1	7	0.0	0.2	0.3	0.1	0.1	0.7

\* share of the subprojects financed by the project excluding technical assistance costs

**Figure 3: Assumed disbursement in project Grants**



40. The economic cash flow of the project corresponds to the addition of the cash flows of all subprojects according to the projected phasing. All subprojects for the same products are assumed to have the same cash flow as the identified illustrative case.

41. **Key parameters.** Production and activity models considered in the financial analysis are used as building blocks for determining the viability of the whole project, once addressing for market distortion and opportunity costs for inputs and outputs.

- (i) Project life has been set at 15 years, in light of investments lifecycles;
- (ii) An economic discount rate of 6% is used;
- (iii) Standard Conversion Factor were calculated for main inputs and outputs from estimated import/export parity prices; the Shadow Exchange Rate (SER) has been estimated to be 5.2 R\$/USD;
- (iv) The opportunity cost of unskilled labour was estimated considering the current long term unemployment rate 4.4%.

42. **Project Economic Costs.** Technical assistance and managerial and operational costs, as well and beneficiaries contribution to the investment were added to the cash flow.

43. **Benefits Estimation.** The incremental benefits stream comprises the economic net values of all the models developed in the financial analysis (with project scenario minus without project scenario). These economic benefits are aggregated following the phasing in Table 2. Environmental externalities in the form of increased carbon storage or avoided emissions have been computed applying the Ex-act to the changes described in the illustrative models and amount to an average of -430,249 tCO<sub>2</sub>-eq/year.

44. Following the most recent World Bank guidelines<sup>84</sup>, the project's economic analysis indicators were estimated using a higher carbon price (HCP) assumption (USD 80/tCO<sub>2</sub>-eq) and a lower carbon price (LCP) assumption (USD 40/tCO<sub>2</sub>-eq) to estimate economic benefits from reducing GHG.

45. **Sensitivity Analysis.** The robustness of these economic indicators was tested and confirmed with a sensitivity analysis that produced switching values for cost increases and benefit reduction for the HCP, LCP and baseline scenarios.

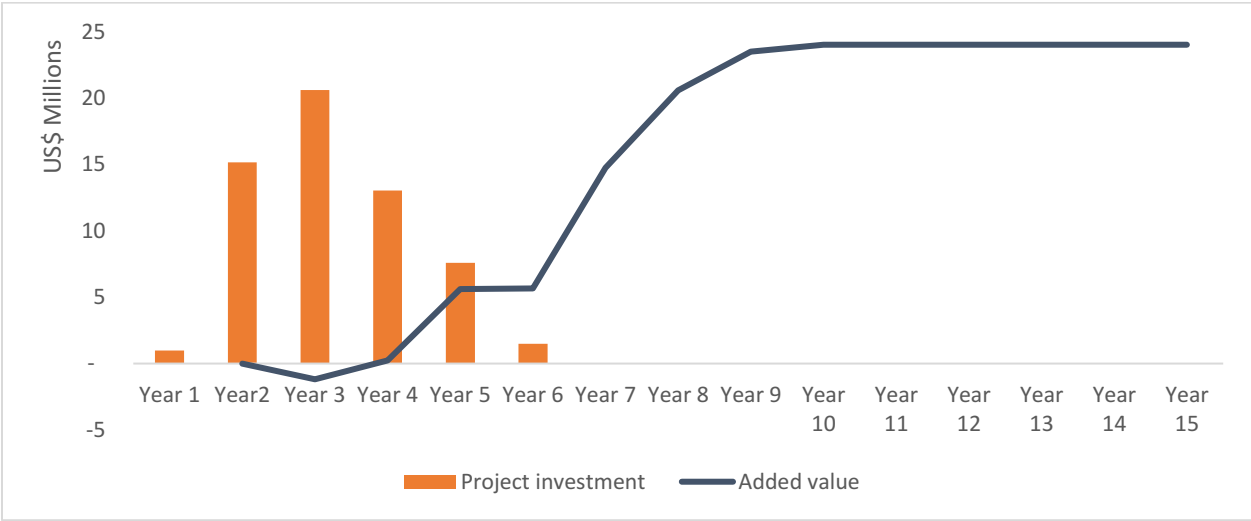
46. **Results.** In the baseline scenario described above the project yields a 20 percent economic internal rate of return and a net present value of R\$ 298 million before accounting for environmental benefits from reducing GHG. The scenarios with economic benefits from reducing GHG are largely positive, signaling the potential carbon markets can have in the future in providing incentives for change (see Table 6). Figure 4 compares the projected project investment with the increase in yearly value added that the project is expected to generate.

**Table 6 – Summary of results of the economic analysis**

Before Environmental benefits	
Internal rate of return	20%
Net present value (R\$ million)	298
Switching value for benefits	-13%
Switching value for costs	16%
Shadow price of carbon at USD 40/tCO <sub>2</sub> -eq	
Internal rate of return	45%
Net present value (R\$ million)	1,667
Switching value for benefits	-55%
Switching value for costs	49%
Shadow price of carbon at USD 80/tCO <sub>2</sub> -eq	
Internal rate of return (R\$ million)	71%
Net present value	2,677

<sup>84</sup> Guidance note on shadow price of carbon in economic analysis. World Bank, September, 2017

Figure 4: Projected project investment and increase in yearly value added that it is expected to generate



### Background and Methodology

1. In its 2012 *Environment Strategy*, the World Bank adopted a corporate mandate to conduct greenhouse gas (GHG) emissions accounting for investment lending. The quantification of GHG emissions is an important step in managing and ultimately reducing GHG emissions, and is becoming a common practice for many international financial institutions. The World Bank adopted the Ex-Ante Carbon-balance Tool (EX-ACT), which was first developed by the Food and Agriculture Organization of the United Nations (FAO) in 2010 to assess the impact of agricultural and rural development investment lending on GHG emissions and carbon sequestration.<sup>85</sup> EX-ACT allows the ex-ante assessment of a project's net carbon-balance, defined as the net balance of CO2 equivalent GHG that would be emitted or sequestered as a result of project implementation compared to a without project scenario. EX-ACT estimates the carbon stock changes (emissions or sinks), expressed in equivalent tons of CO2 per hectare and year.
2. The following analysis uses the Ex-Act tool to assess the GHG impacts associated with the activities included in the proposed project.

### Application of EX-ACT

3. **Project boundaries.** The project will finance support for family farming including market access as well as strengthen the enabling environment for sustainable, climate-smart farming. The GHG analysis is based on the family farming business models that have been selected for the sub-projects to be financed under Component 1 (Support for sustainable, climate-smart and inclusive family farming and market access) and that are covered by the detailed Economic and Financial Analysis (EFA) for the project.
4. The business plans supported by the project will be designed, evaluated and selected based on criteria including productivity, competitiveness, inclusion and resilience. Regarding climate action, the project will promote investments that increase the beneficiaries' resilience and at the same time contribute to GHG emissions' reduction and/or carbon sequestration. The intention of the project is to maximize the likely co-benefits of investments. The actual characteristics of the investments of the project and of their impacts will only be known once business plans are built during project implementation. The scenario of project implementation adopted in this analysis is the same as that used for the project EFA. Table 1 summarizes some characteristics of the family farming business models used to assess the GHG mitigation potential and the EFA.
5. The family farming business models analyzed for Component 1 are the following: 1) Commercial dairy production; 2) Emergent dairy production; 3) Improved cassava growing; 4) Commercial Fruit tree crops; 5) Emergent Fruit tree crops; 6) Vegetable gardening; 7) Coffee cultivation; 8) Cocoa agroforestry; 9) Beekeeping; and 10) Non-Forest Timber Products. The Greenhouse Gas (GHG) implications of all the sub-projects with land use implications (1, 2, 3, 4, 5, 6, 7, 8) are covered in detail in this Ex-ACT analysis. For business models 1 and 4, GHG implications of using electricity generated by solar power were also calculated (see Ex-ACT sheet 9.2).
6. According to the model adopted, the project intends to finance at least 128 subprojects for the benefit of producer organizations, whose membership comprises at least 9,000 family farmers, including indigenous peoples, *Quilombolas*, and other "traditional communities" identified by the project.

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<sup>85</sup> The current version of the EX-ACT tool, 9.3.5, was issued in 2022.

*Table 1. Family Farming Business models with land use implications – Component 1*

Family Farming Business Model*	Characteristics				
	Productive investment Groups sub-projects	Vulnerable Groups sub-projects	Average Number of farmers per group	Total number of farmers	Total hectares dedicated to sub-projects
1) Commercial dairy	15		119	1,749	22,737
2) Emergent dairy		34	119	4,080	28,560
3) Improved cassava growing		6	51	306	614
4) Commercial Fruit tree crops	9		33	294	294
5) Emergent Fruit tree crops		21	33	687	343.5
6) Vegetable gardening		20	73	1,467	43.8
7) Coffee cultivation		9	62	554	1,108
8) Cocoa agroforestry		3	29	86	86
TOTAL	24	93		9,223	53,809.2

\*The numbering of the family farming business models follows that of the EFA for ease of reference. Multiplications of groups and average number of farmers per group may not exactly match total numbers of farmers due to rounding.

7. As can be seen in Table 1, the sub-projects affect a total area of 53,809.2 hectares (ha). In brief, the sub-project interventions with implications on GHG fluxes are as follows:

- 1 and 2, dairy production: conversion of 51,297 ha of degraded pastureland to silvopasture (37,890 ha) and to improved annual cropping (13,407 ha)<sup>86</sup>
- 3, conversion of 614 ha of traditional cassava to improved cassava growing<sup>87</sup>
- 4, 5 and 6, conversion of 684 ha of extensive cropping to irrigated horticulture/agroforestry (640 ha) and irrigated vegetable gardening (43.8 ha)
- 7, coffee cultivation: rehabilitation of 1,108 ha of neglected coffee plantations through hard pruning and fertilization
- 8, cocoa agroforestry: conversion of 86 ha of non-forest land to shade cocoa<sup>88</sup>

8. The technical and organizational capacities to assist family farming groups to attain the projected climate co-benefits are considered in the TA for the sub-projects (included in Component 1) and institutional strengthening activities of State-level entities supporting family farming (included in Component 2).

9. **Data source.** The main sources of data used to carry out the analysis include information generated in the Economic and Financial Analysis (EFA) as well as technical inputs prepared mainly by government officials and state research agencies. These inputs provide, amongst others, a detailed assessment on the technical packages on dairy, crops, horticulture and agroforestry production systems that will be supported by the project.

10. **Basic assumptions.** Mato Grosso has a tropical climate. The project municipalities are concentrated in the Amazon and Pantanal regions, which have a wet regime. The dominant soil type is clay soil. The timeframe of project implementation is 6 years and the capitalization phase is 14 years, thus the analysis period is set for a total of 20 years.

<sup>86</sup> For technical details, see <https://ainfo.cnptia.embrapa.br/digital/bitstream/item/79415/1/COT29.pdf>

<sup>87</sup> For technical details, see <https://www.noticiasagricolas.com.br/cotacoes/mandioca/mandioca-raiz-ao-produtor>

<sup>88</sup> For technical details, see [https://www.bnb.gov.br/s482-dspace/bitstream/123456789/650/3/2021\\_CDS\\_149.pdf](https://www.bnb.gov.br/s482-dspace/bitstream/123456789/650/3/2021_CDS_149.pdf)

Dynamics of evolution are assumed to be linear for most of the variables. Default “Tier 1” coefficients were used for the Ex-ACT estimate. The construction of ‘with-out project situation’ and ‘with project situation’ trajectories is based on technical references included in the EFA, which are mainly derived from EMBRAPA as well as experts’ opinions (to verify the fitness of technical assumptions).

11. **Livestock.** The project will support dairy farming (models 1. and 2). The project is expected to introduce improved breeding and feeding leading to higher milk production, without increasing livestock numbers nor the pasture area. It will also promote other management practices contributing to climate change mitigation and adaptation, such as better management of production areas, from introducing tree cover for shade to improved cropping and manure management. The main GHG emissions reductions, however, will result from the conversion of 51,297 ha of degraded pastureland to silvo-pasture agroforestry (37,890 ha) and to improved annual cropping (13,407 ha) for the production of cattle feed.

12. **Annual and perennial crops production** (models 3, 4, 5, 6, 7 and 8). The technical guidelines proposed for both annual and perennial systems incorporate “improved agricultural technologies and practices” that contribute to GHG mitigation, while enhancing climate resilience.

13. The Ex-ACT tool incorporates a selection of improved agricultural technologies and practices for annual crops production; these include improved agronomic practices, nutrient management, no till & residue retention, manure application and water management. It is estimated that at least 2,489.30 hectares of annual and perennial crops will be subject to improved agricultural technologies and practices.

14. The Ex-ACT tool also takes into account improved perennial systems: agro-forestry, orchards, and shade cocoa and supports other technologies and practices that are framed within the climate smart agriculture approach.

15. **Inputs.** In its analysis, the EX-ACT tool considers four types of inputs: 1): agricultural inputs (such as fertilizers and others); 2) energy consumption (electricity); 3) irrigation infrastructure; and 4) buildings and roads. The first three types of inputs will be promoted by the project and their GHG emissions implications have been analyzed in Ex-ACT. As for item 4, this has not been included in the Ex-ACT analysis, as the project will not fund roads, and it will mainly fund rehabilitation and re-equipment of existing buildings, rather than new buildings.

16. **Agricultural inputs.** The available technical guidelines in crop production include the use of improved seeds, fertilizers and pest control management. The amounts (tons per year) of fertilizers (other N-fertilizers, phosphorus and potassium), herbicides, insecticides and fungicides were calculated based on data sources used for the project EFA. The data was available per hectare for a number of annual and perennial crops. The average amounts of inputs (in tons per year) for annuals and perennials were multiplied by the projected area for each of the business models 4, 5, 6, 7 and 7 (total area 2,489.30 ha) mentioned in Table 1 above. The project provides technical support to make a more efficient use of inputs and apply alternative methods to reduce the need for agrochemicals. As mentioned above, there are a number of highly effective and applicable practices in the frame of the climate smart agriculture approach.

17. **Energy consumption.** The estimates of energy consumption for all investments included in the Ex-ACT analysis consider the increased scale of production and infrastructure supported through project interventions. They also take into account improvements in terms of the use of new technologies and other investments required to make a more efficient use of resources. The project intends to enhance the efficiency of the existing processing units through the modernization of equipment and the use of renewable energy (solar panels), as well as the improvement of the quality of the produce of family farmers that is processed in these units. The main increase in energy consumption will result from the investment in irrigation systems, which are accounted for separately in Ex-ACT (see below).

18. **Irrigation infrastructure.** Under Component 1, the project will support the construction and/or improvement of

irrigation systems for the family farmer beneficiaries, and also the improvement of agro-processing, focusing on optimization of existing processing units rather than creating new ones.

## Results

19. **Net carbon balance.** The project leads to estimated annual climate change mitigation benefits of 661,922 tCO<sub>2</sub>e, when compared to a business-as-usual baseline scenario. This is equivalent to annually reduced GHG emissions per hectare of 12.3 tCO<sub>2</sub>e. After 20 years, GHG mitigation benefits amounting to a reduction of 13,238,436 tCO<sub>2</sub>e will be generated. The main results of this GHG analysis are summarized in Table 2.

20. Assuming an adoption rate of 65 percent as in the EFA, the actual expected GHG mitigation benefits from land use change would be 430,249 tCO<sub>2</sub>e annual and 8,604,983 tCO<sub>2</sub>e in total after 20 years.

21. **Carbon sources and sinks.** The main carbon sources come from infrastructure and inputs (liming and fertilizers). The sequestration benefits come principally from conversion of degraded pasture lands to silvo-pasture agroforestry and improved cropping, and to a lesser extent from conversion of extensive cropping to horticulture and shade cocoa as well as improved technologies and practices in cropping systems (annual and perennial crops).

Table 2. Results of the ex-ante GHG analysis in tCO<sub>2</sub>-eq

Project components	Gross fluxes			Share per GHG of the Balance					Result per year		
	Without	With	Balance	All GHG in tCO2eq					Without	With	Balance
				CO <sub>2</sub>			N <sub>2</sub> O	CH <sub>4</sub>			
				Positive = source / negative = sink	Biomass	Soil					
Land use changes											
Deforestation	0	0	0	0	0	0	0	0	0	0	0
Afforestation	0	0	0	0	0	0	0	0	0	-0	0
Other LUC	0	-5,331,749	-5,331,749	-47,184	-5,284,565	0	0	0	0	-266,587	-266,587
Agriculture											
Annual	363	-34,551	-34,914	0	-67,993		33,079		18	-1,728	-1,746
Perennial	-233,295	-9,162,793	-8,929,498	-7,952,424	-977,074				-11,665	-458,140	-446,475
Grassland & Livestock											
Grassland	0	0	0	0	0		0	0	0	0	0
Livestock	0	0	0				0	0	0	0	0
Inputs & Investments	471,135	1,528,860	1,057,725		245,709	301,078	510,937	0	23,557	76,443	52,886
Total	238,203	13,000,233	13,238,436	-7,999,607	-6,083,923	334,158	510,937	0	11,910	-650,012	-661,922
Per hectare	4.4	-241.5	-245.9	-148.6	-113	6.2	9.5	0			
Per hectare per year	0.2	-12.1	-12.3	-7.4	-5.7	0.3	0.5	0			

22. The use of electricity generated by fossil fuels in the project area is estimated at 71.26 MWh/year in the “without project scenario”. In the “with project” scenario, the energy demand will increase based on investments in enhancing primary production and improving agro-processing. The demand is projected to increase from 106 MWh/year in the first year of the project to 309 MWh/year after three years, and then stabilizing at that level.

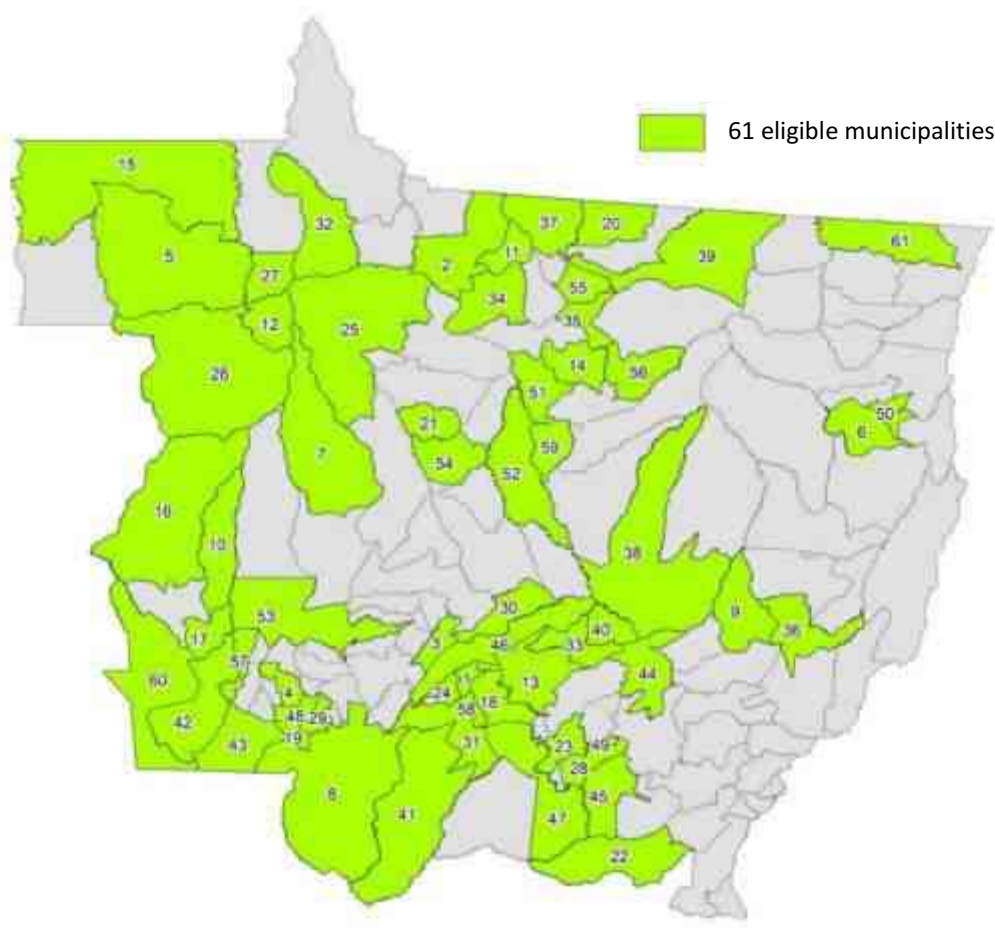
23. The solar energy investment in the first year of the project is expected to generate an estimated 106 MWh/year, accounting for 34% of the energy demand of the processing units by the end of year 3. Therefore, only 203 MWh/year

of the 309 MWh/year required annually will have to come from the public grid, with its associated fossil fuel emissions.

24. **Sensitivity analysis.** The uncertainty of the carbon balance, as calculated by ExACT-Tool, is 41%. This analysis was run using mostly tier 1 coefficients, which in some cases may provide over or underestimated values. It is a relevant source of uncertainty in the estimation of GHG emission/sequestration scenarios for the project.

## ANNEX 6: Map of project intervention areas

Figure 1: Project intervention areas in Mato Grosso



**CONFIDENTIAL DRAFT**  
**NEGOTIATED**  
November 16<sup>th</sup>, 2023

**LOAN NUMBER \_\_\_\_\_-BR**

# **Loan Agreement**

**(Mato Grosso Sustainable Development of Family Farming Project)**  
***(Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso)***

**between**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**and**

**STATE OF MATO GROSSO**

## **LOAN AGREEMENT**

AGREEMENT dated as of the Signature Date between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) and STATE OF MATO GROSSO (“Borrower”). The Bank and the Borrower hereby agree as follows:

### **ARTICLE I — GENERAL CONDITIONS; DEFINITIONS**

- 1.01. The General Conditions (as defined in the Appendix to this Agreement) apply to and form part of this Agreement.
- 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

### **ARTICLE II — LOAN**

- 2.01. The Bank agrees to lend to the Borrower the amount of eighty million Dollars (USD 80,000,000), as such amount may be converted from time to time through a Currency Conversion (“Loan”), to assist in financing the project described in Schedule 1 to this Agreement (“Project”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section III of Schedule 2 to this Agreement. The Borrower’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Secretary of Family Farming or any person or persons whom he/she shall designate.
- 2.03. The Front-end Fee is one-quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one-quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are February 15<sup>th</sup> and August 15<sup>th</sup> in each year.
- 2.07. The principal amount of the Loan shall be repaid in accordance with Schedule 3 to this Agreement.
- 2.08. The Borrower may request the Conversions of Loan terms, in each case with the prior no-objection of the Guarantor, through its Secretariat of the National Treasury of the Guarantor’s Ministry of Finance.

### **ARTICLE III — PROJECT**

3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall, under the overall management and coordination of SEAF, carry out the Project with the assistance of:

(a) INTERMAT for Part 2.1 (a) (other than 2.1 (a) (V)) of the Project;

(b) SEMA for Part 2.1 (b) and 2.2 of the Project; and

(c) CGJ-MT for Part 2.1 (a) (V) of the Project;

all in accordance with the terms of their respective Cooperation Agreements; and

(d) the Procurement Agent in accordance with the terms of the Procurement Agent Agreement;

all in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

#### **ARTICLE IV — REMEDIES OF THE BANK**

4.01. The Additional Events of Suspension consist of the following:

(a) that INTERMAT or SEMA, or CGJ-MT shall have failed to perform any of their respective obligations under their respective Cooperation Agreements; and

(b) the Procurement Agent shall have failed to perform any of its obligations under the terms of the Procurement Agent Agreement;

so as to affect materially and adversely, in the opinion of the Bank, the ability of the Borrower to perform any of its obligations under this Agreement.

4.02. The Additional Event of Acceleration consists of the following, namely that any of the events specified in Section 4.01 of this Agreement occurs and is continuing for a period of one hundred and twenty (120) days after notice of the event has been given by the Bank to the Borrower and Guarantor.

#### **ARTICLE V — EFFECTIVENESS; TERMINATION**

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) that the Project Operations Manual has been adopted in form and substance satisfactory to the Bank;

(b) that the Borrower has issued a decree, in form and substance satisfactory to the Bank, establishing the PMU; and

(c) that the Procurement Agent Agreement has been signed on behalf of the Borrower and that all conditions precedent to its effectiveness, other than the effectiveness

of this Agreement, have been fulfilled in a manner and with contents satisfactory to the Bank.

- 5.02. The Effectiveness Deadline is the date one hundred twenty (120) days after the Signature Date.

#### **ARTICLE VI — REPRESENTATIVE; ADDRESSES**

- 6.01. The Borrower's Representative is its Governor.
- 6.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower's address is:

Casa Civil - Palácio Paiaguás, R. C, s/n  
Centro Político Administrativo  
78050-970 – Cuiabá,  
MT, Brasil; and

(b) the Borrower's Electronic Address is:

E-mail:  
gabinetegovmm@gabgoverno.mt.gov.br

With copies to:

Secretaria de Estado da Agricultura Familiar – SEAF  
Rua Eng. Agrônomo Arnaldo Duarte Monteiro, 196  
Edifício Engenheiro José Morbeck, 2º andar  
Centro Político Administrativo  
78049-050 - Cuiabá - MT, Brasil  
E-mail: [gabinete@agriculturafamiliar.mt.gov.br](mailto:gabinete@agriculturafamiliar.mt.gov.br)  
[aparecidabezerra@agriculturafamiliar.mt](mailto:aparecidabezerra@agriculturafamiliar.mt)  
[lucianoferreira@agriculturafamiliar.mt](mailto:lucianoferreira@agriculturafamiliar.mt)

Secretaria de Estado de Fazenda - SEFAZ  
Av. Historiador Rubens de Mendonça, 3415  
Centro Político Administrativo  
78050-903 - Cuiabá - MT, Brasil  
E-mail: [cgdp@sefaz.mt.gov.br](mailto:cgdp@sefaz.mt.gov.br)  
[angelica.scheidegger@sefaz.mt.gov.br](mailto:angelica.scheidegger@sefaz.mt.gov.br)  
[diegomiayoshi@pge.mt.gov.br](mailto:diegomiayoshi@pge.mt.gov.br)

Secretaria de Assuntos Internacionais e Desenvolvimento - SEAID  
Ministério do Planejamento e Orçamento  
Esplanada dos Ministérios Bloco K - 8º andar  
70040-906 Brasília, DF, Brasil  
E-mail: [cofiex@planejamento.gov.br](mailto:cofiex@planejamento.gov.br)

6.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's address is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America; and

(b) the Bank's Electronic Address is:

Telex:

Facsimile:

248423(MCI) or  
64145(MCI)

1-202-477-6391

AGREED as of the Signature Date.

#### STATE OF MATO GROSSO

By

\_\_\_\_\_  
Authorized Representative

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

#### INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

\_\_\_\_\_  
Authorized Representative

**Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## **SCHEDULE 1**

### **Project Description**

The objectives of the Project are to improve access to markets, climate resilience, and land and environmental management of selected family farmers in the State of Mato Grosso and in case of an Eligible Crisis or Emergency, respond promptly and effectively to it.

The Project consists of the following parts:

#### **Part 1. Climate-smart Economic Inclusion**

- 1.1 Carrying out of pre-investments for the preparation of CSA Family Farming Business Plans, including, *inter alia*:
  - (a) raising awareness of the Project through outreach to Productive Alliances, commercial partners, and financing entities, including implementing a Project communication and information dissemination strategy that includes those media preferred by women, youth, and PIQCTs and covers topics relevant to the needs and gaps faced by these groups among Family Farmers in the Borrower's territory;
  - (b) identifying, creating, and consolidating Productive Alliances capable of carrying out CSA Family Farming Business Plans among Family Farming POs, commercial partners, and financing entities, including targeted communication strategies to help form Productive Alliances among historically Vulnerable Groups (PIQCTs, women, and youth beneficiaries);
  - (c) identifying opportunities for CSA investments on the part of the POs (business proposal) through standardized diagnostics at both farms and PO levels;
  - (d) providing technical assistance to POs to prepare viable CSA Family Farming Business Plans; and
  - (e) building capacity among technical service providers (public and private) to assist POs in implementing CSA practices and technologies.
- 1.2 Provision of Matching Grants to Eligible Commercial Family Farming POs and Eligible Emerging Family Farming POs for the implementation of Subprojects by such eligible POs and/or Family Farmers and PICPT members of such Eligible POs.

#### **Part 2. Improved Land and Environmental Management**

- 2.1 Carrying out of land and environmental regularization activities for the benefit of Eligible Beneficiaries in State Settlements, *inter alia*:
  - (a) For land regularization: (I) assessing the land regularization situation in each relevant area; (II) contracting georeferencing services and occupational inspection services (social visits and technical inspections); (III) inspecting georeferencing

activities and implementing occupational surveys and processing of land titling; (IV) carrying out community self-mapping and preparing anthropological reports for *quilombola* communities; (V) strengthening the capacity of CGJ-MT to speed up land regularization processes for Family Farmers and Traditional Peoples and Communities; and (VI) diagnostics and strengthening the capacity of INTERMAT to establish effective policies for Family Farmers and Traditional Peoples and Communities; and

- (b) For environmental regularization: (I) assisting Family Farmers with the preparation of rural environment cadaster (CAR) for selected rural properties and training to reduce the number of outstanding CARs; (II) training SEMA analysts for the validation of records; (III) establishing procedures to address the delays in analyses; (IV) training staff from institutions with strong Family Farmer outreach capacity to support those family farmers they work with in providing information and entering data in the system; (V) equipping and providing software needed for the analysis and processing of CAR declarations; (VI) carrying out analysis to resolve overlaps of georeferenced plots in the database, a main bottleneck delaying validation of registry requests; and (VII) carrying out diagnostics and strengthening the capacity of SEMA for policy formulation for Family Farmers and PIQCTs.

2.2 Carrying out of activities for the prevention and control of forest fires and deforestation, including, *inter alia*:

- (a) improving forest monitoring system, which uses, among others, satellite images to integrate information and real-time alerts from different data sources and, through the elaboration of periodic maps, allowing SEMA to monitor changes in land use and the identification of hotspots of deforestation and forest fire in Family Farming areas;
- (b) carrying out environmental education activities tailored to Family Farmers located in deforestation and forest fire hotspots, aiming to reduce their contribution to deforestation in the State and use of fire on agricultural lands; and
- (c) procuring equipment for inspection on-site such as all-terrain vehicles.

### **Part 3. Project Management and Coordination**

Carrying out of overall Project management, coordination, and implementation activities, including *inter alia*:

- (a) inter-institutional coordination;
- (b) monitoring, evaluation, and impact assessment;
- (c) fiduciary administration, internal controls, and audits;
- (d) environmental and social safeguards management;

- (e) operating a citizen's engagement and grievance redress mechanisms;
- (f) carrying out studies and other activities supporting Parts 1 and 2 of the Project as the Borrower may propose, and the Bank may agree; and
- (g) carrying out a communication and outreach strategy.

#### **Part 4. Contingent Emergency Response**

Provision of immediate response to an Eligible Crisis or Emergency, as needed.

## SCHEDULE 2

### Project Execution

#### Section I. Implementation Arrangements

##### A. Institutional Arrangements

1. The Borrower shall:
  - (a) vest in SEAF, at all times during the implementation of the Project, the overall responsibility for the implementation of the Project with sufficient resources, decision-making capacity, and competent staff in adequate numbers and responsibilities, all acceptable to the Bank and as set forth in the Project Operations Manual ("POM");
  - (b) establish and thereafter maintain, at all times during the implementation of the Project, a Project Management Unit ("PMU") in SEAF to assist in Project management and implementation, with staffing, functions, and responsibilities acceptable to the Bank, as set forth in the POM;
  - (c) without limitation to the provisions of paragraph (b) of this Section A.1, and not later than ninety days (90) days after the Effective Date, complete the staffing of the PMU as set forth in the POM;
  - (d) not later than ninety (90) days after the Effective Date, establish and thereafter maintain during the implementation of the Project, a Consultative Committee chaired by SEAF, and composed of representatives of, *inter alia*, SEMA, INTERMAT, CGJ-MT, EMPAER, SEFAZ, PCI and the Mato Grosso Governor's Office (*Casa Civil*), with responsibilities and sufficient resources, all acceptable to the Bank and set forth in the POM;
  - (e) not later than ninety (90) days after the Effective Date, establish and thereafter maintain during the implementation of the Project, a Special Bidding Committee with composition, responsibilities, and sufficient resources, all acceptable to the Bank and set forth in the POM; and
  - (f) not later than ninety (90) days after the Effective Date, establish and thereafter maintain during the implementation of the Project, a Subproject Evaluation Committee, chaired by SEAF, and composed of representatives of, *inter alia*, SEAF, INTERMAT, CGJ, SEMA, and EMPAER, with responsibilities and sufficient resources, all acceptable to the Bank and set forth in the POM.
2. Except as the Bank shall otherwise agree, the Borrower shall not amend, abrogate, suspend, repeal, waive, or fail to enforce any provision under the decree mentioned in paragraph (b) of Section 5.01 of this Agreement.

##### B. Cooperation Agreements and Procurement Agent Agreement

1. The Borrower shall promptly, after the Effective Date, enter into an agreement each with INTERMAT (the “INTERMAT Cooperation Agreement”); SEMA (the “SEMA Cooperation Agreement”), and CGJ-MT (the “CGJ-MT Cooperation Agreement”), and collectively the Cooperation Agreements, under terms and conditions acceptable to the Bank, setting forth, *inter alia*:
  - (a) the obligation of INTERMAT, SEMA and CGJ-MT to assist in the carrying out of respectively the following Parts of the Project:
    - (i) INTERMAT Part 2.1 (a) (other than (i) (V))
    - (ii) SEMA 2.1 (b) and 2.2; and
    - (iii) CGJ-MT 2.1 (a) (V);all in accordance with the provisions of this Agreement, the Anti-corruption Guidelines, the ESCP and the POM; and
  - (b) the Borrower’s obligation to procure the goods, works and services required for the implementation of such parts of the Project on behalf of INTERMAT, SEMA, and CGJ-MT in accordance with the provisions of this Agreement.
2. The Borrower shall enter into an agreement with the Procurement Agent (the “Procurement Agent Agreement”) under terms and conditions acceptable to the Bank, setting forth, *inter alia*:
  - (a) the Procurement Agent’s obligation to assist the Borrower in the procurement of the goods, works, services, and non-consultants services required for the implementation of Parts 1.1, 1.2 when requested by the Borrower and agreed to by the Bank, 2 and 3 of the Project in accordance with the provisions of this Agreement, the Anti-corruption Guidelines, the Procurement Regulations, and the POM; and
  - (b) the Borrower’s obligation to: (i) pay the Procurement Agent’s fees from its budget resources; and (ii) make available to the Procurement Agent the Loan proceeds allocated for the Parts of the Project for which the Procurement Agent will procure the goods, works and services to enable the Procurement Agent to pay all such goods, works and services on the Borrower’s behalf, in accordance with the provisions of this Agreement.
3. The Borrower shall exercise its rights and carry out its obligations under the Cooperation Agreements and the Procurement Agent Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.
4. Except as the Bank shall otherwise agree in writing, the Borrower shall not assign, amend, abrogate, waive, or fail to enforce any of the Cooperation Agreements or the Procurement Agent Agreement or any of their provisions, or permit to be assigned, amended, abrogated, or waived, the aforementioned, or any provision thereof.

**C. Project Operations Manual**

1. The Borrower shall carry out the Project in accordance with a Project Operations Manual containing detailed guidelines and procedures for the implementation of the Project, including, *inter alia*:
  - (a) a detailed description of the activities and institutional arrangements for the Project;
  - (b) the Project administrative, accounting, auditing, reporting, financial, procurement, and disbursement procedures;
  - (c) the monitoring indicators for the Project;
  - (d) the composition and functions of the Consultative Committee and Special Bidding Committee;
  - (e) a detailed description of the mechanisms and systems for Personal Data collection and processing in accordance with international standards and good international practice;
  - (f) the ESCP;
  - (g) the eligibility criteria for Family Farmers, Producer Alliances, Producer Organizations, CSA Family Farmer Business Plans, Emerging Family Farmer POs and Commercial Family Farming POs;
  - (h) the eligible amounts of the Matching Grants, including (i) a maximum amount of \$1,000,000 for Subprojects to be implemented by Eligible Commercial Family Farming POs and (ii) a maximum amount of \$650,000 for Subprojects to be implemented by Eligible Emerging Family Farming POs (or such other amounts as the Bank may agree), the cash and/or in-kind contributions required from the POs, and the eligibility, selection and monitoring of the Matching Grants;
  - (i) the eligibility, selection and monitoring criteria for Subprojects and a model of the Subproject Agreements; and
  - (i) any other arrangements and procedures as shall be required for the effective implementation of the Project,all in form and substance satisfactory to the Bank, as such manual may be amended by the Borrower from time to time, with the prior written approval of the Bank.
2. Except as the Bank may otherwise agree in writing, the Borrower shall not amend, waive, or fail to enforce any provision of the Project Operations Manual without the Bank's prior written approval.
3. In case of any conflict between the terms of the Project Operations Manual and those of this Agreement, the terms of this Agreement shall prevail.

**D. Subprojects**

1. For purposes of carrying out Part 1.2 of the Project, upon the approval of a Subproject to be partially financed by a Matching Grant, and prior to the carrying out of any activities of the Subproject, the Borrower shall, transfer on a grant basis, part of the proceeds of the Loan to the corresponding Eligible Commercial Family Farming PO or Eligible Emerging Family Farming PO (“Matching Grant”), pursuant to the terms of an agreement to be entered between the Borrower and the Eligible Commercial Family Farming PO or Emerging Family Farming PO, under terms and conditions acceptable to the Bank (the “Subproject Agreement”), which shall include, *inter alia*, the following:
  - (a) the Borrower’s obligation to promptly disburse to the Eligible Commercial Family Farming PO or Eligible Emerging Family Farming PO the amounts required to partially finance the cost of goods, works, and services of a Subproject, as a Matching Grant, as set forth in the Subproject Agreement;
  - (b) the Borrower’s right to take remedial actions against the Eligible Commercial Family Farming PO or Eligible Emerging Family Farming PO in case said Eligible Commercial Family Farming PO or Eligible Emerging Family Farming PO shall have failed to comply with any of its obligations under the pertinent Subproject Agreement (which actions may include, *inter alia*, the partial or total suspension and/or cancellation of the proceeds of the Loan allocated to Parts 2 of the Project, all as previously agreed with the Bank); and
  - (c) the obligation of each Eligible Commercial Family Farming PO and Eligible Emerging Family Farming PO and/ or the Family Farmer or PIQCT members of such Eligible POs, as the case maybe:
    - (i) to use the proceeds of the Loan allocated to the Subproject solely for the purpose of partially financing said Subproject;
    - (ii) (A) to provide, promptly as needed, facilities, services and other counterpart resources necessary or appropriate to carry out the corresponding Subproject; and  
(B) to co-finance part of the cost of the pertinent Subproject in the specific amounts specified in the Project Operations Manual for the different types of Subprojects, including:
      - (I) 20% of the cost of a Subproject carried out by an Eligible Commercial Family Farming PO; and
      - (II) 10% of the cost of the Subproject, in which 5% is contributed in cash and 5% in kind, for a Subproject carried out by an Eligible Emerging Family Farming PO. Exceptions for Vulnerable Groups may be granted by the Bank, as further specified in the POM.
    - (iii) to carry out the Subproject with due diligence and efficiency, and in conformity with appropriate administrative, technical, financial, economic, environmental, and social standards and practices, and in accordance with the provisions of the Loan Agreement, including in

accordance with the provisions of the Anti-Corruption Guidelines and the ESCP;

- (iv) to procure the goods, works, consulting services, and/or non-consulting services to be financed out of the Loan proceeds in accordance with the provisions of the Procurement Regulations;
  - (v) to maintain policies and procedures adequate to enable it to monitor and evaluate in accordance with indicators satisfactory to the Bank, the progress of the Subproject and the achievement of its objectives;
  - (vi) to enable the Borrower and the Bank to inspect the Subproject, its operation and any relevant records and documents; and
  - (vii) to prepare and furnish to the Borrower and the Bank all such information as the Borrower or the Bank shall reasonably request relating to the foregoing.
2. The Borrower, through SEAF, shall exercise, and cause the Commercial Family Farming PO and Emerging Family Farming PO to exercise, their respective rights and carry out their respective obligations under each Subproject Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan.
3. Except as the Bank shall otherwise agree, the Borrower, through SEAF, shall not assign, amend, abrogate, waive, or fail to enforce any of the Subproject Agreements or any of the provisions thereof.

**E. Environmental and Social Standards.**

1. The Borrower, through SEAF, shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Borrower, through SEAF, shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan ("ESCP"), in a manner acceptable to the Bank. To this end, the Borrower shall ensure that:
- (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
  - (b) sufficient funds are available to cover the costs of implementing the ESCP;
  - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
  - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended, or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.

3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Borrower, through SEAF, shall ensure that:
  - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, inter alia: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and
  - (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
5. The Borrower, through SEAF, shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.

**F. Contingent Emergency Response**

1. In order to ensure the proper implementation of contingent emergency response activities under Part 4 of the Project ("Contingent Emergency Response Part"), the Borrower shall ensure that:
  - (a) a manual ("CERC Manual") is prepared and adopted in form and substance acceptable to the Bank, which shall set forth detailed implementation arrangements for the Contingent Emergency Response Part, including: (i) any structures or institutional arrangements for coordinating and implementing the Contingent Emergency Response Part; (ii) specific activities which may be included in the Contingent Emergency Response Part, Eligible Expenditures required therefor ("Emergency Expenditures"), and any procedures for such inclusion; (iii) financial management arrangements for the Contingent Emergency Response Part; (iv) procurement methods and procedures for the Contingent Emergency Response Part; (v) documentation required for withdrawals of Financing amounts to finance Emergency Expenditures; (vi) a description of the environmental and social assessment and management arrangements for the Contingent Emergency Response Part; and (vii) a template Emergency Action Plan;
  - (b) the Emergency Action Plan is prepared and adopted in form and substance acceptable to the Bank;

- (c) the Emergency Response Part is carried out in accordance with the CERC Manual and the Emergency Action Plan; provided, however, that in the event of any inconsistency between the provisions of the CERC Manual or the Emergency Action Plan and this Agreement, the provisions of this Agreement shall prevail; and
  - (d) neither the CERC Manual or the Emergency Action Plan is amended, suspended, abrogated, repealed, or waived without prior written approval by the Bank.
- 2. The Recipient shall ensure that the structures and arrangements referred to in the CERC Manual are maintained throughout the implementation of the Contingent Emergency Response Part, with adequate staff and resources satisfactory to Bank.
- 3. The Recipient shall ensure that:
  - (a) the environmental and social instruments required for the Contingent Emergency Response Part are prepared, disclosed, and adopted in accordance with the CERC Manual and the ESCP, and in form and substance acceptable to the Bank; and
  - (b) the Contingent Emergency Response Part is carried out in accordance with the environmental and social instruments in a manner acceptable to the Bank.
- 4. Activities under the Contingency Emergency Response Part shall be undertaken only after an Eligible Crisis or Emergency has occurred.

## **Section II. Project Monitoring Reporting and Evaluation**

The Borrower shall furnish to the Bank each Project Report not later than sixty (60) days after the end of each calendar semester, covering the calendar semester.

## **Section III. Withdrawal of Loan Proceeds**

### **A. General.**

Without limitation upon the provisions of Article II of the General Conditions and in accordance with the Disbursement and Financial Information Letter, the Borrower may withdraw the proceeds of the Loan to finance Eligible Expenditures in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

<b>Category</b>	<b>Amount of the Loan Allocated (expressed in USD)</b>	<b>Percentage of Expenditures to be financed (inclusive of Taxes)</b>
(1) Goods, works, non-consulting services, consulting services, Operating Costs and Training for Parts 1.1 and 3 of the Project	11,000,000	100%
(2) Matching Grants under Part 1.2 of the Project	56,000,000	100%
(3) Goods, works, non-consulting services, consulting services, Operating Costs and Training for Part 2 of the Project	13,000,000	100%
(4) Emergency Expenditures	0	100%
<b>TOTAL AMOUNT</b>	<b>80,000,000</b>	

**B. Withdrawal Conditions; Withdrawal Period.**

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made:
  - (a) for payments made prior to the Signature Date; or
  - (b) for Eligible Expenditures under Category (3) until the INTERMAT Cooperation Agreement, the SEMA Cooperation Agreement and the CGJ-MT Cooperation Agreement have been entered into in form and substance satisfactory to the Bank; or
  - (c) for Emergency Expenditures under Category (4), unless and until all of the following conditions have been met in respect of said expenditures:
    - (i) (A) the Borrower has determined that an Eligible Crisis or Emergency has occurred, and has furnished to the Bank a request to withdraw Loan amounts under Category (4); and (B) the Bank has agreed with such determination, accepted said request and notified the Borrower thereof; and
    - (ii) the Borrower has adopted the CERC Manual and Emergency Action Plan, in form and substance acceptable to the Bank.
2. The Closing Date is May 15, 2030. The Bank may grant an extension of the Closing Date only after the Guarantor's Ministry of Finance has informed the Bank that it agrees with such an extension.

### **SCHEDULE 3**

#### **Commitment-Linked Amortization Repayment Schedule**

The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (“Installment Share”).

##### **Level Principal Repayments**

<b>Principal Payment Date</b>	<b>Installment Share</b>
On each February 15 and August 15 Beginning February 15, 2029 through August 15, 2048	2.5%

## APPENDIX

### Definitions

1. “Anti-Corruption Guidelines” means, for purposes of paragraph 6 of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
2. “CAR” means the Guarantor’s Rural Environmental Cadaster (*Cadastro Ambiental Rural*) established pursuant to the Guarantor’s Law No. 12.651, dated May 25, 2012, as amended to the date of this Agreement.
3. “Category” means a category set forth in the table in Section III.A of Schedule 2 to this Agreement.
4. “CERC Manual” means the manual referred to in Section F of Schedule 2 to this Agreement, as such manual may be updated from time to time with the agreement of the Bank and which is an integral part of the Project Operations Manual.
5. “CGJ-MT” means *Corregedoria Geral de Justiça*, the Borrower’s General Comptroller of Justice referred to in the Borrower’s Law No. 4.964, dated December 26, 2023 as amended to the date of this Agreement.
6. “CGJ-MT Cooperation Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement to be entered into between the Borrower and CGJ-MT.
7. “Commercial Family Farming PO” means a well-structured and experienced producer organization and members with active and regular activity in formal markets legally established in the Borrower’s territory and eligible to participate in Part 1 of the Project as further detailed in the Project Operations Manual.
8. “Cooperation Agreements” means collectively the INERMAT Cooperation Agreement, the SEMA Cooperation Agreement?, and the CGJ-MT Cooperation Agreement.
9. “Consultative Committee” means the advisory committee referred to in Section I.A.1 (d) in Schedule 2 to the Loan Agreement.
10. “Contingent Emergency Response Part” means any activity or activities to be carried out under Part F of the Project to respond to an Eligible Crisis or Emergency.
11. “CSA” means climate-smart activities.
12. “CSA Family Farming Business Plan” means a business plan which includes SCA practices and technologies contributing to climate change resilience and/or climate change mitigation, as set forth in the Project Operations Manual.
13. “Eligible Beneficiary” means a Family Farmer or PIQCT eligible to benefit from land and /or environmental regularization under Part 2.1 of the Project in accordance with the criteria set forth in the Project Operations Manual.

14. “Eligible Crisis or Emergency” means an event that has caused, or is likely to imminently cause, a major adverse economic, environmental, and/or social impact to the Borrower, associated with a natural or man-made crisis or disaster.
15. “Eligible Commercial Family Farming PO” means a Commercial Family Farming PO that meets the criteria set forth in the Project Operations Manual to receive a Matching Grant.
16. “Eligible Emerging Family Farming PO” means an Emerging Family Farming PO that meets the criteria set forth in the Project Operations Manual to receive a Matching Grant.
17. “Eligible PO” means collectively Eligible Commercial Family Farming PO” and an Eligible Emerging Family Farming PO.
18. “Emergency Action Plan” means the plan referred to in Section F of Schedule 2 to this Agreement, detailing the activities, budget, implementation plan, and monitoring and evaluation arrangements to respond to the Eligible Crisis or Emergency.
19. “Emergency Expenditures” means any of the eligible expenditures set forth in the CERC Manual referred to in Section F of Schedule 2 to this Agreement and required for the Contingent Emergency Response Part.
20. “Emerging Family Farming PO” means a legally established Producer Organization with technical potential to achieve a considerable surplus production, but with surplus production currently deficient due to low productivity, poor organization and management, or deficient production quality standards and eligible to participate in Part 1 of the Project as further detailed in the Project Operations Manual.
21. “EMPAER” means the State Research, Assistance and Rural Extension Company of Mato Grosso, governed by the Borrower’s Complementary Law No. 461, dated December 28, 2011, by the Borrower’s Law No.566, dated f May 20, 2015, and regulated by the Borrower’s Decree No.421, dated February 05, 2016.
22. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated November 16, 2023, as the same may be amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring, and reporting arrangements, and any environmental and social instruments to be prepared thereunder.
23. “Environmental and Social Standards” means, collectively: (i) “Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts”; (ii) “Environmental and Social Standard 2: Labor and Working Conditions”; (iii) “Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management”; (iv) “Environmental and Social Standard 4: Community Health and Safety”; (v) “Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement”; (vi) “Environmental and Social Standard 6:

- Biodiversity Conservation and Sustainable Management of Living Natural Resources”; (vii) “Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan Historically Underserved Traditional Local Communities”; (viii) “Environmental and Social Standard 8: Cultural Heritage”; (ix) “Environmental and Social Standard 9: Financial Intermediaries”; (x) “Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure”; effective on October 1, 2018, as published by the Bank.
24. “Family Farmer” means a farmer, as set forth in Guarantor’s Law No. 11.326, dated July 24, 2006: (a) who does not have under any tenure regime an area of more than four fiscal modules, (b) who predominantly relies on its own family labor; (c) whose household income predominantly originates in the family farm; and (d) whose family members operate the farm and “Family Farming” means the farming carried out by such Family Farmer.
25. “*Fundação Uniserva*” means the foundation established and operating in the Borrower’s territory in accordance to Guarantor’s Law No. 8.958, dated December 20, 1994.
26. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (last revised on July 15, 2023).
27. “Indigenous Peoples” means the peoples referred to in the Guarantor’s Federal Constitution, Chapter VIII, Articles 231 and 232.
28. “INTERMAT” means the Borrower’s Land Administration Institute established pursuant to the Borrower’s Law No. 3681, dated November 28, 1975, and regulated by the Borrower’s Decree No. 775, dated November 23, 1976, both as amended to the date of this Agreement.
29. “INTERMAT Cooperation Agreement” means the agreement referred to in Section I. B of Schedule 2 to this Agreement to be entered into between the Borrower and INTERMAT.
30. “Matching Grant” means a grant made to an Eligible Commercial Family Farming PO or an Eligible Emerging Family Farming PO to finance the cost of goods, works and/or consultants services required for the implementation of a Subproject in accordance with the provisions of the respective Subproject Agreement.
31. “Operating Costs” means the incremental operating expenditures incurred by the Borrower in management, monitoring, and evaluation, including office rent, office materials and supplies, utilities, communication costs, support for information systems, translation costs, bank charges, and travel and per diem costs and other reasonable expenditures directly associated with the implementation of the Project activities, all based on an annual budget acceptable to the Bank.
32. “PCI” means the Produce, Conserve, and Include Strategy, as established and regulated by the Borrower’s Decree No.468, dated March 31, 2016.
33. “Personal Data” means any information relating to an identified or identifiable individual. An identifiable individual is one who can be identified by reasonable means, directly or

- indirectly, by reference to an attribute or combination of attributes within the data or combination of the data with other available information. Attributes that can be used to identify an identifiable individual include, but are not limited to, name, identification number, location data, online identifier, metadata, and factors specific to the physical, physiological, genetic, mental, economic, cultural, or social identity of an individual.
34. “PIQCT” means Indigenous Peoples, *Quilombolas*, and other Traditional People and Communities.
  35. “Procurement Agent” means *Fundação Uniselva*, or any other agent with qualifications and experience satisfactory to the Bank, contracted to assist the Borrower with procurement for Parts 1.1, 2, and 3 of the Project and when requested by the Borrower and agreed to by the Bank for procurement of selected goods under Subprojects, all as set forth in the Procurement Agent Agreement.
  36. “Procurement Agent Agreement” means the agreement referred to in Section I. B of Schedule 2 to this Agreement to be entered into between the Borrower and the Procurement Agent
  37. “Procurement Regulations” means, for purposes of paragraph 85 of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated September 2023.
  38. “Productive Alliance” means a business relationship between a group of producers, technical assistance providers, commercial and financial institutions, and an identified market of buyers.
  39. “Producer Organization” or “PO” means collectively the Commercial Family Farming Producer PO and the Emerging Family Farming PO.
  40. “Project Management Unit” or “PMU” means the unit to be established pursuant to Section I. A (b) of Schedule 2 to this Agreement.
  41. “Project Operations Manual” or “POM” means the manual described in Section I. C of Schedule 2 to this Agreement.
  42. “*Quilombolas*” means the peoples referred to in the Guarantor’s Constitution, articles 68 and 216.
  43. “SEAF” means the Borrower’s Secretariat of Family Farming or any successor thereto.
  44. “SEFAZ” means the Borrower’s Finance Secretariat or any successor thereto.
  45. “SEMA” means the Borrower’s Secretariat of the Environment or any successor thereto.
  46. “SEMA Cooperation Agreement” means the agreement referred to in Section I.B of Schedule 2 to this Agreement to be entered into between the Borrower and SEMA.

47. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement, and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
48. “Special Bidding Committee” means the committee referred to in Section I.A.1 (e?) of Schedule 2 to this Agreement.
49. “State Settlements” means the sets of agricultural units installed by the National Institute of Land Reform (INCRA) on a rural property, intended for families of agriculturists or rural workers without the economic conditions to acquire a rural property, in accordance to the Guarantor’s Law No. 8,629, dated February 25, 1993, as amended to the date of this Agreement, and to the Borrower’s Decree No. 9,311, dated March 15, 2018, as amended to the date of this Agreement.
50. “Subproject” means a set of activities included in a CSA Family Farming Business Plan to be implemented by an Eligible Commercial Family Farming PO and/or an Eligible Emerging Family Farming PO with financing from a Matching Grant.
51. “Subproject Agreement” means any of the agreements to be entered into pursuant to the provisions of Section I.D of Schedule 2 to this Agreement.
52. “Subproject Evaluation Committee” means the committee referred to in Section I.A.1 (f) in Schedule 2 to the Loan Agreement.
53. “Traditional Peoples and Communities” means the culturally differentiated groups that recognize themselves as such, that have their own forms of social organization, and occupy and use territories and natural resources as a condition for their cultural, social, religious, ancestral, and economic reproduction, using knowledge, innovations, and practices generated and transmitted by tradition, as such groups are defined in the Guarantor’s Decree No. 6,040, dated February 7, 2017.
54. “Training” means expenditures (other than those for consulting services) incurred in connection with study tours, training courses, seminars, workshops, and other training activities, not included under goods or service providers’ contracts, including costs of training materials, space and equipment rental, travel, per diem costs for trainees and trainers and trainers’ fees (as applicable), all based on an annual budget satisfactory to the Bank.
55. “Vulnerable Groups” means PIQCTs, women, and youth.

**CONFIDENTIAL DRAFT  
NEGOTIATED  
November 16th, 2023**

**LOAN NUMBER \_\_\_\_\_-BR**

# **Guarantee Agreement**

**(Mato Grosso Sustainable Development of Family Farming Project)  
(*Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso*)**

**between**

**FEDERATIVE REPUBLIC OF BRAZIL**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

LOAN NUMBER \_\_\_\_\_ - \_\_

## **GUARANTEE AGREEMENT**

AGREEMENT entered into between FEDERATIVE REPUBLIC OF BRAZIL (“Guarantor”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) (“Guarantee Agreement”) in connection with the Loan Agreement of the Signature Date between the Bank and STATE OF MATO GROSSO (“Borrower”), concerning Loan No. \_\_\_\_\_ - BR (“Loan Agreement”). The Guarantor and the Bank hereby agree as follows:

### **ARTICLE I – GENERAL CONDITIONS; DEFINITIONS**

Section 1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) apply to and form part of this Agreement.

Section 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Loan Agreement.

### **ARTICLE II – GUARANTEE**

Section 2.01. The Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of all Loan Payments payable by the Borrower pursuant to the Loan Agreement.

### **ARTICLE III – REPRESENTATIVE; ADDRESSES**

Section 3.01. The Guarantor’s Representative is the Minister of Finance.

Section 3.02. For purposes of Section 10.01 of the General Conditions:

(a) the Guarantor’s address is:

Ministério da Fazenda  
Procuradoria Geral da Fazenda Nacional  
Esplanada dos Ministérios, Bloco "P" - 8º andar  
70048-900 Brasília, DF  
Brazil

With copy to:

Ministério da Fazenda  
Secretaria do Tesouro Nacional  
Coordenação-Geral de Controle da Dívida Pública  
Esplanada dos Ministérios, Bloco P, Ed. Anexo, Ala A – 1º andar, sala 121  
Brasília, DF, 70048-900 – Brazil, and

(b) the Guarantor’s Electronic Address is:

Facsimile:                      E-mail:

(55-61) 3412-1740 [apoioconf.df.pgfn@pgfn.gov.br](mailto:apoioconf.df.pgfn@pgfn.gov.br)

With copy to:

[codiv.df.stn@tesouro.gov.br](mailto:codiv.df.stn@tesouro.gov.br)

[gecod.codiv.df.stn@tesouro.gov.br](mailto:gecod.codiv.df.stn@tesouro.gov.br)

Section 3.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank's Address is:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America; and

(b) the Bank's Electronic Address is:

Telex:	Facsimile:	E-mail:
248423(MCI) or 64145(MCI)	1-202-477-6391	jzutt@worldbank.org

AGREED as of the later of the two dates written below.

#### FEDERATIVE REPUBLIC OF BRAZIL

By

\_\_\_\_\_  
Authorized Representative

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

#### INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

\_\_\_\_\_  
Authorized Representative

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

JOHANNES C.M. ZUTT  
Country Director for Brazil  
Latin America and the Caribbean

Date: \_\_\_\_\_

Mr. Mauro Mendes  
Governor  
State of Mato Grosso  
Cuiabá, MT  
Brazil

**Re: IBRD Loan xxxx-BR - Mato Grosso Sustainable Development of Family Farming Project  
Additional Instructions: Disbursement and Financial Information Letter**

[Salutation]:

I refer to the Loan Agreement between State of Mato Grosso (“Borrower”) and the International Bank for Reconstruction and Development (“Bank”) for financing the above-referenced Project. The General Conditions, as defined in the Loan Agreement, provide that the Borrower may from time-to-time request withdrawals of Loan amounts from the Loan Account in accordance with the Disbursement and Financial Information Letter (“DFIL”), and such additional instructions as the Bank may specify from time to time by notice to the Borrower. The General Conditions also provide that the Disbursement and Financial Information Letter may set out Project-specific financial management and reporting requirements. This letter constitutes such Disbursement and Financial Information Letter and may be revised from time to time.

**I. Disbursement Arrangements, Withdrawal of Loan Funds, and Reporting of Uses of Loan Funds for the Project**

***(i) Disbursement Arrangements***

The *Disbursement Guidelines for Investment Project Financing*, dated February 2017 (“Disbursement Guidelines”), are available on the Bank’s secure website “Client Connection” at <https://clientconnection.worldbank.org> and its public website at <https://www.worldbank.org>. The Disbursement Guidelines are an integral part of the DFIL, and the manner in which the provisions in the Disbursement Guidelines apply to the Loan is specified below.

The table in Schedule 1 sets out the disbursement methods which may be used by the Borrower, information on registration of authorized signatories, processing of Withdrawal Applications (including the minimum value of applications and processing of advances), instructions on supporting documentation, and frequency of reporting on the Designated Account(s).

***(ii) Withdrawal Applications (Electronic Delivery)***

The Borrower shall submit applications for withdrawal or for special commitment (“Applications”) with supporting documents electronically through the Bank’s web-based portal “Client Connection” at <https://clientconnection.worldbank.org>. This option will be effected after the officials designated in writing by the Borrower, who are authorized to sign and deliver Applications, have registered as users of “Client Connection.” The designated officials shall deliver Applications electronically by completing Form 2380, which is accessible through “Client Connection.” By signing the Authorized

Signatory Letter, which can be delivered manually or electronically, the Borrower confirms that it is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank by these means. The Borrower may exercise the option of preparing and delivering Applications in paper form on exceptional cases (including those where the Borrower encounters legal limitations) and which were previously agreed with the Bank. By designating officials to use SIDC and deliver the Applications electronically, the Borrower confirms through the Authorized Signatory Letter its agreement to (a) abide by the Terms and Conditions of Use of Secure Identification Credentials in connection with the Use of Electronic Means to Process Applications and Supporting Documentation, available in the Bank's public website at <https://www.worldbank.org> and "Client Connection" at <https://clientconnection.worldbank.org>; and (b) to cause such officials to abide by those terms and conditions.

## **II. Financial Reports and Audits**

(i) **Financial Reports.** The Borrower shall prepare and furnish to the Bank not later than sixty (60) days after the end of each calendar semester interim unaudited financial reports ("IFRs") for the Project covering the semester.

(ii) **Audits.** Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Borrower, commencing with the fiscal year in which the first withdrawal was made. The audited Financial Statements for each such period shall be furnished to the Bank by the Borrower not later than six (6) months after the end of such period.

## **III. Other Important Information**

For additional information on disbursement arrangements, please refer to the Loan Handbook available on the Bank's public website at <https://www.worldbank.org> and "Client Connection" at <https://clientconnection.worldbank.org>, the Bank recommends that you register as a user of "Client Connection." From this website, you will be able to prepare and deliver Authorized Signatory Letters and Withdrawal Applications, monitor the near real-time status of the Loan and retrieve related policy, financial, and procurement information. For more information about the website and registration arrangements, or if you have any queries in relation to the above, please contact the Bank by email at [askloans@worldbank.org](mailto:askloans@worldbank.org) using the above reference.

Yours sincerely,

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Johannes C. M. Zutt  
Country Director  
Brazil  
Latin America and the Caribbean

**Attachments**

1. Form of Authorized Signatory Letter
2. Statement of Expenditure (SOE)
3. Customized Statement of Expenditure

With copies:        [Ministry of Finance]  
                              [street address]  
                              [city], [country]  
                              [email address]

[Project Implementing Entity 1]  
[street address]  
[city], [country]  
[email address]

### Schedule 1: Disbursement Provisions

Basic Information					
<b>IBRD Loan No.</b>	XXXXXX	<b>Country</b>	Brazil	<b>Closing Date</b>	Section III.B.2 of Schedule 2 to the Loan Agreement.
		<b>Borrower</b>	State of Mato Grosso		
		<b>Name of the Project</b>	Mato Grosso Sustainable Development of Family Farming Project	<b>Disbursement Deadline Date</b>	Four (4) months after the closing date
Disbursement Methods and Supporting Documentation					
<b>Disbursement Methods</b>		<b>Methods</b>	<b>Supporting Documentation</b>		
Direct Payment		Yes	- Copy of Records		
Reimbursement		Yes	- Statement of Expenditure (SOE), in the format provided in Attachment 2 of the DFIL, for categories 1, 3 and 4. - Customized Statement of Expenditure, in the format provided in Attachment 3 of the DFIL, for category 2 (Matching Grants)		
Advance (into a Designated Account)		Yes	- Statement of Expenditure (SOE), in the format provided in Attachment 2 of the DFIL, for categories 1, 3 and 4. - Customized Statement of Expenditure, in the format provided in Attachment 3 of the DFIL, for category 2 (Matching Grants)		
Special Commitments		No	- Not Applicable		
Designated Account					
<b>Type</b>		Segregated - managed by SEAF		<b>Ceiling</b>	Variable
<b>Financial Institution - Name</b>		Banco do Brasil		<b>Currency</b>	USD
<b>Frequency of Reporting</b>		Quarterly		<b>Amount</b>	Based on a six-month forecast of eligible expenditures approved by the Bank
Minimum Value of Applications					
The minimum value of applications for Reimbursement and Direct Payment is USD 500,000 equivalent.					
Authorized Signatures Withdrawal and Documentation Applications					
The form for <b>Authorized Signatory Letter</b> (ASL) is provided in Attachment 1 of this letter. The ASL and all Withdrawal Applications with their supporting documentation will be submitted electronically via the Bank's "Client Connection" system.					

Additional Information / Instructions
Not Applicable

## Form of Authorized Signatory Letter

[Letterhead]  
Ministry of Finance  
[Street address]

[DATE]

The World Bank  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Attention: [Country Director]

Dear [Country Director]:

**Re: IBRD Loan [Loan No.] - [Country Code] - [Project Name]**

I refer to the Loan Agreement (Agreement”) between the International Bank for Reconstruction and Development (“Bank”) and [Borrower Name] (“Borrower”), providing the above Loan. For the purposes of Section 2.02 of the General Conditions as defined in the Agreement, any <sup>1</sup> [one/two/three] of the persons whose authenticated specimen signatures appear below is/are authorized on behalf of the Borrower to sign and submit an application to request a withdrawal from the Loan Account (“Applications”).

For the purpose of delivering the Applications to the Bank, <sup>2</sup> [one/two/three] of the persons whose authenticated specimen signatures appear below is/are authorized on behalf of the Borrower, acting [individually / jointly<sup>3</sup>] to deliver the Applications, and evidence in support thereof on the terms and conditions specified by the Bank.

This Authorization also confirms that the Borrower is authorizing such persons to accept Secure Identification Credentials (SIDC) and to deliver the Applications and supporting documents to the Bank, including by electronic means. The Bank shall rely upon such representations and warranties, including the representations and warranties contained in the *Terms and Conditions of Use of Secure Identification Credentials in connection with Use of Electronic Means to Process Applications and Supporting Documentation* (“Terms and Conditions of Use of SIDC”), the Borrower represents and warrants to the Bank that it will cause such persons to abide by those terms and conditions.

This Authorization replaces and supersedes any Authorization currently in the Bank records with respect to the Agreement(s) referred to in the subject line of this Authorization.

**Signatory Details**


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<sup>1</sup> Instruction to the Borrower: Stipulate if more than one person needs to sign Applications, and how many or which positions, and if any thresholds apply. *Please delete this footnote in the final letter that is sent to the Bank.*

<sup>2</sup> Instruction to the Borrower: Stipulate if more than one person needs to *jointly* sign Applications, if so, please indicate the actual number. *Please delete this footnote in the final letter that is sent to the Bank.*

<sup>3</sup> Instruction to the Borrower: Use this bracket only if several individuals must jointly sign each Application; if this is not applicable, please delete it. *Please delete this footnote in the final letter that is sent to the Bank.*

<b>Name</b>	<b>Position</b>	<b>Email ID</b>
[Signatory Name]	[Title]	[Email]

### Specimen Signatures

Signatory Name	Signature 1	Signature 2	Signature 3
[User Name]			
[User Name]			
[User Name]			

Yours truly,

/ signed /

\_\_\_\_\_  
[Position]

## Attachment 2

**BANCO INTERNACIONAL PARA RECONSTRUÇÃO E DESENVOLVIMENTO**  
**Declaração de Gastos**

**PAGAMENTOS REALIZADOS NO PERÍODO DE:**

A

Os pagamentos apresentados foram efetuados durante o período retroativo? (SIM ou NÃO):

As despesas apresentadas foram incorridas até a data de encerramento do Acordo Legal? (SIM ou NÃO):

NO. EMPRÉSTIMO/DOAÇÃO:

NO. PEDIDO:

NO. CATEGORIA:

NO. PÁGINA:

														SOMENTE CONTA DESIGNADA		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Item No.	Nome do fornecedor/firma/consultor/beneficiário	Breve descrição da despesa	Código da despesa	Contrato Sujeito à revisão prévia (SIM ou NÃO)	Referência do contrato	Moeda do contrato	Valor Total do Contrato	Valor acumulado do contrato (incluído em SOEs anteriores)	Número da Fatura/NF/ Recibo	Data do Pagamento	Valor Total do pagamento incluído nesse SOE	% Financiado pelo BIRD	Valor Financiado pelo BIRD (Col 12 X 13)	Taxa de Câmbio	Data de Débito da Conta Designada	Valor Debitado da Conta Designada (Col 14 ÷ 15)
											0.00		0.00	TOTAL		0.00

Documentos de Suporte para este SOE encontram-se arquivados na \_\_\_\_\_ (Informar o nome da Unidade de Implementação do Projeto) e mediante solicitação prévia serão disponibilizados para análise das missões do BIRD ou auditores designados para este fim.

BANCO INTERNACIONAL PARA RECONSTRUÇÃO E DESENVOLVIMENTO - BIRD  
Declaração de Gastos

PAGAMENTO REALIZADOS NO PERÍODO DE:  A

As despesas apresentadas foram incorridas até a data de encerramento do Acordo Legal? (SIM ou NÃO):

No. EMPRÉSTIMO:

No. PEDIDO:

No. CATEGORIA:

No. PÁGINA:

															CONTA DESIGNADA		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Item No.	Nome do Subprojeto/ Beneficiário	No. do Subprojeto/ Beneficiário (CNPJ)	Nº Processo	Nº Convênio	Nº Empenho	Total Convênio (BIRD + CP) R\$	Total de Repasse (BIRD) R\$	Data do Repasse	Número da OB (Nob - Nota de Ordem Bancária)	Valor documentado anteriormente (acumulado) R\$	Valor documentado neste SOE (prestação de contas) R\$	Número de Controle da prestação de contas R\$	% Financiado pelo BIRD	Valor Financiado pelo BIRD R\$	Data do Débito da Conta Designada	Taxa de Câmbio (PEPS)	Valor debitado da Conta Designada USD
1																	
2																	
3																	
4																	
5																	
6																	
7																	
											-						USD -

Documentos de Suporte para este SOE encontram-se arquivados na \_\_\_\_\_ (Informar o nome da Unidade de Implementação do Projeto) e mediante solicitação prévia serão disponibilizados para análise das missões do BIRD ou auditores designados para este fim.

# Amortization Schedule

<b>Project</b>	P175723-Mato Grosso Produtivo	<b>Region</b>	LATIN AMERICA AND CARIBBEAN	<b>Country</b>	Brazil
<b>TTL</b>	Barbara CristinaNoronha F	<b>Lending Instrument</b>	IPF		
<b>Loan</b>	IBRD T13525-	<b>Financial Product</b>	IFL - Variable Spread Loan	<b>Status</b>	Draft
<b>Amt in CoC</b>	USD 80,000,000.00	<b>Loan Description</b>	MATO GROSSO PRODUTIVO		

## Amortization Schedule

<b>Borr Ctry</b>	BR-Brazil	<b>Income Category</b>	4	<b>Avg Repay Maturity (Years)</b>	20.00
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## Amortization Schedule Parameters

<b>Maturity Profile</b>	CUSTOM	<b>Maturity Type</b>	LEVEL
<b>Repayment Term</b>	COMMITMENT_LINKED	<b>Repay Freq ( in months )</b>	006
<b>Grace Periods ( in months )</b>	060	<b>Final Maturity ( in months )</b>	300
<b>First Maturity Dt</b>	15Feb2029	<b>Last Maturity Dt</b>	15Aug2048
<b>Est Last Disb Dt</b>		<b>Disb Grouping ( in months )</b>	000
<b>Payment Day / Month</b>	15/02	<b>Annuity Rate ( % )</b>	0.00

Version Number: 001

## Repayment Schedule

Repay No	Repay Dt	Repay Amt (USD)	Repay Amt (USD)	Repay Pct
001	15Feb2029	2,000,000.00	2,000,000.00	2.50000
002	15Aug2029	2,000,000.00	2,000,000.00	2.50000
003	15Feb2030	2,000,000.00	2,000,000.00	2.50000
004	15Aug2030	2,000,000.00	2,000,000.00	2.50000
005	15Feb2031	2,000,000.00	2,000,000.00	2.50000
006	15Aug2031	2,000,000.00	2,000,000.00	2.50000
007	15Feb2032	2,000,000.00	2,000,000.00	2.50000
008	15Aug2032	2,000,000.00	2,000,000.00	2.50000
009	15Feb2033	2,000,000.00	2,000,000.00	2.50000
010	15Aug2033	2,000,000.00	2,000,000.00	2.50000
011	15Feb2034	2,000,000.00	2,000,000.00	2.50000
012	15Aug2034	2,000,000.00	2,000,000.00	2.50000
013	15Feb2035	2,000,000.00	2,000,000.00	2.50000
014	15Aug2035	2,000,000.00	2,000,000.00	2.50000
015	15Feb2036	2,000,000.00	2,000,000.00	2.50000
016	15Aug2036	2,000,000.00	2,000,000.00	2.50000
017	15Feb2037	2,000,000.00	2,000,000.00	2.50000
018	15Aug2037	2,000,000.00	2,000,000.00	2.50000
019	15Feb2038	2,000,000.00	2,000,000.00	2.50000
020	15Aug2038	2,000,000.00	2,000,000.00	2.50000
021	15Feb2039	2,000,000.00	2,000,000.00	2.50000
022	15Aug2039	2,000,000.00	2,000,000.00	2.50000
023	15Feb2040	2,000,000.00	2,000,000.00	2.50000
024	15Aug2040	2,000,000.00	2,000,000.00	2.50000
025	15Feb2041	2,000,000.00	2,000,000.00	2.50000
026	15Aug2041	2,000,000.00	2,000,000.00	2.50000
027	15Feb2042	2,000,000.00	2,000,000.00	2.50000
028	15Aug2042	2,000,000.00	2,000,000.00	2.50000
029	15Feb2043	2,000,000.00	2,000,000.00	2.50000
030	15Aug2043	2,000,000.00	2,000,000.00	2.50000
031	15Feb2044	2,000,000.00	2,000,000.00	2.50000
032	15Aug2044	2,000,000.00	2,000,000.00	2.50000
033	15Feb2045	2,000,000.00	2,000,000.00	2.50000
034	15Aug2045	2,000,000.00	2,000,000.00	2.50000
035	15Feb2046	2,000,000.00	2,000,000.00	2.50000
036	15Aug2046	2,000,000.00	2,000,000.00	2.50000
037	15Feb2047	2,000,000.00	2,000,000.00	2.50000
038	15Aug2047	2,000,000.00	2,000,000.00	2.50000

Repayment Schedule				
Repay No	Repay Dt	Repay Amt (USD)	Repay Amt (USD)	Repay Pct
039	15Feb2048	2,000,000.00	2,000,000.00	2.50000
040	15Aug2048	2,000,000.00	2,000,000.00	2.50000
Total		80,000,000.00	80,000,000.00	100.00000

Average Repayment Maturity		
Sub Loan Average Repayment Maturity (ARM)	14.78	
ARM Saving	5.22	

**The State of Mato Grosso  
The Secretary for Family Agriculture of Mato  
Grosso (SEAF)**

**MATO GROSSO SUSTAINABLE DEVELOPMENT  
OF FAMILY FARMING PROJECT (P175723)**

**Negotiated Version  
ENVIRONMENTAL AND SOCIAL  
COMMITMENT PLAN (ESCP)**

**November 16, 2023**

## ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

1. The State of Mato Grosso (the Borrower) will implement the Mato Grosso Sustainable Development of Family Farming Project (the Project), with the involvement of the Secretariat for Family Agriculture (SEAF), with the assistance of Land Administration Unit of Mato Grosso (INTERMAT), the Mato Grosso State Secretariat for the Environment (SEMA), and the Mato Grosso General Comptroller of Justice (CGJ-MT), under the terms of their respective Cooperation Agreements, and the Fundação Uniselva acting as Procurement Agent, under the terms of the Procurement Agent Agreement, as set out in the Loan Agreement. The International Bank for Reconstruction and Development (the Bank) has agreed to provide financing for the Project, as set out in the referred agreement.
2. The Borrower shall ensure that the Project is carried out in accordance with the Environmental and Social Standards (ESSs) and this Environmental and Social Commitment Plan (ESCP), in a manner acceptable to the Bank. The ESCP is a part of the Loan Agreement. Unless otherwise defined in this ESCP, capitalized terms used in this ESCP have the meanings ascribed to them in the referred agreement.
3. Without limitation to the foregoing, this ESCP sets out material measures and actions that the Borrower shall carry out or cause to be carried out, including, as applicable, the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and grievance management. The ESCP also sets out the environmental and social (E&S) instruments that shall be adopted and implemented under the Project, all of which shall be subject to prior consultation and disclosure, consistent with the ESS, and in form and substance, and in a manner acceptable to the Bank. Once adopted, said E&S instruments may be revised from time to time with prior written agreement by the Bank.
4. As agreed by the Bank and the Borrower, this ESCP will be revised from time to time if necessary, during Project implementation, to reflect adaptive management of Project changes and unforeseen circumstances or in response to Project performance. In such circumstances, the Borrower through SEAF, and the Bank agree to update the ESCP to reflect these changes through an exchange of letters signed between the Bank and the Secretary of SEAF. The Borrower shall promptly disclose the updated ESCP.

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
<b>MONITORING AND REPORTING</b>			
A	<b>REGULAR REPORTING</b> Prepare and submit to the Bank regular monitoring reports on the environmental, social, health and safety (ESHS) performance of the Project, including but not limited to the implementation of the ESCP, status of preparation and implementation of E&S instruments required under the ESCP, stakeholder engagement activities, and functioning of the grievance mechanism(s).	Semiannual Reports throughout Project implementation, commencing after the Effective Date. Submit each report to the Bank no later than 45 days after the end of each reporting period.	SEAF-Project Management Unit (PMU)
B	<b>INCIDENTS AND ACCIDENTS</b> Promptly notify the Bank of any incident or accident related to the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, including, inter alia, cases of sexual exploitation and abuse (SEA), sexual harassment (SH), and accidents that result in death, serious or multiple injury. Provide sufficient detail regarding the incident or accident, indicating immediate measures taken or that are planned to be taken to address it, and any information provided by partner implementing agencies (as nominated in paragraph 1, above), Eligible POs, Eligible Beneficiaries, any contractor and supervising entity, as appropriate.  Subsequently, as per the Bank's request, prepare a report on the incident or accident and propose any measures to prevent its recurrence.	Notify the Bank within 48 hours after learning of the incident or accident. In case of SEA/SH related incidents, notify the Bank within 24 hours after learning of such incidents.  Provide subsequent report to the Bank within a timeframe acceptable to the Bank.	SEAF-PMU
C	<b>CONTRACTORS' MONTHLY REPORTS</b> Require contractors, service providers and supervising firms to provide monthly monitoring reports on ESHS performance in accordance with the metrics specified in the respective bidding documents and contracts, and submit such reports to the Bank.	Submit these monthly reports to the Bank on a semiannual basis, through the reports required under action A above.	SEAF-PMU
<b>ESS 1: ASSESSMENT AND MANAGEMENT OF ENVIRONMENTAL AND SOCIAL RISKS AND IMPACTS</b>			
1.1	<b>ORGANIZATIONAL STRUCTURE – SEAF-PMU</b> Establish and maintain a PMU with a ESHS management team with qualified staff and resources to support management of ESHS risks, including, inter alia, one responsible coordinator (from SEAF) and three specialists: i) one environmental specialist, ii) one social risk management specialist, and iii) one communication specialist with previous experience working with family farmers and traditional communities.	Assign the ESHS responsible management coordinator in the SEAF-PMU and hire the three specialized specialists no later than 90 days after the Effective Date. Thereafter, maintain these positions throughout Project implementation.	SEAF

MATERIAL MEASURES AND ACTIONS	TIMEFRAME	RESPONSIBLE ENTITY
<p>1.2 <b>ORGANIZATIONAL STRUCTURE – PARTNER ENTITIES</b> Require INTERMAT, SEMA and CGJ-MT to designate a focal point to supervise – under the coordination of the ESHS management team in the PMU (SEAF) – the ESHS risk management in each of the Project activities in which these entities collaborate.</p>	Assign the focal points in the partner implementing agencies (as nominated in paragraph 1, above) no later than 30 days after the Effective Date, and thereafter maintain these positions throughout Project implementation.	SEMA INTERMAT CGJ-MT
<p>1.3 <b>ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK</b> Prepare, adopt, implement and cause the partner implementing agencies (as nominated in paragraph 1, above) to adopt and implement, as relevant, the Environmental and Social Management Framework (ESMF) for the Project, consistent with the relevant ESSs. The ESMF shall include a detailed Exclusion List of activities that are ineligible to receive support under the Project.</p>	Adopt the ESMF (final version) no later than 30 days after the Effective Date, and thereafter implement the ESMF throughout Project implementation.	SEAF-PMU SEMA INTERMAT CGJ-MT
<p>1.4 <b>ENVIRONMENTAL AND SOCIAL SCREENING AND MANAGEMENT MEASURES/PLANS</b></p> <p>(a) Carry out and cause the partner implementing agencies (as nominated in paragraph 1, above), as the case may be, to carry out the screening and assessment of the E&amp;S risks and impacts of each Project activities in a manner proportionate to the level of risk, as described in the ESMF and consistent with the ESSs. Any proposed Subproject or Project activities that are part of the Exclusion List shall be ineligible to receive support under the Project;</p> <p>(b) Implement and cause the partner implementing agencies (as nominated in paragraph 1, above), Eligible POs, and Eligible Beneficiaries, as the case may be, to implement the E&amp;S risk management measures or plans for each Subproject or other Project Activity pursuant to the screening and assessment carried out under (a) above. This includes the obligation to not carry out any activities that is part of the Exclusion List</p>	Carry out the screening and assessment of risks and develop the risk management measures and plans prior to the approval of each subproject or respective Project activity, and thereafter implement these measures or plans throughout the implementation of each Subproject or respective Project activity.	SEAF-PMU SEMA INTERMAT CGJ-MT
<p>1.5 <b>MANAGEMENT OF CONTRACTORS</b> Incorporate the relevant aspects of the E&amp;S instruments and/or plans, the Exclusion List, and the Labor Management Procedures, into the ESHS specifications of the procurement documents with contractors and terms of reference of consultancies. Thereafter ensure that the contractors and consultants comply with the ESHS specifications of their respective contracts.</p>	Prior to the preparation of procurement documents. Supervise contractors throughout Project implementation.	SEAF/PMU
<p>1.6 <b>TECHNICAL ASSISTANCE</b> Ensure that the consultancies, studies, capacity building, training, and any other technical assistance activities under the Project are carried out in accordance with terms of reference reviewed and found acceptable to the Bank, that incorporate the relevant requirements of the ESSs, the ESMF, the Stakeholder Engagement Plan, and the</p>	Throughout Project implementation.	SEAF-PMU

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	Indigenous Peoples Planning Framework. Thereafter ensure that the outputs of such activities comply with the terms of reference.		
1.7	<p><b>CONTINGENT EMERGENCY RESPONSE FINANCING</b></p> <p>(a) Ensure that the CERC Manual includes a description of the ESHS assessment and management arrangements for CERC activities including, if applicable, the CERC-ESMF Addendum for the implementation of Component 4 – Contingent Emergency Response Financing, in accordance with the ESSs.</p> <p>(b) Prepare, consult, adopt, and disclose any environmental and social (E&amp;S) instruments which may be required for activities under Component 4 – Contingent Emergency Response Financing of the Project, in accordance with the CERC Manual and, if applicable, CERC-ESMF Addendum and the ESSs, and thereafter implement the measures and actions required under said E&amp;S instruments, within the timeframes specified in said E&amp;S instruments.</p>	<p>a) The adoption of the CERC-Manual and, if applicable, the CERC-ESMF Addendums, in form and substance acceptable to the Bank is a withdrawal condition under Section III-B, item c, of Schedule 2 of the Loan Agreement for the Project.</p> <p>b) Submit the respective E&amp;S instruments for the Bank's prior review and approval, and include them as part of bidding processes, and in any case, before the carrying out of the relevant Project activities for which the E&amp;S instruments are required. Implement the E&amp;S instruments in accordance with their terms, throughout Project implementation.</p>	SEAF-PMU
<b>ESS 2: LABOR AND WORKING CONDITIONS</b>			
2.1	<p><b>LABOR MANAGEMENT PROCEDURES</b></p> <p>Develop, adopt, implement and cause the partner implementing agencies (as nominated in paragraph 1, above) to adopt and implement the Labor Management Procedures (LMP) for the Project, including, inter alia, provisions on working conditions, management of workers relationships, occupational health and safety (including personal protective equipment, and emergency preparedness and response), code of conduct (including relating to SEA and SH), prevention of all forms of forced labor and child labor, grievance arrangements for Project workers, and applicable requirements for contractors, subcontractors, and supervising firms.</p>	Adopt the LMP no later than 30 days after the Project Effectiveness Date, and thereafter implement the LMP throughout Project implementation.	SEAF-PMU SEMA INTERMAT CGJ-MT Fundação Uniselva
2.2	<p><b>GRIEVANCE MECHANISM FOR PROJECT WORKERS</b></p> <p>Establish and operate a grievance mechanism for Project workers, as described in the LMP and consistent with ESS2.</p>	Establish the grievance mechanism prior engaging Project workers, and thereafter maintain and operate it throughout Project implementation.	SEAF-PMU
<b>ESS 3: RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b>			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
3.1	<b>PEST MANAGEMENT PLAN</b> Adopt, implement and cause the partner implementing agencies (as nominated in paragraph 1, above) to adopt and implement the elements of a Pest Management Plan as described in the final ESMF and consistent with ESS3.	Same timeframe than action 1.3.	SEAF-PMU SEMA INTERMAT CGJ-MT
3.2	<b>WASTE MANAGEMENT</b> Adopt, implement and cause the partner implementing agencies (as nominated in paragraph 1, above) to adopt and implement the elements of a Waste Management Plan as described in the final ESMF and consistent with ESS3.	Same timeframe than action 1.3.	SEAF-PMU SEMA INTERMAT CGJ-MT
3.3	<b>RESOURCE EFFICIENCY AND POLLUTION PREVENTION AND MANAGEMENT</b> Incorporate resource efficiency and pollution prevention and management measures in the bidding documents as described in the final ESMF and consistent with ESS3.	Same timeframe than action 1.3.	SEAF-PMU SEMA INTERMAT CGJ-MT
<b>ESS 4: COMMUNITY HEALTH AND SAFETY</b>			
4.1	<b>COMMUNITY HEALTH AND SAFETY</b> Develop, adopt, implement and cause the partner implementing agencies (as nominated in paragraph 1, above) to adopt and implement the worker's Code of Conduct as described in the LMP in all contracts with Eligible Commercial Family Farming Pos, Eligible Emerging Family Farming PO, and relationships with Eligible Beneficiaries (Family farmers and Indigenous Peoples and Traditional Communities).	Same timeframe than action 2.1.	SEAF-PMU SEMA INTERMAT CGJ-MT
<b>ESS 5: LAND ACQUISITION, RESTRICTIONS ON LAND USE AND INVOLUNTARY RESETTLEMENT</b>			
5.1	<b>VOLUNTARY LAND DONATIONS</b> Voluntary land donations shall only be acceptable only if: a) the potential donor or donors have been appropriately informed and consulted about the Project and the choices available to them; (b) potential donors are aware that refusal is an option, and have confirmed in writing their willingness to proceed with the donation; (c) the amount of land being donated is minor and will not reduce the donor's remaining land area below that required to maintain the donor's livelihood at current levels; (d) no household relocation is involved; (e) the donor is expected to benefit directly from the Project; and (f) for community or collective land, donation can only occur with the consent of individuals using or occupying the land voluntary basis; all as set out in the ESMF, in accordance with the requirements of ESS5, and subject to the prior approval of the Bank.	Same timeframe than action 1.3.	SEAF-PMU
<b>ESS 6: BIODIVERSITY CONSERVATION AND SUSTAINABLE MANAGEMENT OF LIVING NATURAL RESOURCES</b>			
6.1	<b>BIODIVERSITY RISKS AND IMPACTS</b>	No later than 30 days after the Effective Date and throughout Project implementation.	SEAF-PMU SEMA INTERMAT CGJ-MT

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
	As part of the ESMF, assess the potential direct and indirect risks and impacts of the Project on habitats and biodiversity, particularly the risks of expansion of production areas and the use of chemical products harmful to pollinators and other biodiversity elements, and adopt measures to minimize these risks and impacts on habitats and biodiversity, as set out in the ESMF.		
<b>ESS 7: INDIGENOUS PEOPLES/SUB-SAHARAN AFRICAN HISTORICALLY UNDERSERVED TRADITIONAL LOCAL COMMUNITIES</b>			
7.1	<b>INDIGENOUS PEOPLES PLANNING FRAMEWORK</b> Develop, adopt, implement and cause the partner implementing agencies (as nominated in paragraph 1, above) to adopt and implement the Indigenous Peoples Planning Framework (IPPF), consistent with ESS 7.	(a) Adopt and implement the IPPF no later than 30 days after the Effective Date, and thereafter implement the IPPF throughout Project implementation. (b) Adopt any required IPP prior to the carrying out any activity that requires the preparation of such IPP, as set out in the IPPF. Once adopted, implement the respective IPP throughout Project implementation.	SEAF-PMU SEMA
<b>ESS 8: CULTURAL HERITAGE</b>			
8.1	<b>CULTURAL HERITAGE RISKS AND IMPACTS</b> As set out in the ESMF and consistent with both the country's legislation and ESS8, develop, adopt, implement and cause the partner implementing agencies (as nominated in paragraph 1, above) to adopt and implement: <ul style="list-style-type: none"> <li>(a) the principles, rules, guidelines and procedures to identify – through prior research and consultation with Eligible Beneficiaries – natural areas with cultural heritage significance that might be located within the areas of intervention, the people who value such features and the people with authority to represent and negotiate regarding the location, protection and use of the cultural heritage; and</li> <li>(b) the principles, rules, guidelines and procedures to be followed by the implementing agencies, contractors and subcontractors if previously unknown cultural heritage is encountered during Project activities.</li> </ul>	Same timeframe than action 1.3.	SEAF-PMU SEMA INTERMAT CGJ-MT
<b>ESS 9: FINANCIAL INTERMEDIARIES</b>			
Not relevant for the Project.			
<b>ESS 10: STAKEHOLDER ENGAGEMENT AND INFORMATION DISCLOSURE</b>			

MATERIAL MEASURES AND ACTIONS		TIMEFRAME	RESPONSIBLE ENTITY
10.1	<p><b>STAKEHOLDER ENGAGEMENT PLAN PREPARATION AND IMPLEMENTATION</b></p> <p>Adopt, implement and cause the partner implementing agencies (as nominated in paragraph 1, above) to adopt and implement the Stakeholder Engagement Plan prepared for the Project, consistent with ESS 10, which shall include, <i>inter alia</i>, measures to provide stakeholders with timely, relevant, understandable and accessible information on the Project, and to consult with them in culturally appropriate manners, which is free of manipulation, interference, coercion, discrimination and intimidation.</p>	Adopt and implement the SEP no later than 30 days after the Effective Date, and thereafter implement the SEP throughout Project implementation	SEAF-PMU SEMA INTERMAT CGJ-MT
10.2	<p><b>PROJECT GRIEVANCE MECHANISM</b></p> <p>Adopt, publicize, maintain, and operate the General State Ombudsman Office (including the Sectoral Ombudsman Offices at SEAF, SEMA and INTERMAT) as the Project's grievance mechanism, to receive and facilitate resolution of concerns and grievances in relation to the Project, promptly and effectively, in a transparent manner that is culturally appropriate and readily accessible to all Project-affected parties, at no cost and without retribution, including concerns and grievances filed anonymously, as described in the SEP and consistent with ESS10.</p> <p>The grievance mechanism shall be equipped to receive, register, and facilitate the resolution of SEA/SH complaints, including through the referral of survivors to relevant gender-based violence service providers, all in a safe, confidential, and survivor-centered manner.</p>	Adopt the grievance mechanism no later than 30 days after the Effective Date, and thereafter maintain and operated the grievance mechanism throughout Project implementation. Semi-annual reports shall be sent to the Bank to provide details on the functioning of the grievance mechanism as part of the Reports required under action A above.	SEAF-PMU SEMA INTERMAT CGJ-MT
<b>CAPACITY SUPPORT</b>			
CS1	Provide training on the Bank's Environmental and Social Standards and Project's E&S instruments for the ESHS Management Team in SEAF-PMU, the focal points in the partner implementing agencies (as nominated in paragraph 1, above) and all Project workers providing technical guidance for the elaboration of CSA Family Business Plans.	First session carried out no later than 120 days after the Effective Date, and thereafter in an annual basis (or extraordinarily, as needed) throughout Project implementation.	SEAF-PMU SEMA INTERMAT CGJ-MT

# Termos Financeiros de Empréstimos Flexíveis do BIRD (IFL) com Spread Variável.

Preencha o formulário eletronicamente. Imprima e assine o formulário preenchido.

(Clique nas áreas sombreadas e digite a informação. Verifique as “Instruções de Preenchimento da Planilha de Opções de Empréstimos”).

## INFORMAÇÃO SOBRE FINANCIAMENTO

Nome do país:	BRASIL
Nome do projeto ou programa:	PROJETO DE DESENVOLVIMENTO SUSTENTÁVEL DA AGRICULTURA FAMILIAR DE M
Mutuário:	ESTADO DE MATO GROSSO
Moeda do empréstimo (favor selecionar SOMENTE UMA):	dólar dos EUA <input checked="" type="checkbox"/> Montante do empréstimo: 80.000.000,00
Se o empréstimo for expresso em mais de uma moeda, favor especificar em folha separada o nome e o montante de cada moeda.	
A taxa de juros do empréstimo é a soma da taxa de referência mais o spread variável.	

## TERMOS DE AMORTIZAÇÃO

Selecione as datas de pagamento: de	15	<input type="checkbox"/>	de	fevereiro-agosto	<input type="checkbox"/>	de cada ano.
Período de carência. Especifique o número de anos (de 0-19.5):	Ano(s) 5 anos					
Prazo total de amortização, incluindo o período de carência: Especifique o número de anos (de 0-35):	Ano(s) 25 anos					
Selecione somente UMA das seguintes opções:						
<input checked="" type="radio"/> Programa de amortização vinculado ao compromisso						
<input type="radio"/> Programa de amortização vinculado aos desembolsos (NOTA: se for escolhido o programa de amortização vinculado ao desembolso, somente há disponibilidade dos seguintes perfis de amortização: i. Amortização Constante ou ii. Pagamento constante)						
Selecione somente UM dos seguintes perfis de amortização:						
<input checked="" type="radio"/> i. Amortização Constante						
<input type="radio"/> ii. Pagamento Constante (Tabela Price)						
<input type="radio"/> iii. Amortização Única (Bullet) Data de Amortização						
<input type="radio"/> iv. Outras amortizações não padronizadas (especifique as datas programadas de pagamento e montantes da amortização a serem pagos nas datas do pagamento do principal. Se for necessário mais espaço, favor anexar uma folha separada).						
1. Amortização Constante está adequado ao fluxo de caixa do Tesouro do Estado e ao orçamento anual do serviço da dívida pública do Estado.						

## COMISSÃO INICIAL

Selecione somente UMA das seguintes opções:	
<input type="radio"/> Comissão inicial de financiamento retirada dos recursos do empréstimo (capitalizado).	<input checked="" type="radio"/> O mutuário pagará a comissão inicial com os próprios recursos (faturada).

## OPÇÕES DE CONVERSÃO

A) Para obter informações detalhadas sobre as opções padrão de conversão de moeda e conversão da taxa de juros, favor consultar a Seção 4.01(b) das Condições Gerais.

Indique se o mutuário não deseja participar de nenhuma opção de conversão. Não deseja participar do seguinte:

- ☐ Conversão da moeda
- ☐ Conversão da Taxa de Referência
- ☐ Tetos ou Faixas de Variação da Taxa de Referência

B) Se o Mutuário preferir Tetos ou Faixas, selecione somente UMA das seguintes opções:

- ☐ O prêmio do teto/faixa pode ser financiado com os recursos do empréstimo, contanto que haja fundos disponíveis para serem desembolsados.
- ☒ Prêmio do teto/faixa pago pelo mutuário com recursos próprios.

C) **NOTA:** Utilize esta opção somente se desejar que o BIRD modifique automaticamente a taxa de referência de todos os desembolsos do empréstimos. A opção ARF por montante não está disponibilizada para IFLs com programação de pagamento vinculado ao desembolso.

☐ Fixação Automática da Taxa de Referência (ARF)

Período: (Igual a um ou mais Períodos de Juros): Selecionar período

OU

Montante (mínimo de US\$ 3 milhões ou 10% do empréstimo, ou o que for maior):

D) ☐ Conversão Automática em Moeda Nacional

**NOTA:** Conversão Automática da Moeda a uma Moeda Nacional (ACLC). Esta opção converterá automaticamente todo desembolso do empréstimo e a respectiva moeda de pagamento em moeda nacional. Favor contatar o Financial Products and Client Solutions (enviar e-mail a [FP@worldbank.org](mailto:FP@worldbank.org) para obter informações sobre moedas, montantes, normas e taxas disponíveis, bem como para obter instruções e formulários específicos relacionadas a esta opção.)

## DECLARAÇÃO DAS RAZÕES DO MUTUÁRIO PARA A ESCOLHA DE TERMOS DO EMPRÉSTIMO

A escolha da taxa SOFR 6m adicionada à variável spread, com amortização constante vinculada ao comprometimento pelo período de 240 meses (20 anos) se demonstrou viável sobre os seguintes aspectos: (1) o fluxo de pagamento da operação está adequado a disponibilidade de caixa do tesouro do Estado; (2) a proporção do serviço da operação está dentro do limite de 11,5% da receita corrente líquida do Estado, conforme preceitua a resolução do senado federal n. 40, de 2001; e (3) o custo efetivo da operação tende a ser inferior ao custo máximo aceitável para empréstimos com garantia da União.

## DECLARAÇÃO

O mutuário declara que não só tomou suas próprias decisões para obter o Empréstimo em conformidade com os termos contidos neste Formulário bem como declara que o Empréstimo é adequado para ele com base no seu próprio julgamento. O mutuário não recebeu qualquer comunicação (oral ou por escrito) do Banco Mundial com recomendação para tomar o Empréstimo de acordo com os termos selecionados neste documento, ficando entendido que quaisquer informações e explicações relacionadas com os termos e condições do Empréstimo não serão consideradas recomendações para se tomar o Empréstimo. O mutuário declara ainda que compreende e aceita os termos, condições e riscos do Empréstimo. No tocante às opções de conversão, o Mutuário afirma que toda conversão será aceita para fins de gestão prudente da dívida e não para fins especulativos e será solicitada mediante a apresentação de requerimento de conversão distinta, se aplicável. Para obter informação sobre opções de conversão favor consultar o website:

[World Bank Treasury - Financial Products and Client Solutions website.](#)

## ASSINATURA DO MUTUÁRIO E DATA

Assinatura:

ROGERIO LUIZ  
GALLO:53130847120

MAURO MENDES  
FERREIRA:30436230100

Assinado de forma digital por MAURO  
MENDES FERREIRA:30436230100  
Dados: 2023.02.13 12:17:37 -04'00'

Data: 09/02/2023

**Certificado de conclusão**

ID de envelope: 4724A44944CB41678581B4EE654085C9

Estado: Concluído

Assunto: FYI - Brazil - MT Family Farm Project - Minutes of Negotiations have been sent for signing

Envelope de origem:

Página do documento: 7

Assinaturas: 6

Autor do envelope:

Páginas de documento complementar: 150

Iniciais: 0

The World Bank

Certificar páginas: 7

Assinatura guiada: Ativada

1818 H Street NW

Selo do ID do envelope: Desativado

Washington, DC 20433

Fuso horário: (UTC-05:00) Hora do Leste (EUA e Canadá)

esignaturelegle@worldbank.org

Endereço IP: 164.114.83.68

**Controlo de registos**

Estado: Original

Titular: The World Bank

Local: DocuSign

17/11/2023 12:35:51

esignaturelegle@worldbank.org

Estado da aplicação de segurança: Ligado

Conjunto: Security Pool

**Eventos do signatário****Assinatura****Carimbo de data/hora**

Arthur Batista de Sousa

arthur.sousa@tesouro.gov.br



Enviado: 17/11/2023 12:35:56

Visualizado: 17/11/2023 12:42:08

Nível de segurança: Correio eletrónico, Autenticação de conta (Opcional)

Assinado: 17/11/2023 12:45:27

Adoção de assinatura: Estilo pré-selecionado

Utilizar o endereço IP: 189.92.221.35

Assinado através de dispositivo móvel

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ID: 4dd7b69f-c298-427b-9c1a-42723d5adb2c

Nome da empresa: The World Bank

Documentos suplementares:

Annex 2. Negotiated Legal Agreement\_MT Family Farming\_P175723.docx

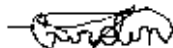
Visualizado: 17/11/2023 12:44:55

Ler: Não obrigatório

Aceite: Não obrigatório

Caroline Leite Nascimento

caroline.leite@planejamento.gov.br



Enviado: 17/11/2023 12:35:56

Visualizado: 17/11/2023 13:08:07

Nível de segurança: Correio eletrónico, Autenticação de conta (Opcional)

Assinado: 17/11/2023 13:08:13

Adoção de assinatura: Assinatura desenhada no dispositivo

Utilizar o endereço IP: 200.198.196.205

**Aviso legal de registos e assinaturas eletrónicas:**

Aceite: 08/09/2023 14:24:15

ID: df954753-0490-49c8-bbe4-58b23be290b4

Nome da empresa: The World Bank

Diego Marques Santana

diegomiyoshi@pge.mt.gov.br



Enviado: 17/11/2023 12:35:57

Visualizado: 17/11/2023 13:17:11

Nível de segurança: Correio eletrónico, Autenticação de conta (Opcional)

Assinado: 17/11/2023 13:22:58

Adoção de assinatura: Assinatura desenhada no dispositivo

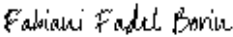
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**Aviso legal de registos e assinaturas eletrónicas:**

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ID: dd972bfb-2602-4177-83a4-f2ff752e5645

Nome da empresa: The World Bank

Eventos do signatário	Assinatura	Carimbo de data/hora
Fabiani Fadel Borin fabiani.borin@pgfn.gov.br Attorney of the National Treasury Nível de segurança: Correio eletrônico, Autenticação de conta (Opcional)	 Adoção de assinatura: Estilo pré-selecionado Utilizar o endereço IP: 191.176.162.92	Enviado: 17/11/2023 12:35:55 Visualizado: 17/11/2023 17:16:16 Assinado: 17/11/2023 17:18:06

**Aviso legal de registros e assinaturas eletrônicos:**

Aceite: 13/12/2021 09:50:13  
ID: 4473e987-5f57-4489-b25b-d129f7833a32  
Nome da empresa: The World Bank

Aparecida Maria Borges Bezerra  
aparecidabezerra@agriculturfamiliar.mt.gov.br  
Nível de segurança: Correio eletrônico, Autenticação de conta (Opcional)

Adoção de assinatura: Estilo pré-selecionado  
Utilizar o endereço IP: 191.56.48.84

Enviado: 17/11/2023 12:35:54  
Visualizado: 17/11/2023 13:08:23  
Assinado: 17/11/2023 13:24:51

**Aviso legal de registros e assinaturas eletrônicos:**

Aceite: 17/11/2023 13:08:23  
ID: 530eaa49-630e-4aeb-8c47-8dab2e5ed1c3  
Nome da empresa: The World Bank

Documentos suplementares:

Annex 7. Negotiated Loan Choice Worksheet\_MT  
Family Farming\_P175723.pdf

Visualizado: 17/11/2023 13:12:34

Annex 4. Negotiated DFIL\_MT Family  
Farming\_P175723 .docx

Ler: Não obrigatório  
Aceite: Não obrigatório  
Visualizado: 17/11/2023 13:13:19

Ler: Não obrigatório  
Aceite: Não obrigatório

Barbara Farinelli  
bfarinelli@worldbank.org

Nível de segurança: Correio eletrônico, Autenticação de conta (Opcional)

Adoção de assinatura: Imagem de assinatura carregada  
Utilizar o endereço IP: 134.238.232.112

Enviado: 17/11/2023 12:35:55  
Visualizado: 17/11/2023 15:06:28  
Assinado: 17/11/2023 15:15:59

**Aviso legal de registros e assinaturas eletrônicos:**

Aceite: 17/11/2023 15:06:28  
ID: 10ad1be8-5bd2-4446-998f-666d7597b995  
Nome da empresa: The World Bank

Maira Oliveira Gomes Dos Santos  
moliveiragomes@worldbank.org  
The World Bank

**Concluído**

Utilizar o endereço IP: 164.114.83.68

Enviado: 17/11/2023 17:18:13  
Visualizado: 20/11/2023 10:35:40  
Assinado: 20/11/2023 10:38:47

**Aviso legal de registros e assinaturas eletrônicos:**

Não disponível através do DocuSign

Eventos de signatário presencial	Assinatura	Carimbo de data/hora
Eventos de entrega do editor	Estado	Carimbo de data/hora
Eventos de entrega do agente	Estado	Carimbo de data/hora
Evento de entrega do intermediário	Estado	Carimbo de data/hora

Eventos de entrega certificada	Estado	Carimbo de data/hora
<b>Eventos de cópia</b>	<b>Estado</b>	<b>Carimbo de data/hora</b>
Maira Oliveira Gomes Dos Santos moliveiragomes@worldbank.org The World Bank Nível de segurança: Correio eletrônico, Autenticação de conta (Opcional) <b>Aviso legal de registros e assinaturas eletrônicos:</b> Não disponível através do DocuSign	<b>Copiado</b>	Enviado: 17/11/2023 12:35:51 Visualizado: 17/11/2023 12:35:51 Assinado: 17/11/2023 12:35:51
Jose C. Janeiro jjaneiro@worldbank.org World Bank Group Nível de segurança: Correio eletrônico, Autenticação de conta (Opcional) <b>Aviso legal de registros e assinaturas eletrônicos:</b> Não disponível através do DocuSign	<b>Copiado</b>	Enviado: 17/11/2023 12:35:53 Visualizado: 20/11/2023 10:39:37
Tania Lettieri tlettieri@worldbank.org Nível de segurança: Correio eletrônico, Autenticação de conta (Opcional) <b>Aviso legal de registros e assinaturas eletrônicos:</b> Não disponível através do DocuSign	<b>Copiado</b>	Enviado: 17/11/2023 12:35:53
Natasha Wiedmann nwiedmann@worldbank.org Nível de segurança: Correio eletrônico, Autenticação de conta (Opcional) <b>Aviso legal de registros e assinaturas eletrônicos:</b> Não disponível através do DocuSign	<b>Copiado</b>	Enviado: 17/11/2023 12:35:52 Visualizado: 17/11/2023 16:25:47
Leah Arabella Germer lgermer@worldbank.org Nível de segurança: Correio eletrônico, Autenticação de conta (Opcional) <b>Aviso legal de registros e assinaturas eletrônicos:</b> Não disponível através do DocuSign	<b>Copiado</b>	Enviado: 17/11/2023 12:35:52
Angélica Wandermurem Scheidegger angelica.scheidegger@sefaz.mt.gov.br Nível de segurança: Correio eletrônico, Autenticação de conta (Opcional) <b>Aviso legal de registros e assinaturas eletrônicos:</b> Não disponível através do DocuSign	<b>Copiado</b>	Enviado: 17/11/2023 17:18:10 Visualizado: 21/11/2023 13:56:58
Josiane Costa josiane.costa@planejamento.gov.br Nível de segurança: Correio eletrônico, Autenticação de conta (Opcional) <b>Aviso legal de registros e assinaturas eletrônicos:</b> Não disponível através do DocuSign	<b>Copiado</b>	Enviado: 17/11/2023 17:18:11 Visualizado: 20/11/2023 07:29:06
PGFN - Apoio apoioconf.df.pgfn@pgfn.gov.br Nível de segurança: Correio eletrônico, Autenticação de conta (Opcional) <b>Aviso legal de registros e assinaturas eletrônicos:</b> Não disponível através do DocuSign	<b>Copiado</b>	Enviado: 17/11/2023 17:18:11 Visualizado: 17/11/2023 17:45:16

Eventos de cópia	Estado	Carimbo de data/hora
OFFICIAL DOCUMENTS odesk@worldbank.org The World Bank Nível de segurança: Correio eletrônico, Autenticação de conta (Opcional), Iniciar sessão com início de sessão único	<b>Copiado</b>	Enviado: 20/11/2023 10:38:51 Visualizado: 20/11/2023 10:53:37
<b>Aviso legal de registos e assinaturas eletrónicos:</b> Não disponível através do DocuSign		

Eventos relacionados com a testemunha	Assinatura	Carimbo de data/hora
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Eventos de notário	Assinatura	Carimbo de data/hora
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Eventos de resumo de envelope	Estado	Carimbo de data/hora
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Entrega certificada	Segurança verificada	20/11/2023 10:35:40
Processo de assinatura concluído	Segurança verificada	20/11/2023 10:38:47
Concluído	Segurança verificada	20/11/2023 10:38:51

Eventos de pagamento	Estado	Carimbo de data/hora
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<b>Aviso legal de registos e assinaturas eletrónicos</b>		
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## **Electronic Disclosure Statement And Consent for E-Signature with a Relevant World Bank Group Organization [1]**

### **1.0 Acknowledgement of Independent Vendor:**

A relevant “World Bank Group Organization” means any of the following international organizations established by treaty among its member countries: International Bank for Reconstruction and Development (“IBRD”), International Development Association (“IDA”), International Finance Corporation (“IFC”), Multilateral Investment Guarantee Agency (“MIGA”), and International Centre for Settlement of Investment Disputes (“ICSID”).

By checking the ‘I agree’ box below in this Electronic Disclosure Statement and Consent for E-Signature (“Disclosure Statement and Consent”), you agree and understand that: (1) the e-signature service (the “Service”) is not owned or operated by any of the relevant World Bank Group Organizations in any way. Instead, the Service is owned, operated and maintained by an independent vendor; and (2) no relevant World Bank Group Organization is responsible or liable for the services provided by the independent vendor.

### **2.0 Agreement to Terms of Service and Privacy Policy:**

When using the Service, you agree and understand that the Service’s [Terms of Service](#), including the [Service Privacy Policy](#), will govern your use of e-signature.

### **3.0 Limitation of Liability:**

You agree and understand that your use of the Service with a relevant World Bank Group Organization is at your own risk.

You agree and understand that the relevant World Bank Group Organization expressly disclaims all warranties of any kind related to the site, the services and the materials, whether express or implied, including, but not limited to: (1) the implied warranties of merchantability; (2) fitness for a particular purpose; and (3) non-infringement. You agree to be solely responsible for any damage to your computer system or loss of data that results from use of the Service.

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#### **4.0 Remedies and No Warranty:**

The relevant World Bank Group Organization makes no warranty that: (1) the Service will meet your requirements; (2) the Service will be uninterrupted, timely, secure or error-free; (3) any results or outcomes from the use of the service will be accurate or reliable; (4) the quality of the Service will meet your expectations; or (5) the Service, or its servers, or communications sent from the any of the relevant World Bank Group Organizations, will be free of viruses or other harmful elements.

You agree and understand that your sole course of action and exclusive remedy for any losses or damages incurred or suffered by you as a result of your use of the Service shall be to terminate your Service account and cease using the Service. Under no circumstances will you have any claim against any of the relevant World Bank Group Organizations for any losses or damages whatsoever arising out of or related to your use of the Service.

#### **5.0 Preservation of Immunities.**

Nothing in this Disclosure Statement and Consent shall constitute, be construed, or considered to be, a limitation upon or a waiver, renunciation or modification of any immunities, privileges or exemptions of any of the World Bank Group Organizations accorded under its respective Articles of Agreement, international Convention or any applicable law. Such immunities, privileges or exemptions are specifically reserved.

#### **6.0 Additional Terms:**

By checking the 'I agree' box below, you agree and confirm that:

- You understand that this Disclosure Statement and Consent governs only e-signature transactions or arrangements with a relevant World Bank Group Organization which may be subject to additional Service terms;
- You can access and read this Disclosure Statement and Consent; and
- You can print on paper the Disclosure Statement and Consent or save or send the same to a place where you can print it for future reference and access.
- With respect to IBRD and IDA, you (a) will always keep your e-mail address updated with the Service and follow instructions provided by the relevant World Bank Group Organization to keep your e-mail address updated with the Service as needed; and (b) understand that the minimum system requirements for using the Service may change

over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>

[1] This Electronic Disclosure Statement and Consent for E-Signature with a relevant World Bank Group Organization is to be used on a specific **transactional basis** and does not in any way or form purport to create an ongoing contractual relationship between the user of the Service, the independent vendor and any of the relevant World Bank Group Organizations.

# IBRD Policy

## General Conditions for IBRD Financing: Investment Project Financing

### **Bank Access to Information Policy Designation**

Public

### **Catalogue Number**

LEG5.03-POL.126

### **Issued**

July 14, 2023

### **Effective**

July 15, 2023

### **Content**

General Conditions for IBRD Financing: Investment Project  
Financing

### **Applicable to**

IBRD

### **Issuer**

Senior Vice President and General Counsel, LEGVP

### **Sponsor**

Deputy Gen. Counsel, Operations, LEGVP

**International Bank for Reconstruction and Development**

**General Conditions for IBRD Financing**

**Investment Project Financing**

**Dated December 14, 2018**

**(Last revised on July 15, 2023)**

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## **ARTICLE I**

### **Introductory Provisions**

#### *Section 1.01. Application of General Conditions*

These General Conditions set forth terms and conditions generally applicable to the Legal Agreements, to the extent the Legal Agreements so provide. If the Loan Agreement is between the Member Country and the Bank, references in these General Conditions to the Guarantor and the Guarantee Agreement shall be disregarded. If there is no Project Agreement between the Bank and a Project Implementing Entity or Subsidiary Agreement between the Borrower and the Project Implementing Entity, references in these General Conditions to the Project Implementing Entity, the Project Agreement or the Subsidiary Agreement shall be disregarded.

#### *Section 1.02. Inconsistency with Legal Agreements*

If any provision of the Loan Agreement, the Guarantee Agreement, or the Project Agreement is inconsistent with a provision of these General Conditions, the provision of the Loan Agreement, Guarantee Agreement, or Project Agreement shall prevail.

#### *Section 1.03. Definitions*

Capitalized terms used in these General Conditions have the meanings set out in the Appendix.

#### *Section 1.04. References; Headings*

References in these General Conditions to Articles, Sections and Appendix are to the Articles and Sections of, and the Appendix to, these General Conditions. The headings of the Articles, Sections and Appendix, and the Table of Contents are inserted in these General Conditions for reference only and shall not be taken into consideration in interpreting these General Conditions.

## **ARTICLE II**

### **Withdrawals**

#### *Section 2.01. Loan Account; Withdrawals Generally; Currency of Withdrawal*

(a) The Bank shall credit the amount of the Loan to the Loan Account in the Loan Currency. If the Loan is denominated in more than one currency, the Bank shall divide the Loan Account into multiple sub-accounts, one for each Loan Currency. In the event that the Loan or any portion of the Loan is supported by a Member Guarantee, then the Loan Currency for the Loan or such portion of the Loan so supported shall be aligned with the currency of the Member Guarantee.

(b) The Borrower may from time to time request withdrawals of Loan amounts from the Loan Account in accordance with the provisions of the Loan Agreement, the Disbursement and Financial Information Letter, and such additional instructions as the Bank may specify from time to time by notice to the Borrower.

(c) Each withdrawal of a Loan amount from the Loan Account shall be made in the Loan Currency of such amount. The Bank shall, at the request and acting as an agent of the Borrower, and on such terms and conditions as the Bank shall determine, purchase with the Loan Currency withdrawn from the Loan Account such Currencies as the Borrower shall reasonably request to meet payments for Eligible Expenditures.

(d) No withdrawal of any Loan amount from the Loan Account shall be made (other than to repay the Preparation Advance) until the Bank has received from the Borrower payment in full of the Front-end Fee.

#### Section 2.02. *Special Commitment by the Bank*

At the Borrower's request and on such terms and conditions as the Bank and the Borrower shall agree, the Bank may enter into special commitments in writing to pay amounts for Eligible Expenditures notwithstanding any subsequent suspension or cancellation by the Bank or the Borrower ("Special Commitment").

#### Section 2.03. *Applications for Withdrawal or for Special Commitment*

(a) When the Borrower wishes to request a withdrawal from the Loan Account or to request the Bank to enter into a Special Commitment, the Borrower shall promptly deliver to the Bank a written application in such form and substance as the Bank shall reasonably request.

(b) The Borrower shall furnish to the Bank evidence satisfactory to the Bank of the authority of the person or persons authorized to sign such applications and the authenticated specimen signature or the Electronic Address of each such person.

(c) The Borrower shall furnish to the Bank such documents and other evidence in support of each such application as the Bank shall reasonably request, whether before or after the Bank has permitted any withdrawal requested in the application.

(d) Each such application and accompanying documents and other evidence shall be sufficient in form and substance to satisfy the Bank that the Borrower is entitled to withdraw from the Loan Account the amount applied for and that the amount to be withdrawn from the Loan Account shall be used only for the purposes specified in the Loan Agreement.

(e) The Bank shall pay the amounts withdrawn by the Borrower from the Loan Account only to, or on the order of, the Borrower.

#### Section 2.04. *Designated Accounts*

(a) The Borrower may open and maintain one or more designated accounts into which the Bank may, at the request of the Borrower, deposit amounts withdrawn from the Loan Account as advances for purposes of the Project. All designated accounts shall be opened in a financial institution acceptable to the Bank, and on terms and conditions acceptable to the Bank.

(b) Deposits into, and payments out of, any such designated account shall be made in accordance with the Loan Agreement and such additional instructions as the Bank may specify from time to time by notice to the Borrower, including the World Bank Disbursement Guidelines for Projects. The Bank

may, in accordance with the Loan Agreement and such instructions, cease making deposits into any such account upon notice to the Borrower. In such case, the Bank shall notify the Borrower of the procedures to be used for subsequent withdrawals from the Loan Account.

#### Section 2.05. *Eligible Expenditures*

Expenditures eligible to be financed out of the Loan proceeds shall, except as otherwise provided in the Legal Agreements, satisfy the following requirements (“Eligible Expenditure”):

- (a) the payment is for the reasonable cost of Project activities that meet the requirements of the relevant Legal Agreements;
- (b) the payment is not prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and
- (c) the payment is made on or after the date of the Loan Agreement, and, except as the Bank may otherwise agree, is for expenditures incurred on or before the Closing Date.

#### Section 2.06. *Financing Taxes*

The use of any proceeds of the Loan to pay for Taxes levied by, or in the territory of, the Member Country on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply, if permitted pursuant to the Legal Agreements, is subject to the Bank’s policy of requiring economy and efficiency in the use of the proceeds of its loans. To that end, if the Bank at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Bank may, by notice to the Borrower, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Loan.

#### Section 2.07. *Refinancing Preparation Advance; Capitalizing Front-end Fee, Interest and Other Charges*

- (a) If the Borrower requests the repayment out of the proceeds of the Loan of an advance (or a portion thereof) made by the Bank or the Association (“Preparation Advance”) and the Bank agrees to such request, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account on or after the Effective Date the amount required to repay the withdrawn and outstanding balance of the advance (or a portion thereof) as at the date of such withdrawal from the Loan Account and to pay all accrued and unpaid charges, if any, on the advance as at such date. The Bank shall pay the amount so withdrawn to itself or the Association, and, unless otherwise agreed between the Bank and the Borrower, shall cancel the remaining unwithdrawn amount of the advance.
- (b) If the Borrower requests that the Front-end Fee be paid out of the proceeds of the Loan and the Bank agrees to such request, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself such fee.
- (c) If the Borrower requests that interest, Commitment Charge, or other charges on the Loan be paid out of the proceeds of the Loan as applicable and the Bank agrees to such request, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account on each of the Payment Dates, and pay

to itself the amount required to pay such interest and other charges accrued and payable as at such date, subject to any limit specified in the Loan Agreement on the amount to be so withdrawn.

#### Section 2.08. *Allocation of Loan Amounts*

If the Bank reasonably determines that in order to meet the purposes of the Loan it is appropriate to reallocate Loan amounts among withdrawal categories, modify the existing withdrawal categories, or modify the percentage of expenditures to be financed by the Bank under each withdrawal category, the Bank may, after consultation with the Borrower, make such modifications, and shall notify the Borrower accordingly.

### **ARTICLE III** **Financing Terms**

#### Section 3.01. *Front-end Fee; Commitment Charge; Exposure Surcharge*

(a) The Borrower shall pay the Bank a Front-end Fee on the Loan amount at the rate specified in the Loan Agreement. Except as otherwise provided in Section 2.07 (b), the Borrower shall pay the Front-end Fee not later than sixty (60) days after the Effective Date.

(b) The Borrower shall pay the Bank a Commitment Charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement. The Commitment Charge shall accrue from a date sixty (60) days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. Except as otherwise provided in Section 2.07 (c), the Borrower shall pay the Commitment Charge semi-annually in arrears on each Payment Date.

(c) If, on any given day, the Total Exposure exceeds the Standard Exposure Limit and the Allocated Excess Exposure Amount is applicable to the Loan (or a portion thereof), the Borrower shall pay to the Bank the Exposure Surcharge on such Allocated Excess Exposure Amount for each said day. Whenever the Total Exposure exceeds the Standard Exposure Limit, the Bank shall promptly notify the Member Country thereof. The Bank shall also notify the Loan Parties of the Allocated Excess Exposure Amount, if any, with respect to the Loan. The Exposure Surcharge (if any) shall be payable semi-annually in arrears on each Payment Date.

#### Section 3.02. *Interest*

(a) The Borrower shall pay the Bank interest on the Withdrawn Loan Balance at the rate specified in the Loan Agreement; provided, however, that the interest rate applicable to any Interest Period shall in no event be less than zero percent (0%) per annum; and provided further that, such rate may be modified from time to time in accordance with the provisions of Article IV. Interest shall accrue from the respective dates on which amounts of the Loan are withdrawn and shall be payable semi-annually in arrears on each Payment Date.

(b) If interest on any amount of the Withdrawn Loan Balance is based on a Variable Spread, the Bank shall notify the Loan Parties of the interest rate on such amount for each Interest Period, promptly upon its determination.

(c) If interest on any amount of the Loan is based on a Reference Rate, and the Bank determines that (i) such Reference Rate has permanently ceased to be quoted for the relevant Currency, or (ii) the Bank is no longer able, or it is no longer commercially acceptable for the Bank, to continue to use such Reference Rate, for purposes of its asset and liability management, the Bank shall apply such other Reference Rate for the relevant Currency, including any applicable spread, as it may reasonably determine. The Bank shall promptly notify the Loan Parties of such other rate and related amendments to the provisions of the Loan Agreements, which shall become effective as of the date set forth in such notice.

(d) If interest on any amount of the Withdrawn Loan Balance is payable at the Variable Rate, then whenever, in light of changes in market practice affecting the determination of the interest rate applicable to such amount, the Bank determines that it is in the interest of its borrowers as a whole and of the Bank to apply a basis for determining such interest rate other than as provided in the Loan Agreement, the Bank may modify the basis for determining such interest rate upon not less than three months' notice to the Loan Parties of the new basis. The new basis shall become effective on the expiry of the notice period unless a Loan Party notifies the Bank during such period of its objection to such modification, in which case the modification shall not apply to such amount of the Loan.

(e) Notwithstanding the provisions of paragraph (a) of this Section, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the Borrower shall pay the Default Interest Rate on such overdue amount in lieu of the interest rate specified in the Loan Agreement (or such other interest rate as may be applicable pursuant to Article IV as a result of a Conversion) until such overdue amount is fully paid. Interest at the Default Interest Rate shall accrue from the first day of each Default Interest Period and shall be payable semi-annually in arrears on each Payment Date.

### Section 3.03. *Repayment*

(a) The Borrower shall repay the Withdrawn Loan Balance to the Bank in accordance with the provisions of the Loan Agreement and, if applicable, as further provided in paragraphs (b), (c) (d) and (e) of this Section 3.03. The Withdrawn Loan Balance shall be repaid on either a Commitment-linked Amortization Schedule or a Disbursement-linked Amortization Schedule.

(b) For Loans with a Commitment-linked Amortization Schedule:

The Borrower shall repay the Withdrawn Loan Balance to the Bank in accordance with the provisions of the Loan Agreement provided that:

- (i) If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date specified in the Loan Agreement, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying:
  - (x) the Withdrawn Loan Balance as of the first Principal Payment Date; by
  - (y) the Installment Share specified in the Loan Agreement for each Principal Payment Date, adjusted, as necessary, to deduct any amounts to which a Currency Conversion applies in accordance with Section 3.03 (e).

- (ii) If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:
  - (A) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with the Amortization Schedule under the Loan Agreement.
  - (B) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the Loan Agreement for said Principal Payment Date and the denominator of which is the sum of all remaining original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts to which a Currency Conversion applies in accordance with Section 3.03(e).
- (iii) (A) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.
- (B) Notwithstanding the provisions of this paragraph, if at any time the Bank adopts an alternative billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of this paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.
- (c) For Loans with a Disbursement-linked Amortization Schedule:
  - (i) The Borrower shall repay the Withdrawn Loan Balance to the Bank in accordance with the provisions of the Loan Agreement.
  - (ii) The Bank shall notify the Loan Parties of the Amortization Schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.
- (d) If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of the Loan Agreement and this Section 3.03 shall apply separately to the amount denominated in each Loan Currency (and a separate Amortization Schedule shall be produced for each such amount, as applicable).
- (e) Notwithstanding the provisions in paragraphs (b) (i) and (ii) above and in the Amortization Schedule in the Loan Agreement, as applicable, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance or Disbursed Amount, as applicable, to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank in accordance with the Conversion Guidelines.

#### Section 3.04. *Prepayment*

(a) After giving not less than forty-five (45) days' notice to the Bank, the Borrower may repay the Bank the following amounts in advance of maturity, as of a date acceptable to the Bank (provided that the Borrower has paid all Loan Payments due as at such date, including any prepayment premium calculated pursuant to paragraph (b) of this Section): (i) the entire Withdrawn Loan Balance as at such date; or (ii) the entire principal amount of any one or more maturities of the Loan. Any partial prepayment of the Withdrawn Loan Balance shall be applied in the manner specified by the Borrower, or in the absence of any specification by the Borrower, in the following manner: (A) if the Loan Agreement provides for the separate amortization of specified Disbursed Amounts of the principal of the Loan the prepayment shall be applied in the inverse order of such Disbursed Amounts, with the Disbursed Amount which has been withdrawn last being repaid first and with the latest maturity of said Disbursed Amount being repaid first; and (B) in all other cases, the prepayment shall be applied in the inverse order of the Loan maturities, with the latest maturity being repaid first.

(b) The prepayment premium payable under paragraph (a) of this Section shall be an amount reasonably determined by the Bank to represent any cost to it of redeploying the amount to be prepaid from the date of its prepayment to its maturity date.

(c) If, in respect of any amount of the Loan to be prepaid, a Conversion has been effected and the Conversion Period has not terminated at the time of prepayment, the provisions of Section 4.06 shall apply.

#### Section 3.05. *Partial Payment*

If the Bank at any time receives less than the full amount of any Loan Payment then due, it shall have the right to allocate and apply the amount so received in any manner and for such purposes under the Loan Agreement as it determines in its sole discretion.

#### Section 3.06. *Place of Payment*

All Loan Payments shall be paid at such places as the Bank shall reasonably request.

#### Section 3.07. *Currency of Payment*

(a) The Borrower shall pay all Loan Payments in the Loan Currency; and if a Conversion has been effected in respect of any amount of the Loan, as further specified in the Conversion Guidelines.

(b) If the Borrower so requests and the Bank agrees to such request, the Bank shall, acting as agent of the Borrower, and on such terms and conditions as the Bank shall determine, purchase the Loan Currency for the purpose of paying a Loan Payment upon timely payment by the Borrower of sufficient funds for that purpose in a Currency or Currencies acceptable to the Bank; provided, however, that the Loan Payment shall be deemed to have been paid only when and to the extent that the Bank has received such payment in the Loan Currency.

#### Section 3.08. *Temporary Currency Substitution*

(a) If the Bank reasonably determines that an extraordinary situation has arisen under which the Bank shall be unable to provide the Loan Currency at any time for purposes of funding the Loan, the

Bank may provide such substitute Currency or Currencies (“Substitute Loan Currency”) for the Loan Currency (“Original Loan Currency”) as the Bank shall select. During the period of such extraordinary situation: (i) the Substitute Loan Currency shall be deemed to be the Loan Currency for purposes of the Legal Agreements; and (ii) loan payments shall be paid in the Substitute Loan Currency, and other related financial terms shall be applied, in accordance with principles reasonably determined by the Bank. The Bank shall promptly notify the Loan Parties of the occurrence of such extraordinary situation, the Substitute Loan Currency and the financial terms of the Loan related to the Substitute Loan Currency.

(b) Upon notification by the Bank under paragraph (a) of this Section, the Borrower may within thirty (30) days thereafter notify the Bank of its selection of another Currency acceptable to the Bank as the Substitute Loan Currency. In such case, the Bank shall notify the Borrower of the financial terms of the Loan applicable to said Substitute Loan Currency, which shall be determined in accordance with principles reasonably established by the Bank.

(c) During the period of the extraordinary situation referred to in paragraph (a) of this Section, no premium shall be payable on prepayment of the Loan.

(d) Once the Bank is again able to provide the Original Loan Currency, it shall, at the Borrower’s request, change the Substitute Loan Currency to the Original Loan Currency in accordance with principles reasonably established by the Bank; provided that if such Loan is covered by a Member Guarantee, the Bank may effect such change from the Substitute Loan Currency to the Original Loan Currency in its sole discretion, with notice to the Loan Parties.

### Section 3.09. *Valuation of Currencies*

Whenever it becomes necessary for the purposes of any Legal Agreement, to determine the value of one Currency in terms of another, such value shall be as reasonably determined by the Bank.

### Section 3.10. *Manner of Payment*

(a) Any Loan Payment required to be paid to the Bank in the Currency of any country shall be made in such manner, and in the Currency acquired in such manner, as shall be permitted under the laws of such country for the purpose of making such payment and effecting the deposit of such Currency to the account of the Bank with a depository of the Bank authorized to accept deposits in such Currency.

(b) All Loan Payments shall be paid without restrictions of any kind imposed by, or in the territory of, the Member Country and without deduction for, and free from, any Taxes levied by or in the territory of the Member Country.

(c) The Legal Agreements shall be free from any Taxes levied by or in the territory of the Member Country on or in connection with their execution, delivery or registration.

## **ARTICLE IV**

### **Conversions of Loan Terms**

#### **Section 4.01. *Conversions Generally***

(a) The Borrower may, at any time, request a Conversion of the terms of the Loan in accordance with the provisions of this Section in order to facilitate prudent debt management. Each such request shall be furnished by the Borrower to the Bank in accordance with the Conversion Guidelines and, upon acceptance by the Bank, the conversion requested shall be considered a Conversion for the purposes of these General Conditions. All Conversions shall be effected subject to the Bank's ability to hedge its exposure arising from such Conversions with such Counterparties and on such terms as acceptable to the Bank.

(b) Subject to Section 4.01 (e) below, the Borrower may at any time request any of the following Conversions: (i) a Currency Conversion, including Local Currency Conversion and Automatic Conversion into Local Currency; (ii) an Interest Rate Conversion, including Automatic Rate Fixing Conversion; and (iii) an Interest Rate Cap or Interest Rate Collar. All Conversions shall be effected in accordance with the Conversion Guidelines and may be subject to such additional terms and conditions as may be agreed between the Bank and the Borrower.

(c) Upon acceptance by the Bank of a request for a Conversion, the Bank shall take all actions necessary to effect the Conversion in accordance with the Loan Agreement and the Conversion Guidelines. To the extent any modification of the provisions of the Loan Agreement providing for withdrawal or repayment of the proceeds of the Loan is required to give effect to the Conversion, such provisions shall be deemed to have been modified as of the Conversion Date. Promptly after the Execution Date for each Conversion, the Bank shall notify the Loan Parties of the financial terms of the Loan, including any revised amortization provisions and modified provisions providing for withdrawal of the proceeds of the Loan.

(d) The Borrower shall pay a transaction fee in connection with each Conversion, in such amount or at such rate as announced by the Bank from time to time and in effect on the date of the Bank's acceptance of the Conversion request. Transaction fees provided for under this paragraph shall be either: (i) payable as a lump sum not later than sixty (60) days after the Execution Date, or the Bank's notice to the Borrower, as applicable; or (ii) expressed as a percentage per annum and added to the interest rate payable on each Payment Date.

(e) Except as otherwise agreed by the Bank, the Borrower may not request, (i) a Currency Conversion in respect of a Loan or any portion of the Loan that is supported by a Member Guarantee and (ii) additional Conversions of any portion of the Withdrawn Loan Balance that is subject to a Currency Conversion effected by a Currency Hedge Notes Transaction or otherwise terminate such Currency Conversion, for so long as such Currency Conversion is in effect. Each such Currency Conversion described in item (ii) of the preceding sentence shall be effected on such terms and conditions as may be separately agreed by the Bank and the Borrower and may include transaction fees to cover the underwriting costs of the Bank in connection with Currency Hedge Notes Transaction.

Section 4.02. *Conversion to a Fixed Rate or Fixed Spread of Loan that Accrues Interest at a Rate Based on the Variable Spread*<sup>1</sup>

A Conversion to a Fixed Rate or a Variable Rate with a Fixed Spread of all or any amount of the Loan that accrues interest at a rate based on the Variable Spread shall be effected by fixing the Variable Spread applicable to such amount into the Fixed Spread for the Loan Currency, applicable on the date of the Conversion request, and in the case of a Conversion to a Fixed Rate, followed immediately by the Conversion requested by the Borrower.

Section 4.03. *Interest Payable Following Interest Rate Conversion or Currency Conversion*

(a) *Interest Rate Conversion.* Upon an Interest Rate Conversion, the Borrower shall, for each Interest Period during the Conversion Period, pay interest on the amount of the Withdrawn Loan Balance to which the Conversion applies at the Variable Rate or the Fixed Rate,<sup>2</sup> whichever applies to the Conversion.

(b) *Currency Conversion of Unwithdrawn Amounts.* Upon a Currency Conversion of all or any amount of the Unwithdrawn Loan Balance to an Approved Currency, the Borrower shall, for each Interest Period during the Conversion Period, pay interest and any applicable charges denominated in the Approved Currency on such amount as subsequently withdrawn and outstanding from time to time at the Variable Rate.

(c) *Currency Conversion of Withdrawn Amounts.* Upon a Currency Conversion of all or any amount of the Withdrawn Loan Balance to an Approved Currency, the Borrower shall, for each Interest Period during the Conversion Period, pay interest denominated in the Approved Currency in accordance with the Conversion Guidelines on such Withdrawn Loan Balance at a rate applicable under the Conversion.

Section 4.04. *Principal Payable Following Currency Conversion*

(a) *Currency Conversion of Unwithdrawn Amounts.* In the event of a Currency Conversion of an amount of the Unwithdrawn Loan Balance to an Approved Currency, the principal amount of the Loan so converted shall be determined by the Bank by multiplying the amount to be so converted in its Currency of denomination immediately prior to the Conversion by the Screen Rate. The Borrower shall repay such principal amount as subsequently withdrawn in the Approved Currency in accordance with the provisions of the Loan Agreement.

(b) *Currency Conversion of Withdrawn Amounts.* In the event of a Currency Conversion of an amount of the Withdrawn Loan Balance to an Approved Currency, the principal amount of the Loan so converted shall be determined by the Bank by multiplying the amount to be so converted in its Currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate. The Borrower shall repay such principal amount denominated in the Approved Currency in accordance with the provisions of the Loan Agreement.

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<sup>1</sup> Suspended until further notice.

<sup>2</sup> Fixed Rate conversions are not available due to the suspension of the Fixed Spread terms until further notice.

(c) *Termination of Conversion Period Prior to Final Loan Maturity.* If the Conversion Period of a Currency Conversion applicable to a portion of the Loan terminates prior to the final maturity of such portion, the principal amount of such portion of the Loan remaining outstanding in the Loan Currency to which such amount shall revert upon such termination shall be determined by the Bank either: (i) by multiplying such amount in the Approved Currency of the Conversion by the spot or forward exchange rate prevailing between the Approved Currency and said Loan Currency for settlement on the last day of the Conversion Period; or (ii) in such other manner as specified in the Conversion Guidelines. The Borrower shall repay such principal amount in the Loan Currency in accordance with the provisions of the Loan Agreement.

#### Section 4.05. *Interest Rate Cap; Interest Rate Collar*

(a) *Interest Rate Cap.* Upon the establishment of an Interest Rate Cap on the Variable Rate, the Borrower shall, for each Interest Period during the Conversion Period, pay interest on the amount of the Withdrawn Loan Balance to which the Conversion applies at the Variable Rate, unless with respect to the said Conversion Period: (i) for a Loan that accrues interest at a Variable Rate based on the Reference Rate and the Fixed Spread, the Variable Rate exceeds the Interest Rate Cap, in which case, for the relevant Interest Period, the Borrower shall pay interest on such amount at a rate equal to the Interest Rate Cap<sup>3</sup>; or (ii) for a Loan that accrues interest at a Variable Rate based on a Reference Rate and the Variable Spread, the Reference Rate exceeds the Interest Rate Cap, in which case, for the relevant Interest Period, the Borrower shall pay interest on such amount at a rate equal to the Interest Rate Cap plus the Variable Spread.

(b) *Interest Rate Collar.* Upon the establishment of an Interest Rate Collar on the Variable Rate, the Borrower shall, for each Interest Period during the Conversion Period, pay interest on the amount of the Withdrawn Loan Balance to which the Conversion applies at the Variable Rate, unless with respect to the said Conversion Period: (i) for a Loan that accrues interest at a Variable Rate based on a Reference Rate and the Fixed Spread, the Variable Rate<sup>4</sup>: (A) exceeds the upper limit of the Interest Rate Collar, in which case, for the relevant Interest Period, the Borrower shall pay interest on such amount at a rate equal to such upper limit; or (B) falls below the lower limit of the Interest Rate Collar, in which case, for the relevant Interest Period, the Borrower shall pay interest on such amount at a rate equal to such lower limit; or (ii) for a Loan that accrues interest at a Variable Rate based on a Reference Rate and the Variable Spread, the Reference Rate: (A) exceeds the upper limit of the Interest Rate Collar, in which case, for the relevant Interest Period, the Borrower shall pay interest on such amount at a rate equal to such upper limit plus the Variable Spread; or (B) falls below the lower limit of the Interest Rate Collar, in which case, for the relevant Interest Period, the Borrower shall pay interest on such amount at a rate equal to such lower limit plus the Variable Spread.

(c) *Interest Rate Cap or Collar Premium.* Upon the establishment of an Interest Rate Cap or an Interest Rate Collar, the Borrower shall pay to the Bank a premium on the amount of the Withdrawn Loan Balance to which the Conversion applies, calculated: (A) on the basis of the premium, if any, payable by the Bank for an interest rate cap or collar purchased by the Bank from a Counterparty for the purpose of establishing the Interest Rate Cap or Interest Rate Collar; or (B) otherwise as specified in the Conversion Guidelines. Such premium shall be payable by the Borrower (i) not later than sixty (60) days after the Execution Date; or (ii) promptly following the Execution Date for an Interest Rate

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<sup>3</sup> Not available due to suspension of Fixed Spread terms until further notice.

<sup>4</sup> Not available due to suspension of Fixed Spread terms until further notice.

Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with this Section up to the amount allocated from time to time for that purpose in the Loan Agreement.

#### Section 4.06. *Early Termination*

(a) Any Conversion effected on a Loan shall be terminated prior to its maturity in any of the following cases, as applicable:

- (i) The Borrower exercises its right to terminate the Conversion at any time during the Conversion Period by notice thereof to the Bank;
- (ii) The Bank exercises its right to terminate the Conversion during any period of time following thirty (30) days in which the Withdrawn Loan Balance remains unpaid and such non-payment continues beyond the said thirty (30) days period, by notice thereof to the Borrower;
- (iii) The Bank exercises its right at to terminate a Conversion prior to its maturity if: (A) the underlying hedging arrangements undertaken by the Bank in connection with the said Conversion are terminated as a result of it becoming impractical, impossible or unlawful for the Bank or its Counterparty to make a payment or to receive a payment on the terms agreed upon due to the: (1) adoption of, or any change in, any applicable law after the date on which such Conversion is executed; or (2) interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date or any change in any such interpretation; and (B) the Bank is unable to find a replacement hedging arrangement on terms acceptable to the Bank;
- (iv) The Bank provides a notice to the Borrower pursuant to Section 7.05 or Section 7.07; and
- (v) In the event of prepayment of the Loan by the Borrower as provided in Section 3.04.

(b) Except as otherwise provided in the Conversion Guidelines, upon the early termination of any Conversion by either the Bank or the Borrower: (i) the Borrower shall pay a transaction fee for the early termination, in such amount or at such rate as announced by the Bank from time to time and in effect at the time of the early termination of the Conversion; and (ii) the Borrower or the Bank shall pay an Unwinding Amount, if any, for the early termination (after setting off any amounts owed by the Borrower to the Bank), in accordance with the Conversion Guidelines. Transaction fees provided for under this paragraph and any Unwinding Amount payable by the Borrower pursuant to this paragraph shall be paid not later than sixty (60) days after the effective date of the early termination.

## **ARTICLE V**

### **Project Execution**

#### Section 5.01. *Project Execution Generally*

The Borrower and the Project Implementing Entity shall carry out their Respective Parts of the Project:

- (a) with due diligence and efficiency;

- (b) in conformity with appropriate administrative, technical, financial, economic, environmental and social standards and practices; and
- (c) in accordance with the provisions of the Legal Agreements.

*Section 5.02. Performance under the Loan Agreement, Project Agreement and Subsidiary Agreement*

- (a) The Guarantor shall not take or permit to be taken any action which would prevent or interfere with the execution of the Project or the performance of the obligations of the Borrower or the Project Implementing Entity under the Legal Agreement to which it is a party.
- (b) The Borrower shall: (i) cause the Project Implementing Entity to perform all of the obligations of the Project Implementing Entity set forth in the Project Agreement or the Subsidiary Agreement in accordance with the provisions of the Project Agreement or Subsidiary Agreement; and (ii) not take or permit to be taken any action which would prevent or interfere with such performance.

*Section 5.03. Provision of Funds and other Resources*

The Borrower shall provide or cause to be provided, promptly as needed, the funds, facilities, services and other resources: (a) required for the Project; and (b) necessary or appropriate to enable the Project Implementing Entity to perform its obligations under the Project Agreement or the Subsidiary Agreement.

*Section 5.04. Insurance*

The Borrower and the Project Implementing Entity shall make adequate provision for the insurance of any goods required for their Respective Parts of the Project and to be financed out of the proceeds of the Loan, against hazards incident to the acquisition, transportation and delivery of the goods to the place of their use or installation. Any indemnity for such insurance shall be payable in a freely usable Currency to replace or repair such goods.

*Section 5.05. Land Acquisition*

The Borrower and the Project Implementing Entity shall take (or cause to be taken) all action to acquire as and when needed all land and rights in respect of land as shall be required for carrying out their Respective Parts of the Project and shall promptly furnish to the Bank, upon its request, evidence satisfactory to the Bank that such land and rights in respect of land are available for purposes related to the Project.

*Section 5.06. Use of Goods, Works and Services; Maintenance of Facilities*

- (a) Except as the Bank shall otherwise agree, the Borrower and the Project Implementing Entity shall ensure that all goods, works and services financed out of the proceeds of the Loan are used exclusively for the purposes of the Project.

(b) The Borrower and the Project Implementing Entity shall ensure that all facilities relevant to their Respective Parts of the Project shall at all times be properly operated and maintained and that all necessary repairs and renewals of such facilities shall be made promptly as needed.

#### Section 5.07. *Plans; Documents; Records*

(a) The Borrower and the Project Implementing Entity shall furnish to the Bank all plans, schedules, specifications, reports and contract documents for their Respective Parts of the Project, and any material modifications of or additions to these documents, promptly upon their preparation and in such detail as the Bank shall reasonably request.

(b) The Borrower and the Project Implementing Entity shall maintain records adequate to record the progress of their Respective Parts of the Project (including its cost and the benefits to be derived from it), to identify the Eligible Expenditures financed out of the proceeds of the Loan and to disclose their use in the Project, and shall furnish such records to the Bank upon its request.

(c) The Borrower and the Project Implementing Entity shall retain all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under their Respective Parts of the Project until at least the later of: (i) one (1) year after the Bank has received the audited Financial Statements covering the period during which the last withdrawal from the Loan Account was made; and (ii) two (2) years after the Closing Date. The Borrower and the Project Implementing Entity shall enable the Bank's representatives to examine such records.

#### Section 5.08. *Project Monitoring and Evaluation*

(a) The Borrower and the Project Implementing Entity shall maintain or cause to be maintained policies and procedures adequate to enable it to monitor and evaluate on an ongoing basis, in accordance with indicators acceptable to the Bank, the progress of the Project and the achievement of its objectives.

(b) The Borrower shall prepare or cause to be prepared periodic reports ("Project Report"), in form and substance satisfactory to the Bank, integrating the results of such monitoring and evaluation activities and setting out measures recommended to ensure the continued efficient and effective execution of the Project and to achieve the Project's objectives. The Borrower shall furnish or cause to be furnished each Project Report to the Bank promptly upon its preparation, afford the Bank a reasonable opportunity to exchange views with the Borrower and the Project Implementing Entity on such report, and thereafter implement such recommended measures, taking into account the Bank's views on the matter.

(c) Except as the Bank may reasonably determine otherwise, the Borrower shall prepare, or cause to be prepared, and furnish to the Bank not later than six (6) months after the Closing Date: (i) a report of such scope and in such detail as the Bank shall reasonably request, on the execution of the Project, the performance by the Loan Parties, the Project Implementing Entity and the Bank of their respective obligations under the Legal Agreements and the accomplishment of the purposes of the Loan; and (ii) a plan designed to ensure the sustainability of the Project's achievements.

#### Section 5.09. *Financial Management; Financial Statements; Audits*

- (a) (i) The Borrower shall maintain or cause to be maintained a financial management system and prepare financial statements (“Financial Statements”) in accordance with consistently applied accounting standards acceptable to the Bank, both in a manner adequate to reflect the operations, resources and expenditures related to the Project; and (ii) the Project Implementing Entity shall maintain or cause to be maintained a financial management system and prepare financial statements in accordance with consistently applied accounting standards acceptable to the Bank, in a manner adequate to reflect its operations, resources and expenditures, and/or those of the Project, as may be further specified in the Disbursement and Financial Information Letter.
- (b) The Borrower and the Project Implementing Entity shall:
  - (i) have the Financial Statements periodically audited by independent auditors acceptable to the Bank, in accordance with consistently applied auditing standards acceptable to the Bank;
  - (ii) not later than the date specified in the Disbursement and Financial Information Letter, furnish or cause to be furnished to the Bank the Financial Statements as so audited, and such other information concerning the audited Financial Statements and such auditors, as the Bank may from time to time reasonably request;
  - (iii) make the audited Financial Statements, or cause the audited Financial Statements to be made, publicly available in a timely fashion and in a manner acceptable to the Bank; and
  - (iv) if requested by the Bank, periodically furnish or cause to be furnished to the Bank interim unaudited financial reports for the Project, in form and substance satisfactory to the Bank and as further specified in the Disbursement and Financial Information Letter.

#### Section 5.10. *Cooperation and Consultation*

The Bank and the Loan Parties shall cooperate fully to assure that the purposes of the Loan and the objectives of the Project will be accomplished. To that end, the Bank and the Loan Parties shall:

- (a) from time to time, at the request of any one of them, exchange views on the Project, the Loan, and the performance of their respective obligations under the Legal Agreements, and furnish to the other party all such information related to such matters as it shall reasonably request; and
- (b) promptly inform each other of any condition which interferes with, or threatens to interfere with, such matters.

#### Section 5.11. *Visits*

- (a) The Member Country shall afford all reasonable opportunity for representatives of the Bank to visit any part of its territory for purposes related to the Loan or the Project.
- (b) The Borrower and the Project Implementing Entity shall enable the Bank’s representatives to:
  - (i) visit any facilities and construction sites included in their Respective Parts of the Project; and
  - (ii) to examine the goods financed out of the proceeds of the Loan for their Respective Parts of the Project,

and any plants, installations, sites, works, buildings, property, equipment, records and documents relevant to the performance of their obligations under the Legal Agreements.

#### Section 5.12. *Disputed Area*

In the event that the Project is in an area which is or becomes disputed, neither the Bank's financing of the Project, nor any designation of or reference to such area in the Legal Agreements, is intended to constitute a judgment on the part of the Bank as to the legal or other status of such area or to prejudice the determination of any claims with respect to such area.

#### Section 5.13. *Procurement*

All goods, works, and services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in the Procurement Regulations and the provisions of the Procurement Plan.

#### Section 5.14. *Anti-Corruption*

The Borrower and the Project Implementing Entity shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

### **ARTICLE VI**

#### **Financial and Economic Data; Negative Pledge; Financial Condition**

#### Section 6.01. *Financial and Economic Data*

(a) The Member Country shall furnish to the Bank all such information as the Bank shall reasonably request with respect to financial and economic conditions in its territory, including its balance of payments and its external debt as well as that of its political or administrative subdivisions and of any entity owned or controlled by, or operating for the account or benefit of, the Member Country or any such subdivision, and of any institution performing the functions of a central bank or exchange stabilization fund, or similar functions, for the Member Country.

(b) The Member Country shall report "long-term external debt" (as defined in the World Bank's Debtor Reporting System Manual, dated January 2000, as may be revised from time to time ("DRSM")), in accordance with the DRSM, and in particular, notify the Bank of new "loan commitments" (as defined in the DRSM) not later than thirty (30) days after the end of the quarter during which the debt is incurred, and notify the Bank of "transactions under loans" (as defined in the DRSM) annually, not later than March 31 of the year following the year covered by the report.

(c) The Member Country represents, as at the date of the Loan Agreement, that no defaults exist in respect of any "external public debt" (as defined in the DRSM) except those listed in a notification from the Member Country to the Bank.

## Section 6.02. *Negative Pledge*

(a) It is the policy of the Bank, in making loans to, or with the guarantee of, its member countries not to seek, in normal circumstances, special security from the member country concerned but to ensure that no other Covered Debt shall have priority over its loans in the allocation, realization or distribution of foreign exchange held under the control or for the benefit of such member country. To that end, if any Lien is created on any Public Assets as security for any Covered Debt, which will or might result in a priority for the benefit of the creditor of such Covered Debt in the allocation, realization or distribution of foreign exchange, such Lien shall, unless the Bank shall otherwise agree, *ipso facto* and at no cost to the Bank, equally and ratably secure all Loan Payments, and the Member Country, in creating or permitting the creation of such Lien, shall make express provision to that effect; provided, however, that if for any constitutional or other legal reason such provision cannot be made with respect to any Lien created on assets of any of its political or administrative subdivisions, the Member Country shall promptly and at no cost to the Bank secure all Loan Payments by an equivalent Lien on other Public Assets satisfactory to the Bank.

(b) The Borrower, which is not the Member Country undertakes that, except as the Bank shall otherwise agree:

- (i) if it creates any Lien on any of its assets as security for any debt, such Lien will equally and ratably secure the payment of all Loan Payments and in the creation of any such Lien express provision will be made to that effect, at no cost to the Bank; and
- (ii) if any statutory Lien is created on any of its assets as security for any debt, it shall grant at no cost to the Bank, an equivalent Lien satisfactory to the Bank to secure the payment of all Loan Payments.

(c) The provisions of paragraphs (a) and (b) of this Section shall not apply to: (i) any Lien created on property, at the time of purchase of such property, solely as security for the payment of the purchase price of such property or as security for the payment of debt incurred for the purpose of financing the purchase of such property; or (ii) any Lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after the date on which it is originally incurred.

(d) The Member Country represents, as at the date of the Loan Agreement, that no Liens exist on any Public Assets, as security for any Covered Debt, except those listed in a notification from the Member Country to the Bank and those excluded pursuant to paragraph (c) of this Section 6.02.

## Section 6.03. *Financial Condition*

If the Bank has determined that the financial condition of the Borrower, which is not the Member Country, or the Project Implementing Entity, is a material factor in the Bank's decision to lend, the Bank shall have the right, as a condition to lend, to require that such Borrower or Project Implementing Entity provides the Bank with representations and warranties related to its financial and operating conditions, satisfactory to the Bank.

## **ARTICLE VII**

### **Cancellation; Suspension; Refund; Acceleration**

#### *Section 7.01. Cancellation by the Borrower*

The Borrower may, by notice to the Bank, cancel any amount of the Unwithdrawn Loan Balance, except that the Borrower may not cancel any such amount that is subject to a Special Commitment.

#### *Section 7.02. Suspension by the Bank*

If any of the events specified in paragraphs (a) through (m) of this Section occurs and is continuing, the Bank may, by notice to the Loan Parties, suspend in whole or in part the right of the Borrower to make withdrawals from the Loan Account. Such suspension shall continue until the event (or events) which gave rise to the suspension has (or have) ceased to exist, unless the Bank has notified the Loan Parties that such right to make withdrawals has been restored.

##### *(a) Payment Failure.*

- (i) The Borrower has failed to make payment (notwithstanding the fact that such payment may have been made by the Guarantor or a third party) of principal or interest or any other amount due to the Bank or the Association: (A) under the Loan Agreement; or (B) under any other agreement between the Bank and the Borrower; or (C) under any agreement between the Borrower and the Association; or (D) in consequence of any guarantee extended or other financial obligation of any kind assumed by the Bank or the Association to any third party with the agreement of the Borrower.
- (ii) The Guarantor has failed to make payment of principal or interest or any other amount due to the Bank or the Association: (A) under the Guarantee Agreement; or (B) under any other agreement between the Guarantor and the Bank; or (C) under any agreement between the Guarantor and the Association; or (D) in consequence of any guarantee extended or other financial obligation of any kind assumed by the Bank or the Association to any third party with the agreement of the Guarantor.

##### *(b) Performance Failure.*

- (i) A Loan Party has failed to perform any other obligation under the Legal Agreement to which it is a party or under any Derivatives Agreement.
- (ii) The Project Implementing Entity has failed to perform any obligation under the Project Agreement or the Subsidiary Agreement.

*(c) Fraud and Corruption.* At any time, the Bank determines that any representative of the Guarantor or the Borrower or the Project Implementing Entity (or any other recipient of any of the proceeds of the Loan) has engaged in corrupt, fraudulent, coercive or collusive practices in connection with the use of the proceeds of the Loan, without the Guarantor or the Borrower or the Project Implementing Entity (or any other such recipient) having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.

(d) *Cross Suspension.* The Bank or the Association has suspended in whole or in part the right of a Loan Party to make withdrawals under any agreement with the Bank or with the Association because of a failure by a Loan Party to perform any of its obligations under such agreement or any other agreement with the Bank.

(e) *Extraordinary Situation.*

(i) As a result of events which have occurred after the date of the Loan Agreement, an extraordinary situation has arisen which makes it improbable that the Project can be carried out or that a Loan Party or the Project Implementing Entity will be able to perform its obligations under the Legal Agreement to which it is a party.

(ii) An extraordinary situation has arisen under which any further withdrawals under the Loan would be inconsistent with the provisions of Article III, Section 3 of the Bank's Articles of Agreement.

(f) *Event Prior to Effectiveness.* The Bank has determined after the Effective Date that prior to such date but after the date of the Loan Agreement, an event has occurred which would have entitled the Bank to suspend the Borrower's right to make withdrawals from the Loan Account if the Loan Agreement had been effective on the date such event occurred.

(g) *Misrepresentation.* A representation made by a Loan Party in or pursuant to the Legal Agreements, or in or pursuant to any Derivatives Agreement, or any representation or statement furnished by a Loan Party, and intended to be relied upon by the Bank in making the Loan or executing a transaction under a Derivatives Agreement, was incorrect in any material respect.

(h) *Co-financing.* Any of the following events occurs with respect to any financing specified in the Loan Agreement to be provided for the Project ("Co-financing") by a financier (other than the Bank or the Association) ("Co-financier"):

(i) If the Loan Agreement specifies a date by which the agreement with the Co-financier providing for the Co-financing ("Co-financing Agreement") is to become effective, the Co-financing Agreement has failed to become effective by that date, or such later date as the Bank has established by notice to the Loan Parties ("Co-financing Deadline"); provided, however, that the provisions of this sub-paragraph shall not apply if the Loan Parties establish to the satisfaction of the Bank that adequate funds for the Project are available from other sources on terms and conditions consistent with the obligations of the Loan Parties under the Legal Agreements.

(ii) Subject to sub-paragraph (iii) of this paragraph: (A) the right to withdraw the proceeds of the Co-financing has been suspended, canceled or terminated in whole or in part, pursuant to the terms of the Co-financing Agreement; or (B) the Co-financing has become due and payable prior to its agreed maturity.

(iii) Sub-paragraph (ii) of this paragraph shall not apply if the Loan Parties establish to the satisfaction of the Bank that: (A) such suspension, cancellation, termination or prematuring was not caused by the failure of the recipient of the Co-financing to perform any of its obligations under the Co-financing Agreement; and (B) adequate funds for the Project are

available from other sources on terms and conditions consistent with the obligations of the Loan Parties under the Legal Agreements.

(i) *Assignment of Obligations; Disposition of Assets.* The Borrower or the Project Implementing Entity (or any other entity responsible for implementing any part of the Project) has, without the consent of the Bank:

- (i) assigned or transferred, in whole or in part, any of its obligations arising under or entered into pursuant to the Legal Agreements; or
- (ii) sold, leased, transferred, assigned, or otherwise disposed of any property or assets financed wholly or in part out of the proceeds of the Loan; provided, however, that the provisions of this paragraph shall not apply with respect to transactions in the ordinary course of business which, in the opinion of the Bank: (A) do not materially and adversely affect the ability of the Borrower or of the Project Implementing Entity (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Legal Agreements or to achieve the objectives of the Project; and (B) do not materially and adversely affect the financial condition or operation of the Borrower (other than the Member Country) or the Project Implementing Entity (or such other entity).

(j) *Membership.* The Member Country: (i) has been suspended from membership in or ceased to be a member of the Bank; or (ii) has ceased to be a member of the International Monetary Fund.

(k) *Condition of Borrower or Project Implementing Entity.*

- (i) Any material adverse change in the condition of the Borrower (other than the Member Country), as represented by it, has occurred prior to the Effective Date.
- (ii) The Borrower (other than the Member Country) has become unable to pay its debts as they mature or any action or proceeding has been taken by the Borrower or by others whereby any of the assets of the Borrower shall or may be distributed among its creditors.
- (iii) Any action has been taken for the dissolution, disestablishment or suspension of operations of the Borrower (other than the Member Country) or of the Project Implementing Entity (or any other entity responsible for implementing any part of the Project).
- (iv) The Borrower (other than the Member Country) or the Project Implementing Entity (or any other entity responsible for implementing any part of the Project) has ceased to exist in the same legal form as that prevailing as of the date of the Legal Agreements.
- (v) In the opinion of the Bank, the legal character, ownership or control of the Borrower (other than the Member Country) or of the Project Implementing Entity (or of any other entity responsible for implementing any part of the Project) has changed from that prevailing as of the date of the Legal Agreements so as to materially and adversely affect the ability of the Borrower or of the Project Implementing Entity (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Legal Agreements, or to achieve the objectives of the Project.

(l) *Ineligibility.* The Bank or the Association has declared the Borrower (other than the Member Country) or the Project Implementing Entity ineligible to receive proceeds of any financing made by

the Bank or the Association or otherwise to participate in the preparation or implementation of any project financed in whole or in part by the Bank or the Association, as a result of: (i) a determination by the Bank or the Association that the Borrower or the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by the Bank or the Association; and/or (ii) a declaration by another financier that the Borrower or the Project Implementing Entity is ineligible to receive proceeds of any financing made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Borrower or the Project Implementing Entity has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by such financier.

(m) *Additional Event.* Any other event specified in the Loan Agreement for the purposes of this Section has occurred (“Additional Event of Suspension”).

#### Section 7.03. *Cancellation by the Bank*

If any of the events specified in paragraphs (a) through (f) of this Section occurs with respect to an amount of the Unwithdrawn Loan Balance, the Bank may, by notice to the Loan Parties, terminate the right of the Borrower to make withdrawals with respect to such amount. Upon the giving of such notice, such amount shall be cancelled.

(a) *Suspension.* The right of the Borrower to make withdrawals from the Loan Account has been suspended with respect to any amount of the Unwithdrawn Loan Balance for a continuous period of thirty (30) days.

(b) *Amounts not Required.* At any time, the Bank determines, after consultation with the Borrower, that an amount of the Unwithdrawn Loan Balance will not be required to finance Eligible Expenditures.

(c) *Fraud and Corruption.* At any time, the Bank determines, with respect to any amount of the proceeds of the Loan, that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Guarantor or the Borrower or the Project Implementing Entity (or other recipient of the proceeds of the Loan) without the Guarantor, the Borrower or the Project Implementing Entity (or other recipient of the proceeds of the Loan) having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.

(d) *Misprocurement.* At any time, the Bank: (i) determines that the procurement of any contract to be financed out of the proceeds of the Loan is inconsistent with the procedures set forth or referred to in the Legal Agreements; and (ii) establishes the amount of expenditures under such contract which would otherwise have been eligible for financing out of the proceeds of the Loan.

(e) *Closing Date.* After the Closing Date, there remains an Unwithdrawn Loan Balance.

(f) *Cancellation of Guarantee.* The Bank receives notice from the Guarantor pursuant to Section 7.06 with respect to an amount of the Loan.

*Section 7.04. Amounts Subject to Special Commitment not Affected by Cancellation or Suspension by the Bank*

No cancellation or suspension by the Bank shall apply to amounts of the Loan subject to any Special Commitment except as expressly provided in the Special Commitment.

*Section 7.05. Loan Refund*

(a) If the Bank determines that an amount of the Withdrawn Loan Balance has been used in a manner inconsistent with the provisions of the Legal Agreements, the Borrower shall, upon notice by the Bank to the Borrower, promptly refund such amount to the Bank. Such inconsistent use shall include, without limitation:

- (i) use of such amount to make a payment for an expenditure that is not an Eligible Expenditure; or
- (ii) (A) engaging in corrupt, fraudulent, collusive or coercive practices in connection with the use of such amount; or (B) use of such amount to finance a contract during the procurement or execution of which such practices were engaged in by representatives of the Guarantor or the Borrower or the Project Implementing Entity (or the Member Country, if the Borrower is not the Member Country, or other recipient of such amount of the Loan), in either case without the Borrower (or Member Country, or other such recipient) having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.

(b) Except as the Bank may otherwise determine, the Bank shall cancel all amounts refunded pursuant to this Section.

(c) If any notice of refund is given pursuant to Section 7.05 (a) during the Conversion Period for any Conversion applicable to a Loan, the provisions of Section 4.06 shall apply.

*Section 7.06. Cancellation of Guarantee*

If the Borrower has failed to pay any required Loan Payment (otherwise than as a result of any act or omission to act of the Guarantor) and such payment is made by the Guarantor, the Guarantor may, after consultation with the Bank, by notice to the Bank and the Borrower, terminate its obligations under the Guarantee Agreement with respect to any amount of the Unwithdrawn Loan Balance as at the date of receipt of such notice by the Bank; provided that such amount is not subject to any Special Commitment. Upon receipt of such notice by the Bank, such obligations in respect of such amount shall terminate.

*Section 7.07. Events of Acceleration*

If any of the events specified in paragraphs (a) through (f) of this Section occurs and continues for the period specified (if any), then at any subsequent time during the continuance of the event, the Bank may, by notice to the Loan Parties, declare all or part of the Withdrawn Loan Balance as at the date of such notice to be due and payable immediately together with any other Loan Payments due under the Loan Agreement. Upon any such declaration, such Withdrawn Loan Balance and Loan Payments shall

become immediately due and payable. If any notice of acceleration is given during the Conversion Period for any Conversion applicable to a Loan, the provisions of Section 4.06 shall apply.

(a) *Payment Default.* A default has occurred in the payment by a Loan Party of any amount due to the Bank or the Association: (i) under any Legal Agreement; (ii) under any other agreement between the Bank and the Loan Party; or (iii) under any agreement between the Loan Party and the Association (in the case of an agreement between the Guarantor and the Association, under circumstances which would make it unlikely that the Guarantor would meet its obligations under the Guarantee Agreement); or (iv) in consequence of any guarantee extended or other financial obligation of any kind assumed by the Bank or the Association to any third party with the agreement of the Loan Party; and such default continues in each case for a period of thirty (30) days.

(b) *Performance Default.*

(i) A default has occurred in the performance by a Loan Party of any other obligation under the Legal Agreement to which it is a party or under any Derivatives Agreement, and such default continues for a period of sixty (60) days after notice of such default has been given by the Bank to the Loan Parties.

(ii) A default has occurred in the performance by the Project Implementing Entity of any obligation under the Project Agreement or the Subsidiary Agreement, and such default continues for a period of sixty (60) days after notice of such default has been given by the Bank to the Project Implementing Entity and the Loan Parties.

(c) *Co-financing.* The event specified in sub-paragraph (h) (ii) (B) of Section 7.02 has occurred, subject to the provisions of paragraph (h) (iii) of that Section.

(d) *Assignment of Obligations; Disposition of Assets.* Any event specified in paragraph (i) of Section 7.02 has occurred.

(e) *Condition of Borrower or Project Implementing Entity.* Any event specified in sub-paragraph (k) (ii), (k) (iii), (k) (iv) or (k) (v) of Section 7.02 has occurred.

(f) *Additional Event.* Any other event specified in the Loan Agreement for the purposes of this Section has occurred and continues for the period, if any, specified in the Loan Agreement (“Additional Event of Acceleration”).

#### Section 7.08. *Effectiveness of Provisions after Cancellation, Suspension, Refund, or Acceleration*

Notwithstanding any cancellation, suspension, refund, or acceleration under this Article, all the provisions of the Legal Agreements shall continue in full force and effect except as specifically provided in these General Conditions.

## **ARTICLE VIII**

### **Enforceability; Arbitration**

#### *Section 8.01. Enforceability*

The rights and obligations of the Bank and the Loan Parties under the Legal Agreements shall be valid and enforceable in accordance with their terms notwithstanding the law of any state or political subdivision thereof to the contrary. Neither the Bank nor any Loan Party shall be entitled in any proceeding under this Article to assert any claim that any provision of the Legal Agreements is invalid or unenforceable because of any provision of the Articles of Agreement of the Bank.

#### *Section 8.02. Obligations of the Guarantor*

Except as provided in Section 7.06, the obligations of the Guarantor under the Guarantee Agreement shall not be discharged except by performance, and then only to the extent of such performance. Such obligations shall not require any prior notice to, demand upon or action against the Borrower or any prior notice to or demand upon the Guarantor with regard to any default by the Borrower. Such obligations shall not be impaired by any of the following: (a) any extension of time, forbearance or concession given to the Borrower; (b) any assertion of, or failure to assert, or delay in asserting, any right, power or remedy against the Borrower or in respect of any security for the Loan; (c) any modification or amplification of the provisions of the Loan Agreement contemplated by its terms; or (d) any failure of the Borrower or of the Project Implementing Entity to comply with any requirement of any law of the Member Country.

#### *Section 8.03. Failure to Exercise Rights*

No delay in exercising, or omission to exercise, any right, power or remedy accruing to any party under any Legal Agreement upon any default shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default. No action of such party in respect of any default, or any acquiescence by it in any default, shall affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

#### *Section 8.04. Arbitration*

(a) Any controversy between the parties to the Loan Agreement or the parties to the Guarantee Agreement, and any claim by any such party against any other such party arising under the Loan Agreement or the Guarantee Agreement which has not been settled by agreement of the parties shall be submitted to arbitration by an arbitral tribunal as hereinafter provided ("Arbitral Tribunal").

(b) The parties to such arbitration shall be the Bank on the one side and the Loan Parties on the other side.

(c) The Arbitral Tribunal shall consist of three arbitrators appointed as follows: (i) one arbitrator shall be appointed by the Bank; (ii) a second arbitrator shall be appointed by the Loan Parties or, if they do not agree, by the Guarantor; and (iii) the third arbitrator ("Umpire") shall be appointed by agreement of the parties or, if they do not agree, by the President of the International Court of Justice or, failing appointment by said President, by the Secretary-General of the United Nations. If either side fails to appoint an arbitrator, such arbitrator shall be appointed by the Umpire. In case any arbitrator appointed in accordance with this Section resigns, dies or becomes unable to act, a successor arbitrator

shall be appointed in the same manner as prescribed in this Section for the appointment of the original arbitrator and such successor shall have all the powers and duties of such original arbitrator.

(d) An arbitration proceeding may be instituted under this Section upon notice by the party instituting such proceeding to the other party. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration, the nature of the relief sought, and the name of the arbitrator appointed by the party instituting such proceeding. Within thirty (30) days after such notice, the other party shall notify to the party instituting the proceeding the name of the arbitrator appointed by such other party.

(e) If within sixty (60) days after the notice instituting the arbitration proceeding, the parties have not agreed upon an Umpire, any party may request the appointment of an Umpire as provided in paragraph (c) of this Section.

(f) The Arbitral Tribunal shall convene at such time and place as shall be fixed by the Umpire. Thereafter, the Arbitral Tribunal shall determine where and when it shall sit.

(g) The Arbitral Tribunal shall decide all questions relating to its competence and shall, subject to the provisions of this Section and except as the parties shall otherwise agree, determine its procedure. All decisions of the Arbitral Tribunal shall be by majority vote.

(h) The Arbitral Tribunal shall afford to all parties a fair hearing and shall render its award in writing. Such award may be rendered by default. An award signed by a majority of the Arbitral Tribunal shall constitute the award of the Arbitral Tribunal. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties to the Loan Agreement and the Guarantee Agreement. Each party shall abide by and comply with any such award rendered by the Arbitral Tribunal in accordance with the provisions of this Section.

(i) The parties shall fix the amount of the remuneration of the arbitrators and such other persons as are required for the conduct of the arbitration proceedings. If the parties do not agree on such amount before the Arbitral Tribunal convenes, the Arbitral Tribunal shall fix such amount as shall be reasonable under the circumstances. The Bank, the Borrower and the Guarantor shall each defray its own expenses in the arbitration proceedings. The costs of the Arbitral Tribunal shall be divided between and borne equally by the Bank on the one side and the Loan Parties on the other. Any question concerning the division of the costs of the Arbitral Tribunal or the procedure for payment of such costs shall be determined by the Arbitral Tribunal.

(j) The provisions for arbitration set forth in this Section shall be in lieu of any other procedure for the settlement of controversies between the parties to the Loan Agreement and Guarantee Agreement or of any claim by any such party against any other such party arising under such Legal Agreements.

(k) If, within thirty (30) days after counterparts of the award have been delivered to the parties, the award has not been complied with, any party may: (i) enter judgment upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any other party; (ii) enforce such judgment by execution; or (iii) pursue any other appropriate remedy against such other party for the enforcement of the award and the provisions of the Loan Agreement or Guarantee Agreement. Notwithstanding the foregoing, this Section shall not authorize any entry of judgment or enforcement

of the award against the Member Country except as such procedure may be available otherwise than by reason of the provisions of this Section.

(l) Service of any notice or process in connection with any proceeding under this Section or in connection with any proceeding to enforce any award rendered pursuant to this Section may be made in the manner provided in Section 10.01. The parties to the Loan Agreement and the Guarantee Agreement waive any and all other requirements for the service of any such notice or process.

## **ARTICLE IX**

### **Effectiveness; Termination**

#### *Section 9.01. Conditions of Effectiveness of Legal Agreements*

The Legal Agreements shall not become effective until the Loan Party and the Project Implementing Entity confirm and the Bank is satisfied that the conditions specified in paragraphs (a) through (c) of this Section are met.

(a) The execution and delivery of each Legal Agreement on behalf of the Loan Party or the Project Implementing Entity which is a party to such Legal Agreement have been duly authorized by all necessary actions and delivered on behalf of such party, and the Legal Agreement is legally binding upon such party in accordance with its terms.

(b) If the Bank so requests, the condition of the Borrower (other than the Member Country) or of the Project Implementing Entity, as represented and warranted to the Bank at the date of the Legal Agreements, has not undergone any material adverse change after such date.

(c) Each condition specified in the Loan Agreement as a condition of its effectiveness has occurred ("Additional Condition of Effectiveness").

#### *Section 9.02. Legal Opinions or Certificates; Representation and Warranty*

For the purpose of confirming that the conditions specified in paragraph (a) of Section 9.01 above have been met:

(a) The Bank may require an opinion or certificate satisfactory to the Bank confirming: (i) on behalf of the Loan Party or the Project Implementing Entity that the Legal Agreement to which it is a party has been duly authorized by, and executed and delivered on behalf of, such party and is legally binding upon such party in accordance with its terms; and (ii) each other matter specified in the Legal Agreement or reasonably requested by the Bank in connection with the Legal Agreements for the purpose of this Section.

(b) If the Bank does not require an opinion or certificate pursuant to Section 9.02(a), by signing the Legal Agreement to which it is a party, the Loan Party or the Project Implementing Entity shall be deemed to represent and warrant that on the date of such Legal Agreement, the Legal Agreement has been duly authorized by, and executed and delivered on behalf of, such party and is legally binding upon such party in accordance with its terms, except where additional action is required to make such Legal Agreement legally binding. Where additional action is required following the date of the Legal

Agreement, the Loan Party or the Project Implementing Entity shall notify the Bank when such additional action has been taken. By providing such notification, the Loan Party or the Project Implementing Entity shall be deemed to represent and warrant that on the date of such notification the Legal Agreement to which it is a party is legally binding upon it in accordance with its terms.

#### Section 9.03. *Effective Date*

(a) Except as the Bank and the Borrower shall otherwise agree, the Legal Agreements shall enter into effect on the date upon which the Bank dispatches to the Loan Parties and the Project Implementing Entity notice confirming it is satisfied that the conditions specified in Section 9.01 have been met (“Effective Date”).

(b) If, before the Effective Date, any event has occurred which would have entitled the Bank to suspend the right of the Borrower to make withdrawals from the Loan Account if the Loan Agreement had been effective, or the Bank has determined that an extraordinary situation provided for under Section 3.08 (a) exists, the Bank may postpone the dispatch of the notice referred to in paragraph (a) of this Section until such event (or events) or situation has (or have) ceased to exist.

#### Section 9.04. *Termination of Legal Agreements for Failure to Become Effective*

The Legal Agreements and all obligations of the parties under the Legal Agreements shall terminate if the Legal Agreements have not entered into effect by the date (“Effectiveness Deadline”) specified in the Loan Agreement for the purpose of this Section, unless the Bank, after consideration of the reasons for the delay, establishes a later Effectiveness Deadline for the purpose of this Section. The Bank shall promptly notify the Loan Parties and Project Implementing Entity of such later Effectiveness Deadline.

#### Section 9.05. *Termination of Legal Agreements on Performance of All Obligations*

(a) Subject to the provisions of paragraphs (b) and (c) of this Section, the Legal Agreements and all obligations of the parties under the Legal Agreements shall forthwith terminate upon full payment of the Withdrawn Loan Balance and all other Loan Payments due.

(b) If the Loan Agreement specifies a date by which certain provisions of the Loan Agreement (other than those providing for payment obligations) shall terminate, such provisions and all obligations of the parties under them shall terminate on the earlier of: (i) such date; and (ii) the date on which the Loan Agreement terminates in accordance with its terms.

(c) If the Project Agreement specifies a date on which the Project Agreement shall terminate, the Project Agreement and all obligations of the parties under the Project Agreement shall terminate on the earlier of: (i) such date; and (ii) the date on which the Loan Agreement terminates in accordance with its terms. The Bank shall promptly notify the Project Implementing Entity if the Loan Agreement terminates in accordance with its terms prior to the date so specified in the Project Agreement.

## **ARTICLE X**

### **Miscellaneous Provisions**

#### *Section 10.01. Execution of Legal Agreements; Notices and Requests*

(a) Each Legal Agreement executed by Electronic Means shall be deemed an original, and in the case of any Legal Agreement not executed by Electronic Means in several counterparts, each counterpart shall be an original.

(b) Any notice or request required or permitted to be made or given under any Legal Agreement or any other agreement between the parties contemplated by the Legal Agreement shall be in writing. Except as otherwise provided in Section 9.03 (a), such notice or request shall be deemed to have been duly given or made when it has been delivered by hand, mail, or Electronic Means, to the party to which it is to be given or made at such party's address or Electronic Address specified in the Legal Agreement or at such other address or Electronic Address as such party shall have designated by notice to the party giving such notice or making such request. Any notice or request delivered by Electronic Means shall be deemed dispatched by the sender from its Electronic Address when it leaves the Electronic Communications System of the sender and shall be deemed received by the other party at its Electronic Address when such notice or request becomes capable of being retrieved in machine readable format by the Electronic Communications System of the receiving party.

(c) Unless the Parties otherwise agree, Electronic Documents shall have the same legal force and effect as information contained in a Legal Agreement or a notice or request under a Legal Agreement that is not executed or transmitted by Electronic Means.

#### *Section 10.02. Action on Behalf of the Loan Parties and the Project Implementing Entity*

(a) The representative designated by a Loan Party in the Legal Agreement to which it is a party (and the representative designated by the Project Implementing Entity in the Project Agreement or the Subsidiary Agreement) for the purpose of this Section, or any person authorized by such representative for that purpose, may take any action required or permitted to be taken pursuant to such Legal Agreement, and execute any documents or dispatch any Electronic Document required or permitted to be executed pursuant to such Legal Agreement, on behalf of such Loan Party (or the Project Implementing Entity).

(b) The representative so designated by the Loan Party or person so authorized by such representative may agree to any modification or amplification of the provisions of such Legal Agreement on behalf of such Loan Party by Electronic Document or by written instrument executed by such representative or authorized person; provided that, in the opinion of such representative, the modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of the Loan Parties under the Legal Agreements. The Bank may accept the execution by such representative or other authorized person of any such instrument as conclusive evidence that such representative is of such opinion.

#### *Section 10.03. Evidence of Authority*

The Loan Parties and the Project Implementing Entity shall furnish to the Bank: (a) sufficient evidence of the authority of the person or persons who will, on behalf of such party, take any action or execute

any documents, including Electronic Documents, required or permitted to be taken or executed by it under the Legal Agreement to which it is a party; and (b) the Electronic Address or the authenticated specimen signature of each such person .

#### Section 10.04. *Disclosure*

The Bank may disclose the Legal Agreements to which it is a party and any information related to such Legal Agreements in accordance with its policy on access to information, in effect at the time of such disclosure.

## **APPENDIX**

### **Definitions**

1. “Additional Condition of Effectiveness” means any condition of effectiveness specified in the Loan Agreement for the purpose of Section 9.01 (c).
2. “Additional Event of Acceleration” means any event of acceleration specified in the Loan Agreement for the purpose of Section 7.07 (f).
3. “Additional Event of Suspension” means any event of suspension specified in the Loan Agreement for the purpose of Section 7.02 (m).
4. “Allocated Excess Exposure Amount” means, for each day during which the Total Exposure exceeds the Standard Exposure Limit, (A) (i) the total amount of said excess, multiplied by (ii) a ratio corresponding to the proportion that all (or, if the Bank so determines, a portion) of the Loan bears to the aggregate amount of all (or, if the Bank so determines, the relevant portions) of the loans made by the Bank to, or guaranteed by, the Member Country that are also subject to an exposure surcharge, as said excess and ratio are reasonably determined from time to time by the Bank, or (B) such other amount as reasonably determined from time to time by the Bank with respect to the Loan; and notified to the Loan Parties pursuant to Section 3.01 (c).
5. “Amortization Schedule” means the schedule for repayment of principal amount specified in the Loan Agreement for purposes of Section 3.03.
6. “Anti-Corruption Guidelines” means the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, as further defined in the Loan Agreement.
7. “Approved Currency” means, for a Currency Conversion, any Currency approved by the Bank, which, upon the Conversion, becomes the Loan Currency.
8. “Arbitral Tribunal” means the arbitral tribunal established pursuant to Section 8.04.
9. “Association” means the International Development Association.
10. “Automatic Conversion to Local Currency” means, with respect to any portion of the Withdrawn Loan Balance, a Currency Conversion from the Loan Currency to a Local Currency for either the full maturity or the longest maturity available for the Conversion of such amount with effect from the Conversion Date upon withdrawals of amounts of the Loan from the Loan Account.
11. “Automatic Rate Fixing Conversion” means an Interest Rate Conversion whereby either: (a) the initial Reference Rate component of the interest rate for a Loan based on a Variable Spread is converted to a Fixed Reference Rate; or (b) the initial Variable Rate for a Loan with a Fixed Spread is converted to a Fixed Rate,<sup>5</sup> in either case for the aggregate principal amount of the Loan withdrawn from the Loan Account during any Interest Period or any of the two or more consecutive Interest Periods that equals or exceeds a specified threshold, and for the full

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<sup>5</sup> Not available due to the suspension of the Fixed Spread terms until further notice.

maturity of such amount, as specified in the Loan Agreement or in a separate request from the Borrower.

12. “Bank” means the International Bank for Reconstruction and Development.
13. “Borrower” means the party to the Loan Agreement to which the Loan is extended.
14. “Borrower’s Representative” means the Borrower’s representative specified in the Loan Agreement for the purpose of Section 10.02.
15. “Closing Date” means the date specified in the Loan Agreement or such other date – including an earlier date at the Borrower’s request – as the Bank may establish, by notice to the Loan Parties.
16. “Co-financier” means the financier (other than the Bank or the Association) referred to in Section 7.02 (h) providing the Co-financing. If the Loan Agreement specifies more than one such financier, “Co-financier” refers separately to each of such financiers.
17. “Co-financing” means the financing referred to in Section 7.02 (h) and specified in the Loan Agreement provided or to be provided for the Project by the Co-financier. If the Loan Agreement specifies more than one such financing, “Co-financing” refers separately to each of such financings.
18. “Co-financing Agreement” means the agreement referred to in Section 7.02 (h) providing for the Co-financing.
19. “Co-financing Deadline” means the date referred to in Section 7.02 (h) (i) and specified in the Loan Agreement by which the Co-financing Agreement is to become effective. If the Loan Agreement specifies more than one such date, “Co-financing Deadline” refers separately to each of such dates.
20. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b).
21. “Commitment-linked Amortization Schedule” means an Amortization Schedule in which timing and amount of principal repayments is determined by reference to the date of approval of the Loan by the Bank and calculated as a portion of the Withdrawn Loan Balance, as specified in the Loan Agreement.
22. “Conversion” means any of the following modifications of the terms of all or any portion of the Loan that has been requested by the Borrower and accepted by the Bank: (a) an Interest Rate Conversion; (b) a Currency Conversion; or (c) the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate; each as provided herein, in the Loan Agreement and in the Conversion Guidelines.
23. “Conversion Date” means, for a Conversion, such date as the Bank shall determine on which the Conversion enters into effect, as further specified in the Conversion Guidelines; provided that in case of an Automatic Conversion to Local Currency, the Conversion Date shall be the date of withdrawal from the Loan Account of the amount in respect of which the Conversion has been requested.

24. “Conversion Guidelines” means, for a Conversion, the Directive “Conversion of Financial Terms of IBRD and IDA Loans and Financing Instruments” issued and revised from time to time, by the Bank and the Association, in effect at the time of the Conversion.
25. “Conversion Period” means, for a Conversion, the period from and including the Conversion Date to and including the last day of the Interest Period in which the Conversion terminates by its terms; provided, that solely for the purpose of enabling the final payment of interest and principal under a Currency Conversion to be made in the Approved Currency, such period shall end on the Payment Date immediately following the last day of said final applicable Interest Period.
26. “Counterparty” means a party with whom the Bank enters into a hedging arrangement for purposes of executing a Conversion.
27. “Covered Debt” means any debt which is or may become payable in a Currency other than the Currency of the Member Country.
28. “Currency” means the currency of a country and the Special Drawing Right of the International Monetary Fund. “Currency of a country” means the currency which is legal tender for the payment of public and private debts in that country.
29. “Currency Conversion” means a change of the Loan Currency of all or any amount of the Unwithdrawn Loan Balance or the Withdrawn Loan Balance to an Approved Currency.
30. “Currency Hedge Notes Transaction” means one or more notes issues by the Bank and denominated in an Approved Currency for purposes of executing a Currency Conversion.
31. “Currency Hedge Transaction” means either: (a) a Currency Hedge Swap Transaction; or (b) a Currency Hedge Notes Transaction.
32. “Currency Hedge Swap Transaction” means one or more Currency derivatives transactions entered into by the Bank with a Counterparty as of the Execution Date for purposes of executing a Currency Conversion.
33. “Default Interest Period” means for any overdue amount of the Withdrawn Loan Balance, each Interest Period during which such overdue amount remains unpaid; provided, however, that the first such Default Interest Period shall commence on the 31<sup>st</sup> day following the date on which such amount becomes overdue, and the final such Default Interest Period shall end on the date at which such amount is fully paid.
34. “Default Interest Rate” means for any Default Interest Period: (a) in respect of any amount of the Withdrawn Loan Balance to which the Default Interest Rate applies and for which interest was payable at a Variable Rate immediately prior to the application of the Default Interest Rate: the Default Variable Rate plus one half of one percent (0.5%); and (b) in respect of any amount of the Withdrawn Loan Balance to which the Default Interest Rate applies and for which interest was payable at a Fixed Rate immediately prior to the application of the Default

Interest Rate: Default Reference Rate plus the Fixed Spread plus one half of one percent (0.5%).<sup>6</sup>

35. “Default Reference Rate” means the Reference Rate for the relevant Interest Period; it being understood that for the initial Default Interest Period, Default Reference Rate shall be equal to Reference Rate for the Interest Period in which the amount referred to in Section 3.02 (e) first becomes overdue.
36. “Default Variable Rate” means the Variable Rate for the relevant Interest Period; provided that: (a) for the initial Default Interest Period, Default Variable Rate shall be equal to the Variable Rate for the Interest Period in which the amount referred to in Section 3.02 (e) first becomes overdue; and (b) for an amount of the Withdrawn Loan Balance to which the Default Interest Rate applies and for which interest was payable at a Variable Rate based on a Fixed Reference Rate and the Variable Spread immediately prior to the application of the Default Interest Rate, “Default Variable Rate” shall be equal to the Default Reference Rate plus the Variable Spread.
37. “Derivatives Agreement” means any derivatives agreement between the Bank and a Loan Party (or any of its sub-sovereign entities) for the purpose of documenting and confirming one or more derivatives transactions between the Bank and such Loan Party (or any of its sub-sovereign entities), as such agreement may be amended from time to time. “Derivatives Agreement” includes all schedules, annexes and agreements supplemental to the Derivatives Agreement.
38. “Disbursed Amount” means, for each Interest Period, the aggregate principal amount of the Loan withdrawn from the Loan Account during such Interest Period.
39. “Disbursement-Linked Amortization Schedule” means an Amortization Schedule in which principal amount repayments are determined by reference to the date of disbursement and the Disbursed Amount and calculated as a portion of the Withdrawn Loan Balance, as specified in the Loan Agreement.
40. “Disbursement and Financial Information Letter” means the letter transmitted by the Bank to the Borrower as part of the additional instructions to be issued under Section 2.01 (b).
41. “Dollar”, “\$” and “USD” each means the lawful currency of the United States of America.
42. “Effective Date” means the date on which the Legal Agreements enter into effect pursuant to Section 9.03 (a).
43. “Effectiveness Deadline” means the date referred to in Section 9.04 after which the Legal Agreements shall terminate if they have not entered into effect as provided in that Section.
44. “Electronic Address” means the designation of a party that uniquely identifies a person within a defined Electronic Communications System for purposes of authenticating the dispatch and receipt of Electronic Documents.

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<sup>6</sup> Not available due to suspension of the Fixed Spread terms until further notice.

45. “Electronic Communications System” means the collection of computers, servers, systems, equipment, network elements and other hardware and software used for the purposes of generating, sending, receiving or storing or otherwise processing Electronic Documents, acceptable to the Bank and in accordance with any such additional instructions as the Bank may specify from time to time by notice to the Borrower.
46. “Electronic Document” means information contained in a Legal Agreement or a notice or request under a Legal Agreement that is transmitted by Electronic Means.
47. “Electronic Means” means the generation, sending, receiving, storing or otherwise processing of an Electronic Document by electronic, magnetic, optical or similar means, including, but not limited to, electronic data interchange, electronic mail, telegram, telex or telecopy, acceptable to the Bank.
48. “Eligible Expenditure” means an expenditure which meets the requirements of Section 2.05.
49. “EURIBOR” means for any Interest Period, the EUR interbank offered rate for deposits in EUR for six months, expressed as a percentage per annum, that appears on the Relevant Rate Page at the customary publication time as specified by the EURIBOR benchmark administrator in the EURIBOR benchmark methodology, as reasonably determined by the Bank for the relevant Interest Period.
50. “Euro”, “€” and “EUR” each means the lawful currency of the Euro Area.
51. “Euro Area” means the economic and monetary union of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union.
52. “Execution Date” means, for a Conversion (or its early termination), the date on which the Bank has undertaken all actions necessary to effect (or terminate) the Conversion, as reasonably determined by the Bank.
53. “Exposure Surcharge” means the surcharge at the rate established by the Bank in accordance with its policies, and periodically published by the Bank, which may be applicable to the Borrower pursuant to Section 3.01 (c).
54. “Financial Statements” means the financial statements referred to in Section 5.09 (a).
55. “Fixed Rate” means a fixed rate of interest applicable to the amount of the Loan to which a Conversion applies, as determined by the Bank in accordance with the Conversion Guidelines and notified to the Borrower pursuant to Section 4.01 (c).<sup>7</sup>
56. “Fixed Reference Rate” means a fixed reference rate component of the interest applicable to the amount of the Loan to which a Conversion applies, as determined by the Bank in accordance with the Conversion Guidelines and notified to the Borrower pursuant to Section 4.01 (c).

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<sup>7</sup> Interest Rate Conversions to Fixed Rate are not available due to the suspension of the Fixed Spread terms until further notice. Some rate fixing Currency Conversions are available, subject to the Conversion Guidelines.

57. “Fixed Spread” means the Bank’s fixed spread for the Original Loan Currency established by the Bank in accordance with its policies in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of the Loan Agreement, expressed as a percentage per annum and as periodically published by the Bank; provided, that: (a) for purposes of determining the Default Interest Rate, pursuant to Section 3.02 (e), that is applicable to an amount of the Withdrawn Loan Balance on which interest is payable at a Fixed Rate, the “Fixed Spread” means the Bank’s fixed spread in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of the Loan Agreement, for the Currency of denomination of such amount; (b) for purposes of a Conversion of the Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread, and for purposes of fixing the Variable Spread pursuant to Section 4.02, “Fixed Spread” means the Bank’s fixed spread for the Loan Currency as reasonably determined by the Bank on the Conversion Date; and (c) upon a Currency Conversion of all or any amount of the Unwithdrawn Loan Balance, the Fixed Spread shall be adjusted on the Execution Date in the manner specified in the Conversion Guidelines.<sup>8</sup>
58. “Front-end Fee” means the fee specified in the Loan Agreement for the purpose of Section 3.01 (a).
59. “Guarantee Agreement” means the agreement between the Member Country and the Bank providing for the guarantee of the Loan, as such agreement may be amended from time to time. “Guarantee Agreement” includes these General Conditions as applied to the Guarantee Agreement, and all appendices, schedules and agreements supplemental to the Guarantee Agreement.
60. “Guarantor” means the Member Country which is a party to the Guarantee Agreement.
61. “Guarantor’s Representative” means the Guarantor’s representative specified in the Loan Agreement for the purpose of Section 10.02.
62. “Installment Share” means the percentage of the total principal amount of the Loan payable on each Principal Payment Date as specified in a Commitment-linked Amortization Schedule.
63. “Interest Hedge Transaction” means, for an Interest Rate Conversion, one or more interest rate swap transactions entered into by the Bank with a Counterparty as of the Execution Date and in accordance with the Conversion Guidelines, in connection with the Interest Rate Conversion.
64. “Interest Period” means the initial period from and including the date of the Loan Agreement to but excluding the first Payment Date occurring thereafter, and after the initial period, each period from and including a Payment Date to but excluding the next following Payment Date.
65. “Interest Rate Cap” means, with respect to all or any amount of the Withdrawn Loan Balance, a ceiling that sets an upper limit: (a) in respect of any portion of the Loan that accrues interest at a Variable Rate based on a Reference Rate and the Fixed Spread, for the Variable Rate<sup>9</sup>; or

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<sup>8</sup> Suspended until further notice.

<sup>9</sup> Not available due to the suspension of the Fixed Spread terms until further notice.

- (b) in respect of any portion of the Loan that accrues interest at a Variable Rate based on a Reference Rate and the Variable Spread, for the Reference Rate.
66. “Interest Rate Collar” means, with respect to all or any amount of the Withdrawn Loan Balance, a combination of a ceiling and a floor that sets an upper and a lower limit: (a) in respect of any portion of the Loan that accrues interest at a Variable Rate based on a Reference Rate and the Fixed Spread, for the Variable Rate<sup>10</sup>; or (b) in respect of any portion of the Loan that accrues interest at a Variable Rate based on a Reference Rate and the Variable Spread, for the Reference Rate.
67. “Interest Rate Conversion” means a change of the interest rate basis applicable to all or any amount of the Withdrawn Loan Balance: (a) from the Variable Rate to the Fixed Rate or vice versa;<sup>11</sup> (b) from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread;<sup>12</sup> (c) from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread or vice versa; or (d) Automatic Rate Fixing Conversion.
68. “Legal Agreement” means any of the Loan Agreement, the Guarantee Agreement, the Project Agreement, or the Subsidiary Agreement. “Legal Agreements” means collectively, all of such agreements.
69. “Lien” includes mortgages, pledges, charges, privileges and priorities of any kind.
70. “Loan” means the loan provided for in the Loan Agreement.
71. “Loan Account” means the account opened by the Bank in its books in the name of the Borrower to which the amount of the Loan is credited.
72. “Loan Agreement” means the loan agreement between the Bank and the Borrower providing for the Loan, as such agreement may be amended from time to time. “Loan Agreement” includes these General Conditions as applied to the Loan Agreement, and all appendices, schedules and agreements supplemental to the Loan Agreement.
73. “Loan Currency” means the Currency in which the Loan is denominated; provided that if the Loan Agreement provides for Conversions, “Loan Currency” means the Currency in which the Loan is denominated from time to time. If the Loan is denominated in more than one currency, “Loan Currency” refers separately to each of such Currencies.
74. “Loan Party” means the Borrower or the Guarantor. “Loan Parties” means collectively, the Borrower and the Guarantor.
75. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any surcharge, any transaction fee for a Conversion or early

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<sup>10</sup> Not available due to the suspension of the Fixed Spread terms until further notice.

<sup>11</sup> Not available due to the suspension of the Fixed Spread terms until further notice.

<sup>12</sup> Not available due to the suspension of the Fixed Spread terms until further notice.

termination of a Conversion, any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.

- 76. “Local Currency” means an Approved Currency that is not a major currency, as reasonably determined by the Bank.
- 77. “Maturity Fixing Date” means, for each Disbursed Amount, the first day of the Interest Period next following the Interest Period in which the Disbursed Amount is withdrawn.
- 78. “Member Country” means the member of the Bank which is the Borrower or the Guarantor.
- 79. “Member Guarantee” means a financial guarantee or credit enhancement provided by a member or members of the Bank, to the Bank in respect of a Loan for applicable Loan Payments. Member Guarantee excludes the guarantees provided by a Member Country to the Bank in respect of a Loan provided to a Borrower within such Member Country’s territory, where the Borrower is not the Member Country.
- 80. “Original Loan Currency” means the currency of denomination of the Loan as defined in Section 3.08.
- 81. “Payment Date” means each date specified in the Loan Agreement occurring on or after the date of the Loan Agreement on which interest and Commitment Charge are payable.
- 82. “Preparation Advance” means the advance referred to in the Loan Agreement and repayable in accordance with Section 2.07 (a).
- 83. “Principal Payment Date” means each date specified in the Loan Agreement on which all or any portion of the principal amount of the Loan is payable.
- 84. “Procurement Plan” means the Borrower’s procurement plan for the Project, provided for under Section IV of the Procurement Regulations, as such plan may be updated from time to time with the Bank’s approval.
- 85. “Procurement Regulations” means the “World Bank Procurement Regulations for Borrowers under Investment Project Financing”, as further defined in the Loan Agreement.
- 86. “Project” means the project described in the Loan Agreement for which the Loan is extended, as the description of such project may be amended from time to time by agreement between the Bank and the Borrower.
- 87. “Project Agreement” means the agreement between the Bank and the Project Implementing Entity relating to the implementation of all or part of the Project, as such agreement may be amended from time to time. “Project Agreement” includes these General Conditions as applied to the Project Agreement, and all appendices, schedules and agreements supplemental to the Project Agreement.
- 88. “Project Implementing Entity” means a legal entity (other than the Borrower or the Guarantor) which is responsible for implementing all or a part of the Project and which is a party to the Project Agreement or the Subsidiary Agreement.

89. “Project Implementing Entity’s Representative” means the Project Implementing Entity’s representative specified in the Project Agreement for the purpose of Section 10.02 (a).
90. “Project Report” means each report on the Project to be prepared and furnished to the Bank pursuant to Section 5.08 (b).
91. “Public Assets” means assets of the Member Country, of any of its political or administrative subdivisions and of any entity owned or controlled by, or operating for the account or benefit of, the Member Country or any such subdivision, including gold and foreign exchange assets held by any institution performing the functions of a central bank or exchange stabilization fund, or similar functions, for the Member Country.
92. “Reference Rate” means, for any Interest Period:
- (a) (i) for USD, SOFR; (ii) for EUR, EURIBOR; (iii) for GBP, SONIA; and (iv) for JPY, TONA; provided that if the relevant Reference Rate is not available through the normal sources of information at the customary publication times in respect of the relevant Interest Period, the Bank shall reasonably determine such Reference Rate taking into account the prevailing market practice with respect to alternative methods for calculating the Reference Rate, their market representativeness and acceptability to the Bank for purposes of its asset and liability management, and notify the Borrower accordingly;
  - (b) if the Bank determines that (i) the Reference Rate for the relevant Loan Currency has permanently ceased to be quoted for such currency, or (ii) the Bank is no longer able, or it is no longer commercially acceptable for the Bank, to continue to use such Reference Rate, for purposes of its asset and liability management, such other comparable reference rate for the relevant currency, including any applicable spread, as the Bank shall determine, and notify to the Borrower pursuant to Section 3.02 (c); and
  - (c) for any currency other than USD, EUR, JPY and GBP: (i) such reference rate for the Original Loan Currency as shall be specified or referred to in the Loan Agreement; or (ii) in the case of a Currency Conversion to such other currency, such reference rate as shall be determined by the Bank in accordance with the Conversion Guidelines and notice thereof given to the Borrower in accordance with Section 4.01(c).
93. “Relevant Rate Page” means the display page designated by an established financial market data provider selected by the Bank as the page for the purpose of displaying at customary publication times the Reference Rate (including any applicable spread to the relevant prior benchmark rate) for the Loan Currency.
94. “Respective Part of the Project” means, for the Borrower and for any Project Implementing Entity, the part of the Project specified in the Legal Agreements to be carried out by it.
95. “Screen Rate” means with respect to a Conversion, such rate as determined by the Bank on the Execution Date taking into account the applicable interest rate, or a component thereof, and market rates displayed by established information vendors in accordance with the Conversion Guidelines.

96. “SOFR” means for any Interest Period, the Secured Overnight Financing Rate (SOFR) for the relevant Interest Period (whether calculated on a term basis, or other basis designed to replicate a term structure, and which may include an applicable spread to the relevant prior benchmark rate), expressed as a percentage per annum, that appears on the Relevant Rate Page at customary publication times specified by the applicable benchmark administrator, as reasonably determined by the Bank for the relevant Interest Period.
97. “SONIA” means for any Interest Period, the Sterling Overnight Index Average (SONIA) rate for the relevant Interest Period (whether calculated on a term basis, or other basis designed to replicate a term structure, and which may include an applicable spread to the relevant prior benchmark rate), expressed as a percentage per annum, that appears on the Relevant Rate Page at customary publication times specified by the applicable benchmark administrator, as reasonably determined by the Bank for the relevant Interest Period.
98. “Special Commitment” means any special commitment entered into or to be entered into by the Bank pursuant to Section 2.02.
99. “Standard Exposure Limit” means the standard limit on the Bank’s financial exposure to the Member Country, as determined from time to time by the Bank which, if exceeded, would subject the Borrower to the Exposure Surcharge, pursuant to Section 3.01 (c).
100. “Sterling”, “£” or “GBP” each means the lawful currency of the United Kingdom.
101. “Subsidiary Agreement” means the agreement that the Borrower enters into with the Project Implementing Entity setting forth the respective obligations of the Borrower and the Project Implementing Entity with respect to the Project.
102. “Substitute Loan Currency” means the substitute currency of denomination of a Loan as defined in Section 3.08.
103. “Taxes” includes imposts, levies, fees and duties of any nature whether in effect at the date of the Legal Agreements or imposed after that date.
104. “TONA” means for any Interest Period, the Tokyo Overnight Average Rate (TONA) for the relevant Interest Period (whether calculated on a term basis, or other basis designed to replicate a term structure, and which may include an applicable spread to the relevant prior benchmark rate), expressed as a percentage per annum, that appears on the Relevant Rate Page at customary publication times specified by the applicable benchmark administrator, as reasonably determined by the Bank for the relevant Interest Period.
105. “Total Exposure” means, for any given day, the Bank’s total financial exposure to the Member Country, as reasonably determined by the Bank.
106. “Umpire” means the third arbitrator appointed pursuant to Section 8.04 (c).
107. “Unwinding Amount” means, for the early termination of a Conversion: (a) an amount payable by the Borrower to the Bank equal to the net aggregate amount payable by the Bank under transactions undertaken by the Bank to terminate the Conversion, or if no such transactions are undertaken, an amount determined by the Bank on the basis of the Screen Rate, to represent the equivalent of such net aggregate amount; or (b) an amount payable by the Bank to the

Borrower equal to the net aggregate amount receivable by the Bank under transactions undertaken by the Bank to terminate the Conversion, or if no such transactions are undertaken, an amount determined by the Bank on the basis of the Screen Rate, to represent the equivalent of such net aggregate amount.

108. “Unwithdrawn Loan Balance” means the amount of the Loan remaining unwithdrawn from the Loan Account from time to time.
109. “Variable Rate” means: (a) a variable rate of interest equal to the sum of: (1) the Reference Rate for the Original Loan Currency; plus (2) the Variable Spread, if interest accrues at a rate based on the Variable Spread, or the Fixed Spread if interest accrues at a rate based on the Fixed Spread;<sup>13</sup> and (b) in case of a Conversion, such variable rate as determined by the Bank in accordance with the Conversion Guidelines and notified to the Borrower pursuant to Section 4.01 (c).
110. “Variable Spread” means, for each Interest Period: (a) (1) the Bank’s standard lending spread for Loans established by the Bank in accordance with its policies in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of the Loan Agreement (including the maturity premium, if applicable); and (2) plus or minus the adjusted weighted average margin to the Reference Rate, for the relevant Interest Period, in respect of the Bank’s outstanding borrowings or portions thereof allocated by it to fund loans that carry interest at a rate based on the Variable Spread; as reasonably determined by the Bank, expressed as a percentage per annum and periodically published by the Bank; and (b) in case of Conversions, the variable spread, as applicable, as determined by the Bank in accordance with Conversion Guidelines and notified to the Borrower pursuant to Section 4.01 (c). In the case of a Loan denominated in more than one Currency, “Variable Spread” applies separately to each of such Currencies.
111. “Withdrawn Loan Balance” means the amounts of the Loan withdrawn from the Loan Account and outstanding from time to time.
112. “World Bank Disbursement Guidelines for Projects” means the World Bank guidelines, as revised from time to time, and issued as part of the additional instructions under Section 2.01 (b).
113. “Yen”, “¥” and “JPY” each means the lawful currency of Japan.

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<sup>13</sup> Fixed Spread terms are suspended until further notice.

## **AJUDA-MEMÓRIA – PRÉ-NEGOCIAÇÃO**

Assunto: **Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso**

A pré-negociação das minutas contratuais relativas ao *Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso* foi realizada no dia 13 de novembro de 2023, com a participação de representantes do Estado (SEAF, Sefaz, Seplag e Procuradoria-Geral do Estado), da Procuradoria-Geral da Fazenda Nacional (PGFN/MF), da Secretaria do Tesouro Nacional (STN/MF) e da Secretaria de Assuntos Internacionais e Desenvolvimento (SEAID/MPO), conforme lista ao final desta ajuda memória.

Registra-se, a seguir, a posição da Delegação Brasileira decorrente da pré-negociação dos documentos contratuais do Programa em epígrafe, de interesse do Estado do Mato Grosso.

Posições contrárias a este documento, surgidas antes ou no transcorrer das negociações, deverão sempre ser discutidas internamente pela delegação brasileira, previamente a qualquer manifestação junto ao Banco Internacional para Reconstrução e Desenvolvimento - BIRD.

As minutas contratuais foram analisadas e as propostas de alteração foram objeto de marcas para pontos a serem esclarecidos, bem como comentários que serão levados pela Delegação Brasileira à reunião de negociação com o BIRD, agendada para os dias 16 e 17 de novembro, por videoconferência e presencial (híbrida).

### **Resolução COFIEX:**

A preparação do Projeto foi aprovada pela Resolução Cofix nº 8, de 07 de abril de 2022.

### **Termos da operação a ser negociada:**

Mutuário: Estado do Mato Grosso

Garantidor: República Federativa do Brasil

Entidade Financiadora: Banco Internacional para Reconstrução e Desenvolvimento - BIRD

Valor do empréstimo: até US\$ 80.000.000,00

Valor da contrapartida: no mínimo 20% do total do Projeto

Ressalvas:

- a) A contratação da operação de crédito externo e a concessão de garantia da União estão condicionadas à apresentação, por parte do Mutuário, de pleito ao Ministério da Economia (Fazenda) para análise de sua capacidade de pagamento e oferecimento de contragarantia suficiente, em conformidade com os critérios estabelecidos pelo Ministério da Economia (Fazenda), além de demonstração do cumprimento dos requisitos da Constituição, da Lei de Responsabilidade Fiscal, das Resoluções do Senado e demais normas aplicáveis à operação de crédito e concessão de garantia da União, visando às autorizações do Senado Federal e do Ministro da Economia (Fazenda); e
- b) A contrapartida à operação de crédito externo deverá ser assegurada pelo Mutuário, observando o disposto na Resolução Cofix nº 3, de 29 de maio de 2019.

## **ASSUNTOS TRATADOS**

A representante do Ministério do Planejamento e Orçamento (Seaid/MPO) deu início à reunião com a apresentação da equipe do Governo Federal, passando a palavra ao Estado do Mato Grosso para devidas apresentações. Solicitou ao Estado que fizesse uma breve explanação a respeito do projeto, que o fez por meio da fala da Secretária da Seaf, apresentando o histórico, alcance e importância do programa para o Estado, como forma de sua atuação em políticas públicas à população produtora agrícola - numerosa no Estado – mas ainda bastante carente de recursos, apoio, ferramentas e ações do governo para avanço e melhorias de qualidade de vida e produção.

Em seguida, deu-se início à análise e debate sobre as minutas contratuais, tendo sido feitas propostas de alterações e ajustes por parte do Governo Federal para esclarecer alguns pontos específicos do contrato, a serem verificados junto ao BIRD.

O documento analisado de forma mais detalhada foi o Loan Agreement, ao passo que, quanto aos demais documentos, foram apenas brevemente relatados, com ajustes de dados de contato e nome do contrato.

Dando prosseguimento, esta Seaid realizou consulta aos representantes do Estado do Mato Grosso sobre a concordância com o Plano de Compromissos Ambientais e Sociais (Environmental and Social Commitment Plan – ESCP), encaminhado pelo BIRD, que manifestou ter conhecimento e estar de acordo com o documento mencionado.

O representante da STN/MF informou que, após a negociação, o Mutuário deverá providenciar a abertura do pedido de verificação de limites e condições (PVL) no SADIPEM, e encaminhar a documentação/processo para a STN. Também informou que, após a negociação o Mutuário deverá providenciar junto ao Banco Central do Brasil a inclusão das condições financeiras no Registro de Operação Financeira (ROF), na versão web do sistema RDE-ROF, com o tipo de operação “financiamento de organismos”. Ressaltou, ainda, a necessidade de incluir no campo “Informações Complementares” do ROF o número do processo relativo à operação na STN (17944.105303/2023-65) e o nome do Projeto.

Por fim, foi informado que, para o encaminhamento da operação de crédito ao Senado Federal, com vistas à contratação do empréstimo, é necessário que o Estado envie à PGFN o Parecer Jurídico da Procuradoria do Estado acerca das autorizações necessárias à contratação, bem como da legalidade e exequibilidade das obrigações previstas nas minutas contratuais negociadas. Será necessário também o encaminhamento da tradução das minutas negociadas e normas gerais.

## **PARTICIPANTES:**

### **Governo Federal**

Caroline Leite Nascimento – Coordenadora de Projetos Sociais e Sustentabilidade – Copso/Seaid/MPO

Josiane Fortes Ferreira Costa – Analista de Projetos Sociais e Sustentabilidade – Copso/Seaid/MPO

Fabiani Borin – PGFN/MF

Arthur Sousa – STN/MF

### **Governo do Estado do Mato Grosso**

Procuradoria-Geral do Estado - PGE

Diego Marques Santana Miyoshi – Procurador - [diegomiyoshi@pge.mt.gov.br](mailto:diegomiyoshi@pge.mt.gov.br)

Secretaria de Estado da Agricultura Familiar

Teté Bezerra - Secretária - [aparecidabezerra@agriculturafamiliar.mt.gov.br](mailto:aparecidabezerra@agriculturafamiliar.mt.gov.br)

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Secretaria de Planejamento

Rita de Cássia Volpato – Gestor Governamental - [ritavolpato@seplag.mt.gov.br](mailto:ritavolpato@seplag.mt.gov.br)

Secretaria de Fazenda

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**PARECER SEI Nº 1345/2024/MF**

Parecer Público. Ausência de informação classificada como de acesso restrito pelos artigos 23 e 31 da Lei nº 12.527, de 18 de novembro de 2011, Lei de Acesso à Informação – LAI.

Operação de crédito externo, com garantia da União, entre o Estado do Mato Grosso (MT) e o Banco Internacional para Reconstrução e Desenvolvimento - BIRD, no valor de US\$ 100.000.000,00.

Recursos destinados ao financiamento do Projeto Aprendizagem em Foco Mato Grosso.

VERIFICAÇÃO DE LIMITES E CONDIÇÕES PARA CONTRATAÇÃO DE OPERAÇÃO DE CRÉDITO E PARA CONCESSÃO DE GARANTIA DA UNIÃO.

Processo SEI nº 17944.104267/2023-12

**I. RELATÓRIO**

1. Trata o presente parecer da solicitação feita pelo Estado do Mato Grosso para a verificação do cumprimento dos limites e condições necessários à contratação de operação de crédito externa com o Banco Internacional para Reconstrução e Desenvolvimento - BIRD e de pedido de concessão de garantia da União, nos termos da Lei Complementar nº 101, de 04/05/2000 - Lei de Responsabilidade Fiscal (LRF), da Resolução do Senado Federal nº 43/2001 (RSF nº 43/2001) e da Resolução do Senado Federal nº 48/2007 (RSF nº 48/2007), com as seguintes características (SEI 41586968):

- a. **Credor:** Banco Internacional para Reconstrução e Desenvolvimento - BIRD;
- b. **Valor da operação:** US\$ 100.000.000,00 (cem milhões de dólares dos EUA);
- c. **Valor da contrapartida:** US\$ 25.000.000,00 (vinte e cinco milhões de dólares dos EUA);
- d. **Destinação dos recursos:** Projeto Aprendizagem em Foco Mato Grosso;
- e. **Juros:** SOFR acrescida de spread variável divulgado periodicamente pelo banco;
- f. **Atualização monetária:** Variação cambial
- g. **Liberações previstas:** US\$ 22.100.000,00 em 2024; US\$ 13.600.000,00 em 2025; US\$ 21.600.000,00 em 2026; US\$ 19.600.000,00 em 2027; e US\$ 23.100.000,00 em 2028
- h. **Aportes estimados de contrapartida:** US\$ 5.525.000,00 em 2024; US\$ 3.400.000,00 em 2025; US\$ 5.400.000,00 em 2026; US\$ 4.900.000,00 em 2027; e US\$ 5.775.000,00 em 2028
- i. **Prazo de carência:** até 66 meses
- j. **Prazo de amortização:** até 228 meses
- k. **Prazo total:** até 294 meses
- l. **Periodicidade:** Semestral
- m. **Sistema de Amortização:** Constante
- n. **Lei autorizadora:** nº 12.115, de 18/05/2023 (SEI 37173677)
- o. **Demais encargos e comissões:** Comissão de abertura (front-end fee) de 0,25% aplicado sobre o montante do empréstimo; Comissão de compromisso de 0,25% a.a. aplicado sobre o saldo não desembolsado do empréstimo; Sobretaxa de exposição (exposure surcharge) de 0,5% a.a., aplicável no caso de o limite de exposição do banco ao país ser excedido, em relação ao excesso, multiplicado pela proporção do empréstimo em relação ao total de empréstimos do banco no país sujeitos à cobrança desse encargo; Juros de mora: acréscimo de 0,5% à taxa de juros em caso de mora.

2. Por intermédio do Sistema de Análise da Dívida Pública, Operações de Crédito e Garantias da União, Estados e Municípios (SADIPEM), de que trata a Portaria nº 1.349, de 08/04/2022, da Secretaria do Tesouro Nacional (STN), foram submetidas a esta STN informações para comprovação do contido nos arts. 21 a 25 da RSF nº 43/2001, sob a forma de formulário eletrônico disponibilizado pelo ente no SADIPEM, assinado em 18/04/2024 pelo Chefe do Poder Executivo (SEI 41586968). Os seguintes documentos foram enviados eletronicamente como documentos anexos no SADIPEM:

- a. Lei Autorizadora (SEI 37173677);
- b. Parecer do Órgão Jurídico (SEI 40639807);
- c. Parecer do Órgão Técnico (SEI 40639841);
- d. Certidão do Tribunal de Contas competente (SEI 41587047);
- e. Declaração de cumprimento do art. 48 da LRF em 2024 (SEI 41587120);
- f. Comprovante de Publicação do RREO - Anexo 12 (SIOPS) (SEI 41587259)

**II. VERIFICAÇÃO DE LIMITES E CONDIÇÕES PARA CONTRATAÇÃO DA OPERAÇÃO DE CRÉDITO**

3. O ente interessado, em cumprimento do disposto no § 1º do art. 32, da LRF, bem como do inciso I, do art. 21, da RSF nº 43/2001, encaminhou Parecer do Órgão Técnico (SEI 40639841), em que atestou a relação custo-benefício e o interesse econômico social da operação, bem como apresentou a análise das fontes alternativas de financiamento. A propósito, conforme a Nota nº 436/2013 - STN/COPEM, de 13/6/2013 (SEI 37733615 fls. 1/2), é possível

entender demonstrada a relação custo-benefício nos pareceres técnicos que apresentem os benefícios de forma qualitativa.

4. O ente interessado, em cumprimento do disposto no § 1º do art. 32, da LRF, bem como do inciso I, do art. 21, da RSF nº 43/2001, mediante o Parecer do Órgão Jurídico (SEI 40639807) e Declaração do Chefe do Poder Executivo efetuada no SADIPEM (SEI 41586968), atestou que cumpre os requisitos para contratação do empréstimo e concessão da garantia da União prescritos na citada Resolução e na Lei Complementar nº 101/2000. Ademais, tendo em vista o disposto no inciso III do art. 21 da RSF nº 43/2001, a comprovação do cumprimento do inciso II do § 1º do art. 32 da LRF foi realizada por meio dos citados Parecer Jurídico e Declaração do Chefe do Poder Executivo, atestando a inclusão dos recursos provenientes da operação pleiteada no orçamento vigente.

5. De acordo com as disposições sobre a matéria, constantes das RSF nºs 40/2001 e 43/2001, foram verificados os seguintes limites quantitativos, considerando-se o valor e os dispêndios da operação sob exame:

a. Limite referente ao art. 6º, § 1º, Inciso I da RSF nº 43/2001 - **receitas de operações de crédito em relação às despesas de capital - exercício anterior. Enquadrado**, conforme quadro abaixo:

Exercício anterior	
Despesas de capital executadas do exercício anterior (SEI 40640247 fl. 3)	7.644.728.279,84
"Inciso I - Despesas realizadas (dedução relativa ao art. 33 da LRF - operações de crédito nulas)"	0,00
"Inciso II - Despesas realizadas para empréstimo ou financiamento (incentivo fiscal) a contribuinte"	0,00
"Inciso III - Inversões financeiras na forma de participação acionária em empresas não controladas"	0,00
Despesas de capital executadas do exercício anterior ajustada (SEI 40640247 fl. 3)	7.644.728.279,84
Receitas de operações de crédito do exercício anterior (SEI 40640247 fl. 2)	18.833.070,37
ARO, contratada e não paga, do exercício anterior	0,00
Receitas de operações de crédito do exercício anterior ajustada (SEI 40640247 fl. 2)	18.833.070,37

b. Limite referente ao art. 6º, § 1º, Inciso II da RSF nº 43/2001 - **receitas de operações de crédito em relação às despesas de capital - exercício corrente. Enquadrado**, conforme quadro abaixo:

Exercício corrente	
Despesas de capital previstas no orçamento (SEI 41266317 fl. 3)	5.079.720.646,38
"Inciso I - Despesas previstas (reserva relativa ao art. 33 da LRF - operações de crédito nulas)"	0,00
"Inciso II - Despesas previstas para empréstimo ou financiamento (incentivo fiscal) a contribuinte"	0,00
"Inciso III - Inversões financeiras na forma de participação acionária em empresas não controladas"	0,00
Despesa de capital do exercício ajustadas (SEI 41266317 fl. 3)	5.079.720.646,38
Liberações de crédito já programadas (SEI 41586968 fl. 30)	1.656.790.955,70
Liberação da operação pleiteada (SEI 41586968 fl. 30)	110.130.930,00
Liberações ajustadas (SEI 41586968 fl. 30)	1.766.921.885,70

c. Limite referente ao art. 7º, Inciso I da RSF nº 43/2001 - **montante global das operações realizadas em um exercício financeiro (MGA) em relação à receita corrente líquida (RCL). Enquadrado**, conforme quadro abaixo (SEI 41586968 fls. 33/34)

Ano	Desembolso Anual (R\$)		Projeção da RCL (R\$)	MGA/RCL (%)	Percentual do limite de endividamento (%)
	Operação pleiteada	Liberações programadas			
2024	110.130.930,00	1.656.790.955,70	31.896.976.037,53	5,54	34,62
2025	67.772.880,00	203.284.658,88	32.222.574.234,17	0,84	5,26
2026	107.639.280,00	261.775.554,60	32.551.496.074,59	1,13	7,09
2027	97.672.680,00	206.599.106,52	32.883.775.485,89	0,93	5,78
2028	115.114.230,00	137.063.902,41	33.219.446.741,51	0,76	4,74
2029	0,00	24.916.500,00	33.558.544.464,75	0,07	0,46

\* Projeção da RCL pela taxa média de 1,020780767% de crescimento do PIB nos últimos 8 anos.

d. Limite referente ao art. 7º Inciso II da RSF nº 43/2001 - **comprometimento anual com amortizações, juros e demais encargos (CAED) em relação à RCL. Enquadrado**, conforme quadro abaixo (SEI 41586968 fls. 34/35)

Ano	Comprometimento Anual (R\$)		Projeção da RCL (R\$)	CAED/RCL (%)
	Operação pleiteada	Demais Operações		
2024	7.454.204,52	1.292.942.702,77	31.896.976.037,53	4,08
2025	14.352.502,00	1.145.267.571,17	32.222.574.234,17	3,60
2026	21.277.335,54	1.138.102.973,56	32.551.496.074,59	3,56
2027	27.063.495,01	1.019.249.714,85	32.883.775.485,89	3,18
2028	33.556.590,39	779.901.088,71	33.219.446.741,51	2,45

2029	57.542.653,46	759.961.489,12	33.558.544.464,75	2,44
2030	54.936.686,56	611.877.720,78	33.901.103.632,33	1,97
2031	52.465.597,66	516.362.398,52	34.247.159.578,01	1,66
2032	50.202.257,55	291.935.151,18	34.596.747.996,23	0,99
2033	47.935.723,14	255.695.054,49	34.949.904.945,78	0,87
2034	45.865.545,70	245.320.032,15	35.306.666.853,55	0,82
2035	43.913.811,34	195.612.441,89	35.667.070.518,26	0,67
2036	42.117.879,86	190.699.741,96	36.031.153.114,27	0,65
2037	40.328.994,76	185.501.032,46	36.398.952.195,39	0,62
2038	38.678.475,96	181.410.366,90	36.770.505.698,79	0,60
2039	37.111.910,82	119.890.163,84	37.145.851.948,89	0,42
2040	35.650.842,15	102.707.055,01	37.525.029.661,32	0,37
2041	34.202.680,22	91.805.976,99	37.908.077.946,91	0,33
2042	32.847.636,23	88.654.874,14	38.295.036.315,74	0,32
2043	31.551.694,18	58.202.073,09	38.685.944.681,16	0,23
2044	30.324.038,30	53.968.553,08	39.080.843.364,00	0,22
2045	29.118.398,63	52.275.238,94	39.479.773.096,64	0,21
2046	27.972.797,76	50.620.858,60	39.882.775.027,27	0,20
2047	26.869.724,37	41.994.889,89	40.289.890.724,09	0,17
2048	13.831.258,78	10.181.141,03	40.701.162.179,65	0,06
			Média até 2027 :	3,60
			Percentual do Limite de Endividamento até 2027 :	31,35
			Média até o término da operação :	1,23
			Percentual do Limite de Endividamento até o término da operação :	10,67

\* *Projeção da RCL pela taxa média de 1,020780767% de crescimento do PIB nos últimos 8 anos.*

e. Limite referente ao art. 7º, Inciso III da RSF nº 43/2001 - **relação entre a Dívida Consolidada Líquida (DCL) e a RCL. Enquadrado**, conforme quadro abaixo:

Receita Corrente Líquida (RCL) (SEI 40640343 fl. 10)	30.899.152.410,07
Dívida Consolidada Líquida (DCL) (SEI 40640343 fl. 10)	-6.127.242.617,24
Operações de crédito contratadas autorizadas e em tramitação (SEI 41586968 fl. 36)	2.490.430.678,11
Valor da operação pleiteada (SEI 41586968 fl. 36)	498.330.000,00
Saldo total da dívida líquida (SEI 41586968 fl. 36)	-3.138.481.939,13
Saldo total da dívida líquida/RCL (SEI 41586968 fl. 36)	-0,10
Limite da DCL/RCL (SEI 41586968 fl. 36)	2,00
Percentual do limite de endividamento (SEI 41586968 fl. 36)	-5,08%

6. Saliencia-se que a projeção da RCL constante nas alíneas "c" e "d" do item anterior tem como base a RCL do Demonstrativo da Receita Corrente Líquida (RREO - 1º Bimestre de 2024), homologado no Sistema de Informações Contábeis e Fiscais do Setor Público Brasileiro - SICONFI (SEI 41266317). Adicionalmente, assinalamos que os dados referentes à relação DCL/RCL (alínea "e" do item anterior) têm como fonte o Demonstrativo da Dívida Consolidada Líquida (RGF - 3º Quadrimestre de 2023), homologado no SICONFI (SEI 40640343).

7. Considerando as alterações na RSF nº 43/2001 introduzidas pela RSF nº 36/2009, o limite a que se refere o item "d" foi calculado para (i) todos os exercícios financeiros em que há pagamentos previstos da operação pretendida; e, quando o prazo de amortização supera 2027, para (ii) os exercícios financeiros em que há pagamentos até o final da operação pleiteada, sendo considerado para fins de verificação de limites o período que resultou no cálculo mais benéfico para o Ente. Dessa forma, considerou-se o comprometimento anual de 1,23%, relativo ao período de 2024-2048.

8. Em conclusão, no que diz respeito aos requisitos mínimos aplicáveis à operação, o Estado do Mato Grosso atendeu a todas as exigências previstas nos artigos 6º, 7º e 21 da RSF nº 43/2001. Relativamente ao cumprimento dos limites estabelecidos nas RSF nº 40 e 43, de 2001, registramos:

- a. Receita de operações de crédito menor que a despesa de capital (exercício anterior): **Enquadrado**;
- b. Receita de operações de crédito menor que a despesa de capital (exercício corrente): **Enquadrado**;
- c. MGA/RCL menor que 16%: **Enquadrado**;
- d. CAED/RCL menor que 11,5%: **Enquadrado**;
- e. DCL/RCL menor que 2,0: **Enquadrado**.

9. Nos termos do § 1º do art. 32 da RSF nº 43/2001, a comprovação do cumprimento dos requisitos de que tratam o art. 16 e o inciso VIII do art. 21, da RSF nº 43/2001, passou a ser responsabilidade da instituição financeira ou do contratante, conforme seja o caso, por ocasião da assinatura do contrato, não havendo mais verificação prévia desses requisitos por parte da STN. Ademais, também deverá ser observada a adimplência relativa a precatórios, requisito tratado no artigo 97, § 10, inciso IV, e no artigo 104, parágrafo único, ambos do Ato das Disposições Constitucionais Transitórias (ADCT).

10. No que concerne ao art. 21, inciso IV, da RSF nº 43/2001, a Certidão do Tribunal de Contas competente (SEI 41587047) atestou o cumprimento pelo ente do disposto na LRF relativamente ao último exercício analisado (2022), ao exercício não analisado (2023) e ao exercício em curso (2024).

11. No que tange ao limite disposto no caput do art. 167-A da Constituição Federal de 1988, a Certidão do Tribunal de Contas competente, atualizada até o

último RREO exigível, atestou o cumprimento do referido limite pelo ente (SEI 41587047).

12. Quanto ao atendimento dos arts. 48, 51, 52 e 55 da LRF, verificou-se junto ao Serviço Auxiliar de Informações para Transferências Voluntárias - CAUC (SEI 41587323), atualizado pelo SICONFI nos termos da Portaria STN nº 642, de 20/09/2019, que o ente homologou as informações e encaminhou suas contas ao Poder Executivo da União. Adicionalmente, também houve consulta ao histórico do SICONFI (SEI 41587343).

13. Em consulta ao CAUC, verificou-se que os itens 3.2.3 e 3.2.4, referentes aos Anexos 8 e 12 do RREO - SIOPE e SIOPS, estão desabilitados. Nesse sentido, como meio de comprovação da publicação, a verificação dos requisitos foi realizada por meio de consulta aos sites do SIOPS (SEI 41587471) e do SIOPE (SEI 41587336), onde foi verificado que houve a entrega dos relatórios no exercício anterior e até o último bimestre exigível do exercício em curso (2024). Para a verificação do cumprimento da publicação do Anexo 12 em 2024, foi enviado a publicação do "Anexo 12" referente ao RREO do 1º bimestre de 2024 no SADIPEM (SEI 41587259).

14. Em relação ao cumprimento dos incisos II e III do art. 48 da Lei Complementar nº 101, de 2000, foi encaminhada declaração de cumprimento do chefe do poder executivo (SEI 41587120 fl. 3), bem como comprovante de remessa para o Tribunal de Contas competente (SEI 41587120 fls. 1/2). Ainda, foi realizada consulta de regularidade na Plataforma Transferegov (SEI 41587424), conforme disposto pelo art. 22, inciso XV da Portaria Interministerial nº 424, de 2016.

15. Em atendimento aos preceitos da Portaria STN 1.350/2022, o ente encaminhou e homologou as informações relativas às dívidas públicas interna e externa de que tratam o § 4º do art. 32 da LRF e o art. 27 da RSF nº 43/2001, mediante o preenchimento do Cadastro da Dívida Pública (CDP) no SADIPEM. Em consulta recente (SEI 41587365 e 41587372), a situação do ente foi considerada regular.

16. Em relação à adimplência financeira com a União quanto aos financiamentos e refinanciamentos concedidos e às garantias honradas, o ente encontra-se Adimplente nesta data, conforme consulta ao Sistema de Acompanhamento de Haveres de Estados e Municípios (SAHEM), instituído por meio da Portaria do Ministério da Fazenda nº 106, de 28/03/2012, e disponível no endereço [sahem.tesouro.gov.br](http://sahem.tesouro.gov.br) (SEI 41587392 e 41587400).

17. Também em consulta ao SAHEM (SEI 41587392), verificou-se que o ente está entre aqueles com haveres controlados pela Coordenação-Geral de Haveres Financeiros (COAFI). Em decorrência disso, consultou-se o Relatório de Espaço Fiscal (SEI 41587409), em que se verificou que a operação não representa violação dos acordos de refinanciamento firmados com a União, nos termos do inciso IV do art. 5º da RSF nº 43/2001.

18. Relativamente às despesas com pessoal, na forma disciplinada pela LRF, e considerando a nova redação do § 3º do art. 23 daquela Lei, dada pela Lei Complementar nº 178/2021, sobre a qual a PGFN manifestou-se no PARECER SEI Nº 4541/2021/ME (SEI 39409639), destaca-se que, na presente análise, o limite referente às mencionadas despesas do Poder Executivo foi considerado como atendido até o último quadrimestre para o qual é exigível a publicação do RGF, com base na Certidão emitida pelo Tribunal de Contas competente (SEI 41587047), na declaração do Chefe do Poder Executivo preenchida e assinada eletronicamente no SADIPEM (SEI 41586968) e no respectivo Demonstrativo da Despesa com Pessoal contido no RGF mais recente homologado no SICONFI (SEI 40640343).

### III. VERIFICAÇÃO DOS REQUISITOS LEGAIS E NORMATIVOS E INSTRUÇÃO DE RISCOS REFERENTES À CONCESSÃO DA GARANTIA DA UNIÃO

19. No que se refere aos aspectos atinentes à concessão da garantia da União, dispostos na LRF, nas Resoluções do Senado Federal nº 40/2001, 43/2001 e 48/2007 e na Portaria MEFP nº 497/1990, este parecer trata estritamente:

- a. da verificação do cumprimento, pelo interessado, dos requisitos legais e normativos obrigatórios para a obtenção da garantia da União indicados na seção III.1; e
- b. da instrução do processo relativamente a seus riscos e demais informações indicadas na seção III.2, considerada subsídio necessário para que o Secretário do Tesouro Nacional se manifeste expressa e conclusivamente, de acordo com sua avaliação, sobre a oportunidade e conveniência da concessão da garantia da União, relativamente aos riscos para o Tesouro Nacional.

#### III.1. REQUISITOS LEGAIS E NORMATIVOS PARA CONCESSÃO DA GARANTIA DA UNIÃO

20. Entende-se que a verificação do cumprimento dos arts. 10, II, "c", e 11, parágrafo único, "j" e "l", da RSF nº 48/2007, foi realizada e atendida no item "II. VERIFICAÇÃO DE LIMITES E CONDIÇÕES PARA CONTRATAÇÃO DA OPERAÇÃO DE CRÉDITO" deste parecer.

#### RESOLUÇÃO DA COFIEIX

21. A Comissão de Financiamentos Externos (COFIEIX), por meio da Resolução nº 7, de 07/04/2022 (SEI 37173448), autorizou a preparação do Projeto no valor de até US\$ 100.000.000,00 provenientes do BIRD, com contrapartida de no mínimo 20% do total do Projeto.

#### DÍVIDA MOBILIÁRIA

22. Relativamente à observância do limite da dívida mobiliária do ente, conforme estabelecido no art. 10, inciso II, alínea "c" da RSF nº 48/2007, é de se informar que, até a presente data, o Senado Federal, no âmbito de sua competência constitucional, não dispôs sobre os limites da referida dívida mobiliária de estados, municípios e Distrito Federal. Entretanto, conforme definido nas RSF nº 40/2001 e 43/2001, a dívida pública consolidada inclui a dívida mobiliária, tendo sido o limite da primeira atestado na seção "II. VERIFICAÇÃO DE LIMITES E CONDIÇÕES PARA CONTRATAÇÃO DA OPERAÇÃO DE CRÉDITO".

#### OPERAÇÕES POR ANTECIPAÇÃO DE RECEITA ORÇAMENTÁRIA

23. No que tange ao limite referente às operações por antecipação de receita orçamentária, verificou-se, a partir do Demonstrativo das Operações de Crédito constante do RGF do 3º quadrimestre de 2023 (SEI 40640343), que o ente não possui valores contratados em operações dessa natureza.

#### RESTOS A PAGAR

24. Com relação à exigência de comprovação de obediência ao limite de Restos a Pagar, consoante artigos 40, § 2º e 25, inciso IV, alínea c, ambos da LRF, combinados com o disposto na alínea "c" do inciso II do art. 10 da RSF nº 48/2007, a Procuradoria-Geral da Fazenda Nacional (PGFN), conforme exarado no

Parecer SEI nº 323/2018/CAF/PGACFFS/PGFN-MFPGFN/COF, de 09/11/2018 (SEI 37733615 fls. 12/19), tem o seguinte entendimento:

*16. [...] o art. 42 da Lei Complementar nº 101, de 2000, não fixa nenhum limite de inscrição de Restos a Pagar e, consequentemente, não pode fundamentar a negação de concessão de garantia pela União por descumprimento da alínea "c" do inciso II do art. 10 da Resolução nº 48, de 2007, e nem tampouco pela alínea "e" do mesmo dispositivo da citada resolução do Senado Federal ou do inciso IV do § 1º do art. 32 da Lei de Responsabilidade Fiscal; e (2) [...] o mesmo art. 42 da Lei Complementar nº 101, de 2000, não se presta como exigência para a concessão de garantia pela União.*

*17. Finalmente, sugiro a revogação parcial do Parecer PGFN/COF/Nº 468/2008, especificamente dos seus itens 10 e 15.*

25. Assim, tendo em vista o posicionamento jurídico, não cabe verificação de tal requisito para fins de emissão do presente Parecer.

#### INCLUSÃO NA LEI ORÇAMENTÁRIA E NO PLANO PLURIANUAL

26. A Declaração do Chefe do Poder Executivo, assinada digitalmente no SADIPEM (SEI 41586968 fls. 22/23), informa que a operação em questão está inserida no Plano Plurianual (PPA) do ente da Federação para o quadriênio 2024-2027, estabelecido pela Lei nº 12.432, de 09/02/2024. A declaração citada informa ainda que constam da Lei Estadual nº 12.421, de 02/02/2024, que estima a receita e fixa a despesa do ente da Federação para o exercício de 2024, dotações necessárias e suficientes para a execução do Projeto em tela, quanto ao ingresso dos recursos, ao aporte da contrapartida e ao pagamento dos encargos da operação.

#### AUTORIZAÇÃO LEGISLATIVA - CONTRAGARANTIAS

27. A Lei nº 12.115, de 18/05/2023 (SEI 37173677) autoriza o Poder Executivo a contratar a operação de crédito e a vincular "*... como contragarantia à garantia da União, à operação de crédito de que trata esta Lei, em caráter irrevogável e irretroatável, a modo pro solvendo, as receitas a que se referem os artigos 157 e 159, inciso I, alínea a, e inciso II, complementadas pelas receitas tributárias estabelecidas no art. 155, nos termos do § 4º do art. 167, todos da Constituição Federal, bem como outras garantias admitidas em direito.*"

#### GASTOS MÍNIMOS COM SAÚDE E EDUCAÇÃO

28. O Tribunal de Contas competente, mediante Certidão (SEI 41587047) atestou para os exercícios de 2022 e 2023 o cumprimento do artigo 198 da Constituição Federal. Adicionalmente, a mesma Certidão atestou para o exercício de 2023 o cumprimento do artigo 212 da Constituição Federal. Em complemento, as informações relativas ao exercício de 2023 foram ratificadas pela Declaração do Chefe do Poder Executivo (SEI 41586968).

#### EXERCÍCIO DA COMPETÊNCIA TRIBUTÁRIA

29. Sobre o cumprimento do art. 11 da LRF, a Certidão do Tribunal de Contas competente (SEI 41587047) atestou o cumprimento do pleno exercício da competência tributária do ente para o último exercício analisado (2022), para o exercício não analisado (2023) e para o exercício em curso (2024).

#### DESPESAS COM PESSOAL

30. Relativamente às despesas com pessoal, entende-se atendido o requisito legal, conforme análise já realizada na seção "**II. VERIFICAÇÃO DE LIMITES E CONDIÇÕES PARA CONTRATAÇÃO DA OPERAÇÃO DE CRÉDITO**".

#### PARCERIAS PÚBLICO-PRIVADAS

31. A Lei nº 11.079/2004, alterada pelas Leis nº 12.024/2009 e 12.766/2012, que institui normas gerais para licitação e contratação de Parceria Público Privada (PPP) no âmbito dos Poderes da União, dos Estados, do Distrito Federal e dos Municípios, estabelece, em seu art. 28, que a União não poderá conceder garantia aos demais entes caso a soma das despesas de caráter continuado derivadas do conjunto das parcerias por eles contratadas tiver excedido, no ano anterior, a 5% da receita corrente líquida do exercício ou se as despesas anuais dos contratos vigentes nos 10 (dez) anos subsequentes excederem a 5% da receita corrente líquida projetada para os respectivos exercícios.

32. A esse respeito, o ente atestou no SADIPEM, por meio da aba Declaração do Chefe do Poder Executivo (SEI 41586968, fl. 25), que não assinou contrato na modalidade Parceria Público-Privada. Os dados do RREO relativo ao 1º bimestre de 2024 (SEI 41266317, fl. 33) corroboram a informação constante da Declaração do Chefe do Poder Executivo.

#### LIMITE PARA A UNIÃO CONCEDER GARANTIAS

33. Quanto à observância do limite para a União conceder garantias, é de se informar que há margem para a concessão da pleiteada garantia da União, dentro do limite estabelecido no artigo 9º da RSF nº 48/2007. Conforme as informações contidas no Demonstrativo das Garantias e Contragarantias de Valores do Relatório de Gestão Fiscal da União relativo ao 3º quadrimestre de 2023 (SEI 41265977 fl. 13), o saldo total das garantias concedidas pela União encontra-se em 23,71% da RCL.

34. Em relação ao intralimite anual das garantias concedidas pela União de que trata o art. 9º-A da RSF nº 48, de 2007, informa-se que esta Secretaria do Tesouro Nacional, por meio de consulta efetuada no Diário Oficial da União, na presente data (SEI 41587453), não observou a existência de publicação de deliberação do Senado Federal estabelecendo o intralimite para o presente exercício. Deste modo, sua verificação não é aplicável na presente data, tendo em vista o entendimento da PGFN, contido no Parecer SEI nº 4649/2023/MF, que indicou: "*juridicamente, enquanto não for aprovado o intralimite previsto no art. 9º-A, vigora tão-somente o limite estabelecido no art. 9º*".

#### CAPACIDADE DE PAGAMENTO E CLASSIFICAÇÃO DA SITUAÇÃO FISCAL

35. Para o cumprimento do art. 23, inciso I da RSF nº 43/2001, foi realizada a análise da capacidade de pagamento do pleiteante à garantia, segundo a metodologia estabelecida na Portaria Normativa MF nº 1.583/2023, utilizando os conceitos e procedimentos definidos na Portaria STN nº 217, de 15 de

fevereiro de 2024.

36. Conforme consignado na Nota Técnica SEI nº 2444/2023/MF (SEI 39273191), revisada pela Nota Técnica SEI nº 320/2024/MF (SEI 40852602), cuja avaliação foi por sua vez ratificada pelo Ofício SEI nº 18978/2024/MF (SEI 41270622), a capacidade de pagamento do ente foi classificada em “A”. Essa classificação atendeu ao requisito previsto no artigo art. 13 da Portaria Normativa MF nº 1.583, de 2023, necessário para a continuidade da análise do Pedido de Verificação dos Limites e Condições da operação de crédito, no âmbito da STN, e também atendeu, conforme o artigo 14 da Portaria Normativa MF nº 1.583, de 2023, a um dos requisitos para elegibilidade da operação de crédito à concessão de garantia da União.

#### CONTRAGARANTIAS À GARANTIA DA UNIÃO

37. Em cumprimento do art. 40, § 1º da LRF, e art. 10, inciso III, da RSF N° 48, foi realizada pela COAFI/STN a análise da suficiência das contragarantias à garantia da União, segundo a metodologia estabelecida na Portaria Normativa MF nº 1.583/2023. Conforme informação consignada no Ofício SEI nº 24898/2024/MF, de 25/04/2024 (SEI 41587477 fls. 3/7), as contragarantias oferecidas pelo ente são consideradas suficientes para ressarcir a União, caso venha a honrar compromisso na condição de garantidora da operação. A COAFI declarou também, no mesmo Ofício, não ter conhecimento de ações judiciais em vigor que obstem a execução de contragarantias contra o referido ente, o que foi ratificado por consulta ao Sistema de Acompanhamento de Haveres de Estados e Municípios (SAHEM) na presente data (SEI 41587392).

#### CUSTO-BENEFÍCIO, CONDIÇÕES FINANCEIRAS E FONTES ALTERNATIVAS DE FINANCIAMENTO

38. Entende-se que o Parecer do Órgão Técnico (SEI 40639841), em conformidade com a Nota nº 436/2013 – STN/COPEM (SEI 37733615 fls. 1/2), juntamente com os dados básicos e as abas “Dados Complementares” e “Cronograma Financeiro” preenchidos no SADIPEM (SEI 41586968), atendem ao disposto nos incisos V e VI do art. 3º da Portaria MF 497/1990.

#### ADIMPLÊNCIA COM A UNIÃO

39. Em relação à adimplência financeira com a União, cumpre informar que, na presente data, o ente encontra-se Adimplente conforme análise realizada na seção **“II. VERIFICAÇÃO DE LIMITES E CONDIÇÕES PARA CONTRATAÇÃO DA OPERAÇÃO DE CRÉDITO”**.

#### PAGAMENTO DE PRECATÓRIOS

40. Quanto à adimplência do ente relativamente ao pagamento de precatórios, em atendimento ao disposto no art. 97, § 10, inc. IV, “a”, e no art. 104, parágrafo único, ambos do ADCT, a verificação da adimplência deverá ser feita por ocasião da assinatura do contrato de garantia.

#### SISTEMA DE PRESTAÇÃO DE INFORMAÇÕES DE CAPITAL ESTRANGEIRO DE CRÉDITO EXTERNO - SCE-CRÉDITO (ANTIGO ROF/RDE)

41. Verificou-se que a operação de crédito sob análise está inscrita no Sistema de Prestação de Informações de Capital Estrangeiro de Crédito Externo - SCE-Crédito (antigo ROF/RDE) sob o código TB138665 (SEI 41587458).

#### CUSTO EFETIVO DA OPERAÇÃO

42. Tendo em vista o disposto no § 4º do art. 11 da Portaria Normativa MF nº 1.583/2023, ficam dispensadas, da análise de custo efetivo máximo aceitável, as operações garantidas pela União cujos credores sejam organismos multilaterais ou agências governamentais estrangeiras, o que se aplica ao presente caso. Ademais, conforme art. 2º, § 2º da Resolução nº 14, de 23/02/2024 (SEI 41265968), do Grupo Estratégico do Comitê de Garantias (GE-CGR) da STN, também foi retirada a aplicação da vedação à concessão de garantia da União às operações cujos credores são organismos multilaterais ou agências governamentais estrangeiras que não contem com cláusula contratual que vede expressamente a securitização.

#### HONRA DE AVAL

43. Tendo em vista o disposto nos incisos I e II do artigo 15 da Portaria Normativa MF nº 1.583/2023, foi realizada consulta ao Relatório de Bloqueio de Mutuários, emitido pela Gerência de Controle de Obrigações da Dívida Pública (GECOD) da Coordenação-Geral de Controle da Dívida Pública (CODIV/STN), com posição no dia útil anterior ao da emissão deste Parecer (SEI 41587444), em que foi verificado não haver, em nome do ente, registro referente à honra de garantia pela União a operações de crédito por este realizadas.

#### MINUTAS DOS CONTRATOS DE FINANCIAMENTO E DE GARANTIA

44. Em atendimento ao art. 3º, VIII, da Portaria MEFP nº 497/1990, estão presentes no processo as Minutas do Contrato de Empréstimo: Disposições Especiais (SEI 37244519 fls. 110/132), o Contrato de Garantia (SEI 37346490), as Condições Gerais (SEI 37357661) e demais anexos (SEI 37346726).

### III.2 INFORMAÇÕES RELATIVAS AOS RISCOS PARA O TESOUREIRO NACIONAL

#### ALCANCE DAS OBRIGAÇÕES CONTRATUAIS

45. No que tange às competências da Secretaria do Tesouro Nacional - STN e em relação às cláusulas que envolvem riscos e/ou impactos financeiros à União como garantidora da operação, destaca-se, que as cláusulas contratuais das minutas refletem condições usualmente aceitas pelo Ministério da Fazenda em contratos de operação de crédito externo, com garantia da União, de entes subnacionais com organismos multilaterais, nos termos a seguir:

#### *Prazo e condições de efetividade*

46. As condições de efetividade do contrato a serem observadas estão discriminadas no Artigo IX das Condições Gerais (SEI 37357661 fls. 31/32) e no

Artigo IV do Contrato de Empréstimo (SEI 37244519 fl. 3). O ente da Federação terá um prazo de 120 dias a partir da assinatura do contrato para cumprir as condições de efetividade, conforme cláusula 4.02 do Contrato de Empréstimo (SEI 37244519 fl. 3).

47. Registre-se que o Governo Federal exige que as instituições credoras de operações de crédito externo de entes subnacionais informem o cumprimento substancial das condições de efetividade por parte dos mutuários como condicionante à assinatura dos contratos. Tal exigência minimiza os riscos para o Tesouro Nacional, uma vez que possibilita ao ente iniciar a execução do projeto logo após a formalização do contrato de empréstimo e, com isso, não incorrer em pagamento desnecessário de comissão de compromisso.

#### ***Vencimento antecipado da dívida e cross default***

48. A minuta do contrato prevê circunstâncias em que o BIRD terá direito de declarar o vencimento antecipado do empréstimo por razões financeiras e não financeiras, conforme estabelecido na cláusula 7.07 do Artigo VII das Condições Gerais (SEI 37357661, fls. 27/28).

49. Adicionalmente a minuta do contrato prevê, ainda, o *cross default* por razões financeiras com outros contratos do mutuário com o BIRD, conforme estabelecido no item "a" da cláusula 7.07 do Artigo VII das Condições Gerais (SEI 37357661, fl. 27).

50. A respeito destas hipóteses, cumpre informar que a Secretaria do Tesouro Nacional – STN acompanha o pagamento de todos os empréstimos garantidos pela União, de forma a evitar que seja declarado o vencimento antecipado de uma dívida pelo não pagamento de uma obrigação financeira. No entanto, a respeito das hipóteses de vencimento antecipado por razões não financeiras, cumpre informar que tal risco não é gerenciável por parte da STN.

51. A cláusula 7.02 (d) do Artigo VII da minuta das Condições Gerais prevê o *cross suspension*, suspensão de desembolsos (SEI 37357661, fl. 23) da operação no caso de suspensão de desembolsos em outro contrato do mutuário com o BIRD ou com a IDA – International Development Association, instituição subsidiária do BIRD, que faz parte do World Bank Group. No entanto, por se tratar de causa de suspensão de desembolsos, e não de vencimento antecipado, não representa risco relevante ao Tesouro Nacional.

52. Cabe esclarecer, também, que a minuta contratual prevê, no Artigo V das Condições Gerais (SEI 37357661, fls. 17/21), que o BIRD acompanhará periodicamente a execução do projeto a fim de assegurar-lhe o desenvolvimento satisfatório, acompanhamento este que é usualmente realizado pelo banco nas operações garantidas pela União. A minuta contratual também exige que os mutuários apresentem relatórios com relação à execução dos projetos em seus aspectos técnicos e financeiros. No entanto, cumpre informar que a STN não acompanha a execução dos projetos.

#### ***Cessão de direitos e obrigações e vedação à securitização***

53. Quanto à possibilidade de securitização da operação, cabe registrar que o Grupo Estratégico do Comitê de Garantias (GE-CGR) da STN, conforme a Resolução GECGR n° 14, de 23/02/2024 (SEI 41265968), que revogou a Resolução GECGR n° 07, de 23/06/2020, e deliberou que:

*Art. 2° É vedada a concessão de garantia da União a operação de crédito, interno ou externo, cujo contrato de financiamento não contenha cláusula que vede expressamente a securitização.*

*(.....)*

*§2° A vedação à concessão de garantia, de que trata o caput deste artigo, não se aplica à operação de crédito externo cujo credor seja organismo multilateral ou agência governamental estrangeira.*

54. Dessa forma, não se aplica a vedação do caput do Art. 2° da Resolução GECGR n° 14/2024, uma vez que há enquadramento desta operação nas hipóteses do § 2° do mesmo artigo. Ademais, cabe salientar que o contrato não menciona a possibilidade de securitização da operação.

#### ***Sobretaxa de exposição (exposure surcharge)***

55. Conforme exposto no parágrafo 1 deste Parecer, as minutas contratuais preveem o pagamento de uma sobretaxa de exposição (*exposure surcharge*) de 0,5% a.a., aplicável no caso de o limite de exposição do banco ao país ser excedido. Essa previsão encontra-se na seção 3.01 das Condições Gerais (SEI 37357661).

56. Destaca-se que, conforme dados da Coordenação-Geral de Controle e Pagamento da Dívida Pública (CODIV/STN - SEI 41718232), atualmente o saldo devedor das operações garantidas junto ao BIRD é de US\$ 14,04 bilhões, e o saldo devedor da dívida contratual da União junto ao BIRD é de US\$ 1,46 bilhão, que somados perfazem um total de US\$ 15,5 bilhões os quais, por sua vez, somados ao valor da operação em análise neste Parecer, alcançam um total de US\$ 15,6 bilhões, abaixo do limite indicado pelo BIRD (SEI 41709754). Ressalta-se, entretanto, que existe o risco de extrapolação do limite, seja em razão da dinâmica de liberações e amortizações das operações junto ao BIRD ao longo dos anos, seja em razão de uma possível redução do limite, conforme destacado acima, ainda que o banco realize um acompanhamento periódico do limite de exposição estabelecido para cada país com vistas à sua não extrapolação.

#### **IV. CONCLUSÃO**

57. Tomando-se por base os dados da documentação constante dos autos, e considerando a verificação dos limites e condições da RSF n° 43/2001, o ente **CUMPRE** os requisitos prévios à contratação da operação de crédito, conforme dispõe o art. 32 da LRF.

58. Em relação à garantia da União, tomando-se por base os dados da documentação constante dos autos e considerando a verificação dos limites e condições da RSF n° 48/2007, entende-se que o ente **CUMPRE** os requisitos legais e normativos apontados na seção III.I, necessários para a obtenção da garantia da União.

59. Considerando o disposto na Portaria Normativa MF n° 500, de 02/06/2023, o prazo de validade da presente verificação de limites e condições para contratação da operação de crédito e para a concessão de garantia pela União é de **270 dias**, contados a partir de 29/04/2024, uma vez que o cálculo dos limites a que se referem os incisos I, II e III do art. 7° da RSF n° 43/2001 resultou em percentuais de comprometimento inferiores a 80%.

60. Ressalte-se que deverão ser observados os dispostos no inciso VI do artigo 21 da RSF n° 43/2001 e no § 4° do artigo 10 da RSF n° 48/2007.

61. Encaminhe-se o presente pleito para manifestação conclusiva do Secretário do Tesouro Nacional, acerca da oportunidade e conveniência da concessão da garantia da União, relativamente aos riscos para o Tesouro Nacional, nos termos do art. 6º, I, "a" da Portaria MEFP n° 497/1990.

À consideração superior.

Documento assinado eletronicamente  
Auditor Federal de Finanças e Controle

Documento assinado eletronicamente  
Gerente da GEPEX/COPEM

De acordo. À consideração do Coordenador-Geral de Operações de Crédito de Estados e Municípios.

Documento assinado eletronicamente  
Coordenador de Operações de Crédito de Estados e Municípios

De acordo. À consideração da Subsecretária de Relações Financeiras Intergovernamentais da STN/MF.

Documento assinado eletronicamente  
Coordenador-Geral de Operações de Crédito de Estados e Municípios

De acordo. À consideração do Secretário do Tesouro Nacional.

Documento assinado eletronicamente  
Subsecretária de Relações Financeiras Intergovernamentais da STN/MF

De acordo. Em relação à manifestação sobre oportunidade, conveniência e viabilidade, relativamente aos riscos para o Tesouro Nacional, da garantia ora analisada, entendo que a presente operação de crédito deva receber a garantia da União. Encaminhe-se o processo à Procuradoria-Geral da Fazenda Nacional - PGFN para as providências de sua alçada.

Documento assinado eletronicamente  
Secretário do Tesouro Nacional



Documento assinado eletronicamente por **Arthur Batista de Sousa, Auditor(a) Federal de Finanças e Controle**, em 29/04/2024, às 15:16, conforme horário oficial de Brasília, com fundamento no § 3º do art. 4º do [Decreto nº 10.543, de 13 de novembro de 2020](#).



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MINISTÉRIO DA FAZENDA  
Secretaria do Tesouro Nacional  
Subsecretaria de Relações Financeiras Intergovernamentais  
Coordenação-Geral de Operações de Crédito de Estados e Municípios

OFÍCIO CIRCULAR SEI nº 602/2024/MF

Brasília, na data da assinatura eletrônica.

A Sua Excelência o Senhor  
Secretário de Estado de Fazenda do Estado do Mato Grosso  
Av. Rubens de Mendonça, 3415  
78050-903 - Cuiabá - MT

**Assunto: Processo nº 17944.105303/2023-65. Cumprimento de limites e condições para contratação de operação de crédito e para obtenção da garantia da União.**

Senhor Secretário de Estado de Fazenda,

1. Refiro-me ao pedido efetuado para obter a garantia da União e contratar operação de crédito externo entre o Estado de Mato Grosso e o Banco Internacional para Reconstrução e Desenvolvimento (BIRD), no valor de US\$ 80.000.000,00 (oitenta milhões de dólares dos EUA) destinada à execução do Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso.

2. Comunico que este Ministério da Fazenda, conforme dispõem o art. 32 da Lei Complementar nº 101/2000 e as Resoluções do Senado Federal (RSF) nº 43/2001 e nº 48/2007, tendo por base os documentos enviados e as informações disponíveis na Secretaria do Tesouro Nacional, **VERIFICOU**, no dia 29/04/2024, os limites e condições para realização de operação de crédito e obtenção de garantia da União e entende que o proponente **CUMPRE** os requisitos prévios à contratação, conforme minuta do contrato de financiamento encaminhada e cronograma financeiro constante do SADIPEM nesta data e nos seguintes termos:

- a. **Credor:** Banco Internacional para Reconstrução e Desenvolvimento - BIRD;
- b. **Valor da operação:** US\$ 80.000.000,00 (oitenta milhões de dólares dos EUA);
- c. **Valor da contrapartida:** US\$ 20.000.000,00 (vinte milhões de dólares dos EUA);
- d. **Destinação dos recursos:** Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso;
- e. **Juros:** SOFR (*Secured Overnight Financing Rate*) acrescida de spread variável divulgado periodicamente pelo banco;
- f. **Atualização monetária:** Variação cambial
- g. **Liberações previstas:** US\$ 500.000,00 em 2024; US\$ 21.000.000,00 em 2025; US\$ 28.000.000,00 em 2026; US\$ 15.500.000,00 em 2027; US\$ 10.000.000,00 em 2028 e US\$ 5.000.000,00 em 2029
- h. **Aportes estimados de contrapartida:** US\$ 500.000,00 em 2024; US\$ 5.000.000,00 em 2025; US\$ 5.000.000,00 em 2026; US\$ 5.500.000,00 em 2027; US\$ 2.500.000,00 em 2028 e US\$ 1.500.000,00 em 2029
- i. **Prazo de carência:** até 66 meses
- j. **Prazo de amortização:** até 234 meses

k. **Prazo total:** até 300 meses

l. **Periodicidade de pagamento dos juros e amortizações:** Semestral

m. **Sistema de Amortização:** Constante

n. **Lei autorizadora:** nº 12.115, de 18/05/2023

o. **Demais encargos e comissões:** Comissão de abertura (front-end fee) de 0,25% aplicado sobre o montante do empréstimo; Comissão de compromisso de 0,25% a.a. aplicado sobre o saldo não desembolsado do empréstimo; Sobretaxa de exposição (exposure surcharge) de 0,5% a.a., aplicável no caso de o limite de exposição do banco ao país ser excedido, em relação ao excesso, multiplicado pela proporção do empréstimo em relação ao total de empréstimos do banco no país sujeitos à cobrança desse encargo; Juros de mora: acréscimo de 0,5% à taxa de juros em caso de mora.

3. Considerando o disposto no art. 2º, § 5º, da Portaria Normativa MF nº 500, de 02/06/2023, que regulamenta o art. 32, § 6º da LRF, o prazo de validade da verificação de limites e condições para contratação da operação de crédito e para a concessão de garantia pela União é de **270 dias**, contados a partir de 29/04/2024, uma vez que o cálculo dos limites a que se referem os incisos I, II e III do art. 7º da RSF nº 43/2001 resultou em percentuais de comprometimento inferiores a 80%.

4. Todavia, salienta-se que a celebração do contrato de financiamento fica condicionada à autorização do Senado Federal, mediante Resolução, bem como à publicação, no Diário Oficial da União, de despacho do Ministro da Fazenda, em conformidade com a Portaria ME nº 198, de 25 de abril de 2019, autorizando a concessão da garantia da União à presente operação de crédito.

5. Nos termos do § 1º do art. 32 da RSF nº 43/2001, com redação dada pela RSF nº 10/2010, a comprovação do cumprimento dos requisitos de que tratam o art. 16 e o inciso VIII do art. 21, da RSF nº 43/2001, passou a ser responsabilidade da instituição financeira ou do contratante, conforme seja o caso, por ocasião da assinatura do contrato, não havendo mais verificação prévia destes requisitos por parte da STN. Dessa maneira, para a assinatura dos contratos de garantia e de contragarantia tal responsabilidade compete à PGFN, conforme Portaria Normativa MF nº 500, de 2 de junho de 2023.

6. Ressalto que deverão ser observados o disposto no inciso IV do § 10 do art. 97 do Ato das Disposições Constitucionais Transitórias (ADCT), incluído pela Emenda Constitucional nº 62/2009, nos incisos II e III do § 1º do art. 32 da LRF e no art. 15 da RSF nº 43/2001, no artigo 167-A da Constituição Federal de 1988, incluído pela Emenda Constitucional nº 109/2021, e em qualquer outra legislação aplicável, sob pena do que dispõe o parágrafo único do art. 359-A, do Decreto-Lei nº 2.848/1940.

7. Salienta-se que, caso os contratos de garantia e de contragarantia não sejam celebrados dentro do prazo de validade da verificação de limites e condições para contratação da operação de crédito e para a concessão de garantia pela União de que trata o item 3 do presente ofício, será necessária nova verificação de limites e condições, de que trata o art. 32 da LRF, independentemente de o contrato de financiamento já ter sido celebrado.

8. Por fim, informo que o presente pleito não se encontra mais na alçada da Secretaria do Tesouro Nacional, uma vez que foi enviado à Procuradoria-Geral da Fazenda Nacional (PGFN/COF) para as providências de sua alçada. Para mais informações sobre os trâmites ainda necessários para contratação da operação, bem como providências para posterior celebração dos contratos de garantia e de contragarantia, entrar em contato com a Coordenação-Geral de Operações Financeiras da União (PGFN/COF), por meio dos canais de contato disponíveis em <http://www.pgfn.fazenda.gov.br/aceso-a-informacao/institucional/quem-e-quem/procuradorias-gerais-adjuntas>.

Respeitosamente,

Documento assinado eletronicamente

Subsecretário(a) de Relações Financeiras Intergovernamentais da STN/MF



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Esplanada dos Ministérios, Bloco P, Edifício Anexo - Bairro Zona Cívico-Administrativa  
CEP 70048-900 - Brasília/DF  
(61) 3412-3168 - Acesse [sadipem.tesouro.gov.br](http://sadipem.tesouro.gov.br) e clique no menu "Fale conosco"

**Referência:** ao responder este Ofício, favor indicar expressamente o Processo nº 17944.105303/2023-65. SEI nº 41552344

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**ATAS DE NEGOCIAÇÕES ACORDADAS ENTRE**

**O ESTADO DE MATO GROSSO,**

**A**

**REPÚBLICA FEDERATIVA DO BRASIL**

**E**

**O BANCO INTERNACIONAL DE RECONSTRUÇÃO E DESENVOLVIMENTO (BIRD)**

**A RESPEITO DE**

**PROJETO DE DESENVOLVIMENTO SUSTENTÁVEL DA AGRICULTURA FAMILIAR DE MATO GROSSO**

**16 de novembro de 2023**

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1. **Introdução.** Negociações híbridas (virtuais e presenciais) para uma proposta de empréstimo do BIRD de US\$ 80.000.000 (oitenta milhões de dólares) para o Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso - P175723 (o Projeto) foram realizadas no dia 16 de novembro de 2023 entre o Estado de Mato Grosso (o Tomador), incluindo representantes da Secretaria da Fazenda do Estado de Mato Grosso (*Secretaria de Estado da Fazenda*, SEFAZ), da Secretaria de Agricultura Familiar do Estado de Mato Grosso (*Secretaria de Estado da Agricultura Familiar* - SEAF) e a Procuradoria Geral do Estado de Mato Grosso (*Procuradoria Geral do Estado*, PGE) (coletivamente, a “Delegação do Tomador”); a República Federativa do Brasil (o Garantidor), incluindo representantes da Procuradoria-Geral da Fazenda do Ministério da Fazenda (*Procuradoria-Geral da Fazenda Nacional* - PGFN/MF), Secretaria do Tesouro Nacional (*Secretaria do Tesouro Nacional* - STN/MF) e a Secretaria de Assuntos Internacionais e Desenvolvimento do Ministério do Planejamento e Orçamento (*Secretaria de Assuntos Internacionais e Desenvolvimento* - SEAID/MPO) (coletivamente a “Delegação do Garantidor”); e BIRD (o “Banco Mundial” ou, conforme aplicável, a “Delegação do Banco Mundial”). Os membros das Delegações do Tomador, do Garantidor e do Banco Mundial constam do Anexo 1 desta Ata. A chefe da Delegação do Garantidor, Caroline Leite Nascimento (SEAID), e a chefe da Delegação do Tomador, Aparecida Maria Borges Bezerra (Secretária da SEAF/MT), confirmam e declaram que foram autorizadas a assinar esta Ata em nome do Garantidor e do Tomador, respectivamente.

2. **Documentos Discutidos.** As Delegações discutiram e chegaram a acordo sobre as revisões necessárias dos seguintes documentos: (i) a minuta do Documento de Avaliação do Projeto (PAD); (ii) a minuta do Contrato de Empréstimo (LA); (iii) a minuta do Contrato de Garantia (GA); (iv) a minuta da Carta de Desembolso e Informação Financeira (DFIL); (v) a minuta do Cronograma de Amortização; (vi) a minuta do Plano de Compromisso Ambiental e Social (ESCP); e (vii) a Planilha de Escolha de Empréstimo (LCW). A versão negociada dos documentos (ii) a (vii) constam desta Ata como Anexos 2 a 7 (os “Documentos Negociados”). A Delegação do Banco Mundial esclareceu que, como parte da preparação para apresentação à Diretoria Executiva do Banco Mundial e assinatura, o Documento de Avaliação do Projeto (PAD) e os Documentos Negociados serão revisados e poderão estar sujeitos a alterações de formatação e editoriais. Em caso de alterações substanciais nestes documentos, a Delegação do Tomador e a Delegação do Garantidor serão notificadas. Esta Ata registra e esclarece os principais entendimentos relativos ao Projeto proposto.

## **Documento de Avaliação do Projeto (PAD)**

3. O PAD datado de 5 de setembro de 2023 foi revisado pelo Tomador e pequenas alterações foram acordadas. As alterações acordadas no LA também serão refletidas no PAD revisado. Além disso, durante os processos de autorização interna do BIRD antes da aprovação do Conselho, poderão ser necessários ajustes para fins de consistência e clareza. Caso haja qualquer alteração substantiva no PAD, as Delegações do Tomador e do Garantidor serão notificadas.

## **Contrato de Empréstimo**

4. **Condições de Validade de acordo com as Condições Gerais:** No que diz respeito ao disposto na Cláusula 9.02 das Condições Gerais, a Delegação do Tomador informou a Delegação do Banco que apresentará um parecer jurídico satisfatório ao Banco Mundial para confirmar que o LA é vinculativo de acordo com os seus termos, como uma Condição de Validade.

5. **Recursos do Banco.** A Delegação do Banco esclareceu que, para fins de desencadeamento de qualquer Evento de Suspensão Adicional, o INTERMAT, a SEMA, a CGJ/MT ou o Agente de Compras deverá ter descumprido as respectivas obrigações decorrentes de seus respectivos Contratos de Cooperação e Agente de Compras, de modo a afetar substancial e adversamente, na opinião do Banco, a capacidade do Tomador de cumprir sua obrigação nos termos do Contrato. A Delegação do Banco informou ainda que, de acordo com as políticas internas do Banco, caso o Tomador ou um participante do projeto não cumpra com as suas obrigações contratuais para com o Banco, ou ocorram outros eventos que deem origem a um recurso legal nos termos dos acordos legais para o Financiamento do Projeto de Investimento, o Banco consultará o Tomador ou o participante do projeto e exigirá que medidas corretivas oportunas e apropriadas sejam tomadas.

6. **ESCP.** A Delegação do Banco Mundial e a Delegação do Tomador concordaram com a versão revisada do ESCP, datada de 16 de novembro de 2023 (Anexo 6), que será publicada no site do Tomador onde estarão disponíveis os documentos Ambientais e Sociais durante a implementação do Programa (<https://www.agriculturfamiliar.mt.gov.br/consultas-p%C3%9Ablicas>).

7. **Prazo Final de Entrada em Vigor.** O prazo final para entrada em vigor, conforme o artigo V, parágrafo 5.02 do LA, é de 120 (cento e vinte) dias após a Data de Assinatura do LA. Caso seja necessário prorrogar esse prazo, o Tomador solicitará prorrogação para consideração do Banco. O prazo máximo para conclusão da assinatura e entrada em vigor é de dezoito (18) meses após a aprovação do Conselho do Banco Mundial (atualmente previsto para 5 de fevereiro de 2024). Os contratos legais para um Empréstimo do Banco Mundial extinguem-se se as condições para a sua entrada em vigor, se existirem, não tiverem sido cumpridas até a data especificada no respectivo contrato legal. Quando exigido, o Banco poderá decidir prorrogar o prazo de entrada em vigor; normalmente, conforme mencionado acima, o prazo não é prorrogado além de 18 (dezoito) meses após a aprovação do Conselho do Banco Mundial. Considerando as exigências do Tesouro Nacional, o representante da PGFN da Delegação do Tomador solicitou que, antes da Data de Assinatura, o Banco confirme que as Condições de Entrada em Vigor Adicionais foram substancialmente atendidas.

8. **Data de Fechamento do Empréstimo.** A Data de Fechamento da Operação é 15 de maio de 2030. A Delegação do Tomador reiterou que quaisquer alterações na Data de Fechamento exigiriam aprovação prévia do Garantidor, conforme refletido no LA.

9. **Termos Financeiros do Empréstimo.** Os termos financeiros do Empréstimo, de acordo com a Planilha de Escolha do Empréstimo submetida pelo Tomador (Anexo 7), estão resumidos na tabela abaixo. O Tomador confirmou que concorda com estes termos financeiros.

Produto financeiro do BIRD	Empréstimo Flexível do BIRD com Spread Variável.
Moeda e valor	80.000.000 dólares dos Estados Unidos.
Taxa Inicial	0,25% (zero vírgula vinte e cinco por cento) do Valor Empréstimo.
Encargo de Compromisso	0,25% (zero vírgula vinte e cinco por cento) ao ano do Saldo Não Sacado do Empréstimo do Programa. Ele é acumulado a partir de 60 dias após a assinatura do empréstimo e o pagamento é devido duas vezes por ano.
Termos de reembolso	Cronograma de Reembolso de Amortização Vinculado a Compromissos - Reembolso em Nível, com 25 anos de Vencimento Final, incluindo carência de 5 anos e amortização em 15 de fevereiro e 15 de agosto de cada ano.

10. **Cronograma de Amortização.** O Tomador confirmou o Cronograma de Amortização Vinculada a Compromissos anexo (Anexo 5) e refletido no Apenso 3 do LA, válido para uma data prevista pelo Conselho de 5 de fevereiro de 2024. A Delegação do Banco Mundial explicou que um Cronograma de Amortização Vinculada a Compromissos significa um Cronograma de Amortização no qual o prazo e o valor dos reembolsos do principal são determinados por referência à data de aprovação do Empréstimo pela Diretoria Executiva do Banco Mundial (Data do Conselho) e calculado como uma parcela do Saldo do Empréstimo Sacado, conforme especificado no LA. A Delegação do Banco esclareceu ainda que caso haja alteração da Data do Conselho, o cronograma de amortizações (e por sua vez o LA) poderá necessitar ser atualizado e o Tomador e o Garantidor serão informados em conformidade. Os termos financeiros revisados seriam acordados por todas as partes, também por e-mail, após o que um adendo a esta Ata seria assinado e distribuído.

11. **Retiradas e arranjos de desembolso.** A DFIL negociada (Anexo 4) e os aspectos relevantes sobre os arranjos de desembolso no âmbito do projeto de LA foram discutidos e acordados com a Delegação do Tomador e a Delegação do Garantidor.

12. **Categorias de desembolso.** A tabela de categorias de desembolso, seus respectivos valores e as condições de saque do Projeto foram discutidas e acordadas conforme indicado na Cláusula III.A e III.B do Apenso 2 da LA. A tabela de categorias de desembolso também reflete os termos financeiros selecionados pelo Tomador.

13. **Sobretaxa de exposição.** A Delegação do Banco Mundial esclareceu que, de acordo com o Artigo 3.01(c) das Condições Gerais, se em um determinado dia a Exposição Total exceder o Limite de Exposição Padrão e o Valor de Exposição Excedente Alocado for aplicável ao Empréstimo (ou a uma parte dele), o Tomador pagará ao Banco a Sobretaxa de Exposição sobre esse Valor de Exposição Excedente Alocado para cada dia.

14. **Comitê Estatutário.** De acordo com o Artigo III, Cláusula 4 (iii) do Contrato de Constituição do Banco Mundial, um projeto proposto para ser financiado ou garantido pelo Banco Mundial deverá ser acompanhado de um relatório/recomendação ("Relatório do Comitê Estatutário") a ser emitido por um comitê competente (doravante denominado "Comitê Estatutário"), cujos membros incluirão um perito escolhido pelo Governador que represente o membro em cujo território se situa a operação em questão. O Governador do Garantidor, por ofício datado de 8 de novembro de 2014, confirmou que o oficial do Garantidor que assinar esta Ata em nome do Garantidor será considerado perito da República Federativa do Brasil no Comitê Estatutário, e que a assinatura do referido oficial da Ata será considerada como assinatura do Relatório do Comitê Estatutário.

As partes reconhecem que a PGFN/MF foi designada para assinar esta Ata no que diz respeito ao financiamento deste Projeto.

15. **Acesso a informação.** A Delegação do Banco Mundial informou à Delegação do Tomador e à Delegação Garantidor que o PAD será atualizado para levar em conta comentários e observações feitas durante as negociações. De acordo com a Política do Banco Mundial sobre Acesso à Informação, o Banco Mundial divulgará o PAD, os acordos legais relacionados e outras informações relacionadas ao Projeto, incluindo quaisquer cartas suplementares, assim que a operação for aprovada pela Diretoria Executiva do Banco Mundial.

16. **Aceitação de Documentos Negociados.** A Delegação do Tomador e a Delegação do Garantidor confirmaram a aprovação dos documentos negociados e desta Ata, que constituem o acordo total e final do Tomador e do Garantidor com os documentos acima mencionados. Nenhuma confirmação adicional neste momento ou evidência de aceitação desses documentos é necessária para a submissão do Projeto proposto para consideração da Diretoria Executiva do Banco Mundial.

17. **Alterações ao Contrato de Empréstimo.** A Delegação do Garantidor explicou que quaisquer alterações ao Contrato de Empréstimo negociado exigiriam a aprovação prévia do Garantidor, em conformidade com a estrutura legal aplicável do Garantidor.

18. **Assinatura dos Contratos Legais.** A Delegação do Banco explicou que em 1º de julho de 2023, o Banco migrou para o uso de assinaturas eletrônicas (e-Signatures) como modalidade padrão para assinatura de todos os contratos de financiamento do BIRD celebrados com o Banco onde tanto o Banco quanto o Tomador assinam eletronicamente via DocuSign. A Delegação do Tomador e a Delegação do Garantidor manifestaram a sua disponibilidade para assinar eletronicamente os Contratos Legais.

19. **Próximos passos.** (i) O Projeto deverá ser submetido à Diretoria Executiva do Banco Mundial para consideração em 5 de fevereiro de 2024; e (ii) paralelamente à aprovação do Conselho do Banco Mundial, o Tomador e o Garantidor agilizarão as etapas processuais e administrativas necessárias para apresentar o Projeto ao Senado Brasileiro para aprovação e posterior assinatura do LA e do GA.

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Barbara Farinelli, Banco Mundial  
Chefe da Delegação do Banco Mundial

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Caroline Leite Nascimento  
SEAID, Ministério do Planejamento e Orçamento  
Chefe da Delegação do Garantidor

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Aparecida Maria Borges Bezerra,  
Secretária, SEAF  
Estado de Mato Grosso,  
Chefe da Delegação do Tomador

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Fabiani Fadel Borin  
PGFN, Ministério da Fazenda

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Arthur Batista de Sousa  
STN, Ministério da Fazenda

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Diego Marques Santana  
Myoshi, PGE  
Estado de Mato Grosso

**Lista de Anexos:**

Anexo 1: Membros das Delegações do Tomador, do Garantidor e do Banco Mundial

Anexo 2: Contrato de Empréstimo Negociado

Anexo 3: Contrato de Garantia Negociado

Anexo 4: Carta de Informações Financeiras e Desembolso Negociado

Anexo 5: Cronograma de Amortização

Anexo 6: ESCP

Anexo 7: Planilha de Escolha de Empréstimo

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**Membros da Delegação do Tomador**

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Angélica Wandermurem Scheidegger, SEFAZ/MT  
Aparecida Maria Borges Bezerra, SEAF/MT  
Clovis Figueiredo Cardoso, SEAF/MT  
Daniel Pimentel, SEAF/MT  
Diego Marques Santana Myoshi, PGE/MT  
Karyna de Lima Bezerra, **SEAF/MT**  
Leonardo da Silva Ribeiro, SEAF/MT  
Luciana Rosa, SEFAZ/MT  
Luciano Ferreira, SEAF/MT  
Luiz Artur de O. Ribeiro, SEAF/MT  
Rita de Cássia Volpato, SEAF/MT

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**Membros da Delegação do Garantidor**

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Arthur Batista de Sousa, Secretaria do Tesouro Nacional, STN  
Caroline Leite Nascimento, Secretaria de Assuntos Internacionais e Desenvolvimento, SEAD  
Fabiani Borin, Procuradoria-Geral da Fazenda Nacional, PGFN  
Josiane Fortes Ferreira Costa, Secretaria de Assuntos Internacionais e Desenvolvimento, SEAD

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**Membros da Delegação do Banco Mundial**

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Agnes Velloso, Especialista Ambiental  
Ana Ribas, Assistente Operacional e Administrativa  
Barbara Farinelli, TTL e Economista Agrícola Sênior  
Diogo Tavares, Advogado Nacional  
João Guilherme Moraes de Queiroz, Especialista em Compras  
José C. Janeiro, Diretor Financeiro Sênior  
Juliana Paiva, Especialista em Desenvolvimento Social  
Leah Arabella Germer, co-TTL e Especialista em Agricultura  
Maíra Oliveira Gomes Dos Santos, Assistente Jurídica  
Natasha Wiedmann, Advogada  
Silmara Moreira Da Silva, Especialista em Gestão Financeira  
Tania Lettieri, Diretora Sênior de Operações

**MINUTA CONFIDENCIAL  
NEGOCIADO  
16 DE NOVEMBRO DE 2023**

**EMPRÉSTIMO NÚMERO \_\_\_\_\_-BR**

## **Contrato de Empréstimo**

**Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso**

**entre**

**BANCO INTERNACIONAL DE RECONSTRUÇÃO E DESENVOLVIMENTO**

**e**

**ESTADO DE MATO GROSSO**

## **CONTRATO DE EMPRÉSTIMO**

CONTRATO datado da Data de Assinatura entre o BANCO INTERNACIONAL DE RECONSTRUÇÃO E DESENVOLVIMENTO (doravante denominado “Banco”) e o ESTADO DE MATO GROSSO (doravante denominado “Tomador”). O Banco e o Tomador têm entre si justo e acordado o seguinte:

### **ARTIGO I — CONDIÇÕES GERAIS; DEFINIÇÕES**

- 1.01. As Condições Gerais (conforme definido no Apêndice deste Contrato) aplicam-se e fazem parte deste Contrato.
- 1.02. A menos que o contexto exija o contrário, os termos grafados em letras maiúsculas utilizados neste Contrato têm os significados que lhes são atribuídos nas Condições Gerais ou no Apêndice deste Contrato.

### **ARTIGO II — EMPRÉSTIMO**

- 2.01. O Banco concorda em emprestar ao Tomador a quantia de US\$ 80.000.000 (oitenta milhões de dólares), podendo tal quantia ser convertida de tempos em tempos através de uma Conversão de Moeda (doravante denominado “Empréstimo”), para auxiliar no financiamento do projeto descrito no Apenso 1 deste Contrato (doravante denominado “Projeto”).
- 2.02. O Tomador poderá sacar os recursos do Empréstimo de acordo com a Cláusula III do Apenso 2 deste Contrato. O Representante do Tomador para a prática de quaisquer atos exigidos ou permitidos nos termos desta Cláusula é o Secretário da Agricultura Familiar ou qualquer pessoa ou pessoas que ele designar.
- 2.03. A Taxa Inicial é de 0,25% (zero vírgula vinte e cinco por cento) do valor do Empréstimo.
- 2.04. O Encargo de Compromisso é de 0,25% (zero vírgula vinte e cinco por cento) ao ano sobre o Saldo do Empréstimo Não Sacado.
- 2.05. A taxa de juros é a Taxa de Referência mais o Spread Variável ou a taxa que vier a ser aplicada após uma Conversão; sujeito à Cláusula 3.02(e) das Condições Gerais.
- 2.06. As datas de pagamento são 15 de fevereiro e 15 de agosto em cada ano.
- 2.07. O valor de principal do Empréstimo será reembolsado de acordo com o Apenso 3 deste Contrato.
- 2.08. O Tomador poderá solicitar as Conversões dos termos do Empréstimo, em cada caso com a prévia não objeção do Garantidor, por meio de sua Secretaria do Tesouro Nacional do Ministério da Fazenda do Garantidor.

### **ARTIGO III — PROJETO**

3.01. O Tomador declara seu compromisso com os objetivos do Projeto. Para tanto, o Tomador deverá, sob a gestão e coordenação geral da SEAF, executar o Projeto com o auxílio de:

- (a) INTERMAT para a Parte 2.1 (a) (exceto 2.1 (a) (V)) do Projeto;
- (b) SEMA para a Parte 2.1 (b) e 2.2 do Projeto; e
- (c) CGJ-MT para a Parte 2.1 (a) (V) do Projeto;

tudo de acordo com os termos dos seus respectivos Contratos de Cooperação; e

- (d) o Agente Comprador de acordo com os termos do Contrato de Agente Comprador;

tudo de acordo com o disposto no Artigo V das Condições Gerais e no Apêndice 2 deste Contrato.

### **ARTIGO IV — RECURSOS DO BANCO**

4.01. Os Eventos Adicionais de Suspensão consistem no seguinte:

- (a) o INTERMAT ou a SEMA, ou a CGJ-MT ter descumprido qualquer de suas respectivas obrigações nos termos de seus respectivos Contratos de Cooperação; e
- (b) o Agente de Compras não ter cumprido qualquer de suas obrigações nos termos do Contrato de Agenciamento de Compras;

de modo a afetar substancial e adversamente, na opinião do Banco, a capacidade do Tomador de cumprir qualquer uma de suas obrigações nos termos deste Contrato.

4.02. O Evento Adicional de Aceleração consiste no seguinte, a saber, que qualquer um dos eventos especificados na Cláusula 4.01 deste Contrato ocorra e continue por um período de 120 (cento e vinte) dias após a notificação do evento ter sido entregue pelo Banco ao Tomador e ao Garantidor.

### **ARTIGO V — VALIDADE; RESCISÃO**

5.01. As Condições Adicionais de Validade consistem no seguinte:

- (a) que o Manual de Operações do Projeto tenha sido adotado em forma e conteúdo satisfatórios para o Banco;
- (b) que o Tomador tenha emitido um decreto, em forma e conteúdo satisfatórios ao Banco, estabelecendo a PMU; e
- (c) que o Contrato de Agenciamento de Compras tenha sido assinado em nome do Tomador e que todas as condições precedentes à sua validade, exceto a validade deste Contrato, tenham sido cumpridas de maneira e com conteúdo satisfatórios para o Banco.

5.02. O Prazo Final de Validade é a data de 120 (cento e vinte) dias após a Data de Assinatura.

#### **ARTIGO VI — REPRESENTANTE; ENDEREÇOS**

6.01. O Representante do Tomador é o seu Governador.

6.02. Para os fins da Cláusula 10.01 das Condições Gerais:

(a) o endereço do Tomador é:

Casa Civil - Palácio Paiaguás, R. C, s/n  
Centro Político Administrativo  
78050-970 - Cuiabá,  
MT, Brasil; e

(b) o Endereço Eletrônico do Tomador é:

E-mail:  
gabinetegovmm@gabgoverno.mt.gov.br

Com cópias para:

Secretaria de Estado da Agricultura Familiar - SEAF  
Rua Eng. Agrônomo Arnaldo Duarte Monteiro, 196  
Edifício Engenheiro José Morbeck, 2º andar  
Centro Político Administrativo  
78049- 050 - Cuiabá - MT, Brasil  
E-mail: gabinete@agriculturafamiliar.mt.gov.br  
aparecidabezerra@agriculturafamiliar.mt  
lucianoferreira@agriculturafamiliar.mt

Secretaria de Estado de Fazenda - SEFAZ  
Av. Historiador Rubens de Mendonça, 3415  
Centro Político Administrativo  
78050- 903 - Cuiabá - MT, Brasil  
E-mail: cgdp@sefaz.mt.gov.br  
angelica.scheidegger@sefaz.mt.gov.br  
diegomiyoshi@pge.mt.gov.br

Secretaria de Assuntos Internacionais e Desenvolvimento - SEAID  
Ministério do Planejamento e Orçamento  
Esplanada dos Ministérios Bloco K - 8º andar  
70040-906 Brasília, DF, Brasil  
E-mail: cofiex@planejamento.gov.br

6.03. Para os fins da Cláusula 10.01 das Condições Gerais:

(a) o endereço do Banco é:

Banco Internacional para Reconstrução e Desenvolvimento  
1818 H Street, N.W.  
Washington, DC 20433  
Estados Unidos da América; e

(b) o Endereço Eletrônico do Banco é:

Telex: 248423(MCI) ou 64145(MCI)  
Fax: 1-202-477-6391

ACORDADO na Data de Assinatura.

**ESTADO DE MATO GROSSO**

Por

\_\_\_\_\_  
Representante autorizado

Nome: \_\_\_\_\_

Cargo:

Data:

**BANCO INTERNACIONAL DE  
RECONSTRUÇÃO E  
DESENVOLVIMENTO**

Por

\_\_\_\_\_  
Representante autorizado

Nome: \_\_\_\_\_

Cargo:

Data:

## APENSO 1

### Descrição do Projeto

Os objetivos do Projeto são melhorar o acesso aos mercados, a resiliência climática e a gestão fundiária e ambiental de agricultores familiares selecionados no Estado de Mato Grosso e, em caso de crise ou emergência elegível, responder pronta e eficazmente a ela.

O Projeto consiste nas seguintes partes:

#### Parte 1. Inclusão económica inteligente em termos climáticos

- 1.1 Realização de pré-investimentos para elaboração de Planos de Negócios de Agricultura Familiar, CSA, incluindo, *inter alia*:
  - (a) aumentar a conscientização do Projeto por meio da divulgação para Alianças Produtivas, parceiros comerciais e entidades financeiras, incluindo a implementação de uma estratégia de comunicação e disseminação de informações do Projeto que inclua os meios de comunicação preferidos por mulheres, jovens e PIQCTs e cubra tópicos relevantes para as necessidades e lacunas enfrentadas por esses grupos entre os Agricultores Familiares do território do Tomador;
  - (b) identificar, criar e consolidar Alianças Produtivas capazes de executar Planos de Negócios de Agricultura Familiar da CSA entre POs da Agricultura Familiar, parceiros comerciais e entidades financeiras, incluindo estratégias de comunicação direcionadas para ajudar a formar Alianças Produtivas entre Grupos Historicamente Vulneráveis (PIQCTs, mulheres, e jovens beneficiários);
  - (c) identificar oportunidades de investimentos em CSA por parte das POs (proposta de negócios) por meio de diagnósticos padronizados tanto em fazendas quanto em nível de PO;
  - (d) fornecer assistência técnica às PO para preparar Planos de Negócios de Agricultura Familiar de CSA viáveis; e
  - (e) capacitação entre os prestadores de serviços técnicos (públicos e privados) para ajudar as PO na implementação de práticas e tecnologias de CSA.
- 1.2 Fornecimento de Subsídios de Equiparação para POs de Agricultura Familiar Comercial Elegíveis e POs Elegíveis emergentes de agricultura familiar para a implementação de subprojetos por tais POs elegíveis e/ou Agricultores Familiares e membros do PICPT de tais PO Elegíveis.

#### Parte 2. Melhor gestão fundiária e ambiental

- 2.1 Realização de atividades de regularização fundiária e ambiental em benefício dos Beneficiários Elegíveis em Assentamentos Estaduais, *inter alia*:
  - (a) Para regularização fundiária: (I) avaliar a situação da regularização fundiária em cada área relevante; (II) contratar serviços de georreferenciamento e de inspeção ocupacional (visitas sociais e inspeções técnicas); (III) inspecionar as atividades de georreferenciamento e implementar levantamentos ocupacionais e processar titulação fundiária; (IV) realizar automapeamento de comunidades e preparar relatórios

antropológicos para comunidades *quilombola*; (V) fortalecer a capacidade da CGJ-MT de agilizar os processos de regularização fundiária de Agricultores Familiares e Povos e Comunidades Tradicionais; e (VI) realizar diagnósticos e fortalecimento da capacidade da INTERMAT para estabelecer políticas eficazes para os Agricultores Familiares e Povos e Comunidades Tradicionais; e

- (b) Para regularização ambiental: (I) auxiliar os Agricultores Familiares na elaboração do Cadastro Ambiental Rural (CAR) dos imóveis rurais selecionados e na capacitação para redução do número de CARs pendentes; (II) capacitar analistas da SEMA para validação de registros; (III) estabelecer procedimentos para lidar com os atrasos nas análises; (IV) treinar funcionários de instituições com forte capacidade de extensão de agricultores familiares para apoiar os agricultores familiares com quem trabalham no fornecimento de informações e na inserção de dados no sistema; (V) equipar e disponibilizar softwares necessários à análise e processamento das declarações do CAR; (VI) realizar análises para solucionar sobreposições de parcelas georreferenciadas na base de dados, principal gargalo que atrasa a validação de solicitações cadastrais; e (VII) realizar diagnósticos e fortalecer a capacidade da SEMA para formulação de políticas para Agricultores Familiares e PIQCTs.

## 2.2 Realização de atividades de prevenção e controle de incêndios florestais e desmatamento, incluindo, *inter alia*:

- (a) aprimorar o sistema de monitoramento florestal, que utiliza, entre outras coisas, imagens de satélite para integrar informações e alertas em tempo real de diferentes fontes de dados e, por meio da elaboração de mapas periódicos, permitir que a SEMA monitore as mudanças no uso da terra e a identificação de focos de calor do desmatamento e incêndios florestais em áreas de Agricultura Familiar;
- (b) realizar atividades de educação ambiental voltadas para Agricultores Familiares localizados em focos de desmatamento e incêndios florestais, visando reduzir sua contribuição para o desmatamento no Estado e uso do fogo em terras agrícolas; e
- (c) adquirir equipamentos para inspeção no local, tais como veículos para todo terreno.

## Parte 3. Gestão e Coordenação de Projetos

Realização de atividades gerais de gestão, coordenação e implementação do Projeto, incluindo, *inter alia*:

- (a) coordenação interinstitucional;
- (b) monitoramento, avaliação e análise de impacto;
- (c) administração fiduciária, controles internos e auditorias;
- (d) gestão de salvaguardas ambientais e sociais;

- (e) operação de mecanismos de envolvimento dos cidadãos e de reparação de queixas;
- (f) realização de estudos e outras atividades de apoio às Partes 1 e 2 do Projeto, conforme proposto pelo Tomador e acordado pelo Banco; e
- (g) execução de uma estratégia de comunicação e divulgação.

#### **Parte 4. Resposta de emergência contingente**

Fornecimento de resposta imediata a uma Emergência ou Crise Elegível, conforme necessário.

## APENSO 2

### Execução do Projeto

#### Cláusula I. Arranjos de Implementação

##### A. Arranjos Institucionais

1. O Tomador deverá:

- (a) atribuir à SEAF, em todos os momentos durante a implementação do Projeto, a responsabilidade geral pela implementação do Projeto com recursos suficientes, capacidade de tomada de decisão e pessoal competente em número e responsabilidades adequados, todos aceitáveis para o Banco e conforme estabelecido no Manual de Operações do Projeto (doravante denominado “POM”);
- (b) estabelecer e, posteriormente, manter, em todos os momentos durante a implementação do Projeto, uma Unidade de Gestão do Projeto (doravante denominado “PMU”) na SEAF para auxiliar na gestão e implementação do Projeto, com pessoal, funções e responsabilidades aceitáveis para o Banco, conforme previsto no POM;
- (c) sem limitação ao disposto no parágrafo (b) desta Cláusula A.1, e no máximo 90 (noventa) dias após a Data de Vigência, completar o quadro de pessoal da PMU conforme estabelecido no POM;
- (d) no máximo 90 (noventa) dias após a Data de Vigência, estabelecer e posteriormente manter durante a implementação do Projeto, um Comitê Consultivo presidido pela SEAF e composto por representantes de, *inter alia*, SEMA, INTERMAT, CGJ-MT, EMPAER, SEFAZ, PCI e Gabinete do Governador do Mato Grosso (Casa Civil), com responsabilidades e recursos suficientes, todos aceitáveis para o Banco e previstos no POM;
- (e) no máximo 90 (noventa) dias após a Data de Vigência, estabelecer e manter durante a implementação do Projeto, uma Comissão Especial de Licitação com composição, responsabilidades e recursos suficientes, todos aceitáveis para o Banco e estabelecidos no POM; e
- (f) no máximo 90 (noventa) dias após a Data de Vigência, estabelecer e posteriormente manter durante a implementação do Projeto, um Comitê de Avaliação de Subprojeto, presidido pela SEAF e composto por representantes de, *inter alia*, SEAF, INTERMAT, CGJ, SEMA e EMPAER, com responsabilidades e recursos suficientes, todos aceitáveis para o Banco e previstos no POM.

2. Salvo acordo em contrário do Banco, o Tomador não alterará, ab-rogará, suspenderá, revogará, renunciará ou deixará de fazer cumprir qualquer disposição do decreto mencionado no parágrafo (b) da Cláusula 5.01 deste Contrato.

##### B. Contratos de Cooperação e Contrato de Agenciamento de Compras

1. O Tomador deverá prontamente, após a Data de Vigência, celebrar um contrato com o INTERMAT (doravante denominado “Contrato de Cooperação da INTERMAT”); SEMA (doravante denominado “Contrato de Cooperação da SEMA”), e CGJ-MT (doravante denominado “Contrato de Cooperação da CGJ-MT”), e coletivamente os Contratos de Cooperação, nos termos e condições aceitáveis para o Banco, estabelecendo, *inter alia*:
    - (a) a obrigação da INTERMAT, SEMA e CGJ-MT de auxiliar na execução respectivamente das seguintes Partes do Projeto:
      - (i) INTERMAT, Parte 2.1 (a) (exceto (i) (V))
      - (ii) SEMA 2.1 (b) e 2.2; e
      - (iii) CGJ-MT 2.1 (a) (V);

tudo de acordo com as disposições deste Contrato, das Diretrizes Anticorrupção, do ESCP e do POM; e

  - (b) a obrigação do Tomador de adquirir os bens, obras e serviços necessários para a implementação de tais partes do Projeto em nome da INTERMAT, SEMA e CGJ-MT, de acordo com as disposições deste Contrato.
2. O Tomador celebrará um contrato com o Agente de Compras (doravante denominado “Contrato de Agenciamento de Compras”) nos termos e condições aceitáveis para o Banco, estabelecendo, *inter alia*:
  - (a) a obrigação do Agente de Compras de auxiliar o Tomador na aquisição de bens, obras, serviços e serviços de não consultoria necessários para a implementação das Partes 1.1, 1.2, quando solicitado pelo Tomador e acordado pelo Banco, 2 e 3 do Projeto de acordo com as disposições deste Contrato, as Diretrizes Anticorrupção, os Regulamentos de Compras e o POM; e
  - (b) a obrigação do Tomador de: (i) pagar as taxas do Agente de Compras com recursos orçamentários; e (ii) disponibilizar ao Agente de Compras os recursos do Empréstimo alocados para as Partes do Projeto para as quais o Agente de Compras adquirirá os bens, obras e serviços para permitir que o Agente de Compras pague todos esses bens, obras e serviços em nome do Tomador, de acordo com as disposições deste Contrato.
3. O Tomador exercerá os seus direitos e cumprirá as suas obrigações nos termos dos Contratos de Cooperação e do Contrato de Agenciamento de Compras de forma a proteger os interesses do Tomador e do Banco e a cumprir os objetivos do Empréstimo.
4. Salvo acordo em contrário por escrito do Banco, o Tomador não deverá ceder, alterar, revogar, renunciar ou deixar de fazer cumprir qualquer um dos Contratos de Cooperação ou Contrato de Agenciamento de Compras ou qualquer uma de suas disposições, ou permitir que o acima mencionado seja cedido, alterado, revogado ou renunciado ou qualquer disposição do mesmo.

**C. Manual de Operações do Projeto**

1. O Tomador executará o Projeto de acordo com um Manual de Operações do Projeto contendo diretrizes e procedimentos detalhados para a implementação do Projeto, incluindo, *inter alia*:
  - (a) uma descrição detalhada das atividades e arranjos institucionais para o Projeto;
  - (b) os procedimentos administrativos, contábeis, de auditoria, relatórios, financeiros, de aquisição e desembolso do Projeto;
  - (c) os indicadores de monitoramento do Projeto;
  - (d) a composição e funções do Comitê Consultivo e de Licitação Especial Comitê;
  - (e) uma descrição detalhada dos mecanismos e sistemas de coleta e processamento de Dados Pessoais de acordo com os padrões internacionais e as boas práticas internacionais;
  - (f) o ESCP;
  - (g) os critérios de elegibilidade para Agricultores Familiares, Alianças de Produtores, Organizações de Produtores, Planos de Negócios de Agricultores Familiares de CSA, POs de Agricultores Familiares Emergentes e POs de Agricultura Familiar Comercial;
  - (h) os valores elegíveis de Subsídios de Equiparação, incluindo (i) um valor máximo de US\$ 1.000.000 para Subprojetos a serem implementados por POs de Agricultura Familiar Comercial Elegíveis e (ii) um valor máximo de US\$ 650.000 para Subprojetos a serem implementados por POs de Agricultura Familiar Emergente Elegíveis (ou outros valores que o Banco possa acordar), as contribuições em dinheiro e/ou em espécie exigidas dos POs e a elegibilidade, seleção e monitoramento dos Subsídios de Equiparação;
  - (i) os critérios de elegibilidade, seleção e monitoramento dos Subprojetos e um modelo dos Contratos de Subprojetos; e
  - (i) quaisquer outros arranjos e procedimentos necessários para a implementação eficaz do Projeto,

tudo em forma e conteúdo satisfatórios para o Banco, conforme tal manual vier a ser alterado pelo Tomador de tempos em tempos, com a aprovação prévia por escrito do Banco.
2. Salvo acordo em contrário por escrito do Banco, o Tomador não alterará, renunciará ou deixará de fazer cumprir qualquer disposição do Manual de Operações do Projeto sem a aprovação prévia por escrito do Banco.
3. Em caso de qualquer conflito entre os termos do Manual de Operações do Projeto e os deste Contrato, os termos deste Contrato prevalecerão.

**D. Subprojetos**

1. Para fins de execução da Parte 1.2 do Projeto, após a aprovação de um Subprojeto a ser parcialmente financiado por um Subsídio de Equiparação, e antes da realização de quaisquer atividades do Subprojeto, o Tomador deverá, transferir com base em concessão, parte dos recursos do Empréstimo à correspondente PO de Agricultura Familiar Comercial ou PO de Agricultura Familiar Emergente Elegível (doravante denominado “Subsídio de Equiparação”), de acordo com os termos de um contrato a ser celebrado entre o Tomador e a PO de Agricultura Familiar Comercial Elegível ou PO de Agricultura Familiar Emergente, nos termos e condições aceitáveis para o Banco (doravante denominado “Contrato de Subprojeto”), que incluirá, *inter alia*, os seguintes:
  - (a) a obrigação do Tomador de desembolsar prontamente à PO de Agricultura Familiar Comercial Elegível ou PO de Agricultura Familiar Emergente Elegível os valores necessários para financiar parcialmente o custo de bens, obras e serviços de um Subprojeto, tal como Subsídio de Equiparação, conforme estabelecido no Contrato de Subprojeto;
  - (b) o direito do Tomador de tomar medidas corretivas contra a PO de Agricultura Familiar Comercial Elegível ou PO de Agricultura Familiar Emergente Elegível no caso de tal PO de Agricultura Familiar Comercial Elegível ou PO de Agricultura Familiar Emergente Elegível não ter cumprido qualquer uma de suas obrigações nos termos do Contrato de Subprojeto pertinente (cujas ações podem incluir, *inter alia*, a suspensão e/ou cancelamento parcial ou total dos recursos do Empréstimo destinados às Partes 2 do Projeto, tudo conforme previamente acordado com o Banco); e
  - (c) a obrigação de cada PO de Agricultura Familiar Comercial Elegível e PO de Agricultura Familiar Emergente Elegível e/ou Agricultor Familiar ou membros do PIQCT de tais PO Elegíveis, conforme o caso:
    - (i) utilizar os recursos do Empréstimo destinados ao Subprojeto exclusivamente para fins de financiamento parcial do referido Subprojeto;
    - (ii) (A) fornecer, prontamente quando necessário, instalações, serviços e outros recursos de contrapartida necessários ou apropriados para a execução do Subprojeto correspondente; e  
(B) co-financiar parte do custo do Subprojeto pertinente nos valores específicos especificados no Manual de Operações do Projeto para os diferentes tipos de Subprojetos, incluindo:
      - (I) 20% do custo de um Subprojeto realizado por um PO de Agricultura Familiar Comercial Elegível; e
      - (II) 10% do custo do Subprojeto, nos quais 5% são contribuídos em dinheiro e 5% em espécie, para um Subprojeto executado por uma PO de Agricultura Familiar Emergente Elegível. Exceções para Grupos Vulneráveis poderão ser concedidas pelo Banco, conforme especificado no POM.
    - (iii) executar o Subprojeto com a devida diligência e eficiência, e em conformidade com os padrões e práticas administrativas, técnicas, financeiras, econômicas, ambientais e sociais apropriadas, e de acordo com as disposições do Contrato de

Empréstimo, inclusive de acordo com as disposições das Diretrizes Anticorrupção e do ESCP;

- (iv) adquirir os bens, obras, serviços de consultoria e/ou serviços não consultivos a serem financiados com as receitas do Empréstimo, de acordo com as disposições dos Regulamentos de Compras;
  - (v) manter políticas e procedimentos adequados que lhe permitam monitorar e avaliar, de acordo com indicadores satisfatórios ao Banco, o andamento do Subprojeto e o alcance de seus objetivos;
  - (vi) permitir que o Tomador e o Banco inspecionem o Subprojeto, seu funcionamento e quaisquer registros e documentos relevantes; e
  - (vii) preparar e fornecer ao Tomador e ao Banco todas as informações que o Tomador ou o Banco razoavelmente solicitarem em relação ao acima exposto.
2. O Tomador, por meio da SEAF, exercerá e fará com que a PO de Agricultura Familiar Comercial e a PO de Agricultura Familiar Emergente exerçam seus respectivos direitos e cumpram suas respectivas obrigações nos termos de cada Contrato de Subprojeto de forma a proteger os interesses do Tomador, e do Banco e cumprir os fins do Empréstimo.
3. Salvo acordo em contrário do Banco, o Tomador, por meio da SEAF, não deverá ceder, alterar, revogar, renunciar ou deixar de fazer cumprir qualquer um dos Contratos de Subprojeto ou qualquer uma de suas disposições.

#### **E. Padrões Ambientais e Sociais.**

1. O Tomador, por meio da SEAF, garantirá que o Projeto seja executado de acordo com as Normas Ambientais e Sociais, de forma aceitável para o Banco.
2. Sem limitação ao parágrafo 1 acima, o Tomador, por meio da SEAF, deverá garantir que o Projeto seja implementado de acordo com o Plano de Compromisso Ambiental e Social (doravante denominado “ESCP”), de forma aceitável para o Banco. Para tanto, o Tomador deverá garantir que:
- (a) as medidas e ações especificadas no ESCP sejam implementadas com a devida diligência e eficiência, conforme previsto no ESCP;
  - (b) estejam disponíveis fundos suficientes para cobrir os custos de implementação do ESCP;
  - (c) políticas e procedimentos sejam mantidos, e pessoal qualificado e experiente em número adequado seja contratado para implementar o ESCP, conforme previsto no ESCP; e
  - (d) o ESCP, ou qualquer disposição dele, não seja alterado, revogado, suspenso ou renunciado, exceto se o Banco concordar de outra forma por escrito, conforme especificado no ESCP, e garantir que o ESCP revisado seja divulgado imediatamente a partir de então.

3. Em caso de quaisquer inconsistências entre o ESCP e as disposições deste Contrato, as disposições deste Contrato prevalecerão.
4. O Tomador, através da SEAF, deverá garantir que:
  - (a) sejam tomadas todas as medidas necessárias para coletar, compilar e fornecer ao Banco por meio de relatórios regulares, com a frequência especificada no ESCP, e prontamente em um relatório ou relatórios separados, se assim solicitado pelo Banco, informações sobre a situação do cumprimento do ESCP e dos instrumentos ambientais e sociais neles referidos, todos esses relatórios em forma e substância aceitáveis para o Banco, estabelecendo, entre outros: (i) o estado de implementação do ESCP; (ii) condições, se houver, que interfiram ou ameacem interferir na implementação do ESCP; e (iii) medidas corretivas e preventivas tomadas ou necessárias para resolver tais condições; e
  - (b) o Banco seja prontamente notificado de qualquer incidente ou acidente relacionado ou que tenha impacto no Projeto que tenha, ou possa ter, um efeito adverso significativo sobre o meio ambiente, as comunidades afetadas, o público ou os trabalhadores, de acordo com o ESCP, os instrumentos ambientais e sociais nele referenciados e as Normas Ambientais e Sociais.
5. O Tomador, através da SEAF, estabelecerá, divulgará, manterá e operará um mecanismo de reclamação acessível, para receber e facilitar a resolução de preocupações e queixas das pessoas afetadas pelo Projeto, e tomar todas as medidas necessárias e apropriadas para resolver ou facilitar a resolução de tais preocupações e queixas, de forma aceitável para o Banco.

**F. Resposta de emergência contingente**

1. A fim de garantir a implementação adequada das atividades de resposta a emergências contingentes no âmbito da Parte 4 do Projeto (doravante denominada “Parte de Resposta a Emergências Contingentes”), o Tomador deverá garantir que:
  - (a) um manual (doravante denominado “Manual CERC”) seja preparado e adotado em forma e substância aceitáveis para o Banco, que estabelecerá mecanismos detalhados de implementação para a Parte de Resposta a Emergências Contingentes, incluindo: (i) quaisquer estruturas ou arranjos institucionais para coordenar e implementação da Parte de Resposta a Emergências Contingentes; (ii) atividades específicas que possam ser incluídas na Parte de Resposta a Emergências Contingentes, Despesas Elegíveis exigidas para tanto (doravante denominadas “Despesas Emergenciais”) e quaisquer procedimentos para tal inclusão; (iii) disposições de gestão financeira para a Parte de Resposta a Emergências Contingentes; (iv) métodos e procedimentos de compras para a Parte de Resposta a Emergências Contingentes; (v) documentação necessária para saques de valores de Financiamentos para financiar Despesas Emergenciais; (vi) uma descrição da avaliação ambiental e social e dos mecanismos de gestão para a Parte de Resposta a Emergências Contingentes; e (vii) um modelo de Plano de Ação de Emergência;
  - (b) o Plano de Ação de Emergência seja preparado e adotado em forma e substância aceitáveis para o Banco;

- (c) a Parte de Resposta a Emergências seja realizada de acordo com o Manual CERC e o Plano de Ação de Emergência; ficando ressalvado, no entanto, que no caso de qualquer inconsistência entre as disposições do Manual CERC ou do Plano de Ação de Emergência e este Contrato, as disposições deste Contrato prevalecerão; e
  - (d) nem o Manual CERC nem o Plano de Ação de Emergência sejam alterados, suspensos, ab-rogados, revogados ou renunciados sem aprovação prévia por escrito do Banco.
- 2. O Beneficiário deverá garantir que as estruturas e arranjos referidos no Manual CERC sejam mantidos durante a implementação da Parte de Resposta a Emergências Contingentes, com pessoal e recursos adequados e satisfatórios para o Banco.
- 3. O Beneficiário deverá garantir que:
  - (a) os instrumentos ambientais e sociais exigidos para a Parte de Resposta a Emergências Contingentes sejam preparados, divulgados e adotados de acordo com o Manual CERC e o ESCP, e em forma e substância aceitáveis para o Banco; e
  - (b) a Parte de Resposta a Emergências Contingentes seja realizada de acordo com os instrumentos ambientais e sociais de forma aceitável para o Banco.
- 4. As atividades no âmbito da Parte de Resposta a Emergências de Contingência serão realizadas apenas após a ocorrência de uma Emergência ou Crise Elegível.

## **Cláusula II. Avaliação e Relatório de Monitoramento do Projeto**

O Tomador deverá fornecer ao Banco cada Relatório de Projeto no prazo máximo de 60 (sessenta) dias após o término de cada semestre civil, abrangendo o semestre civil.

## **Cláusula III. Retirada dos Recursos do Empréstimo**

### **A. Disposições Gerais.**

Sem limitação ao disposto no Artigo II das Condições Gerais e de acordo com a Carta de Desembolso e Informação Financeira, o Tomador poderá retirar os recursos do Empréstimo para financiar Despesas Elegíveis no valor alocado e, se aplicável, até o percentual estabelecido em relação a cada categoria da tabela a seguir:

<b>Categoria</b>	<b>Valor do Empréstimo Alocado (expresso em US\$)</b>	<b>Porcentagem de Despesas a serem financiadas (incluindo Impostos)</b>
(1) Bens, obras, serviços técnicos, serviços de consultoria, Custos Operacionais e Treinamento para as Partes 1.1 e 3 do Projeto	11.000.000	100%
(2) Subsídios de Equiparação sob a Parte 1.2 do Projeto	56.000.000	100%
(3) Bens, obras, serviços técnicos, serviços de consultoria, Custos Operacionais e Treinamento para a Parte 2 do Projeto	13.000.000	100%
(4) Despesas Emergenciais	0	100%
<b>MONTANTE TOTAL</b>	<b>80.000.000</b>	<b>[-]</b>

**B. Condições de Retirada; Período de Retirada.**

1. Não obstante o disposto na Parte A acima, nenhuma retirada será feita:
  - (a) para pagamentos efetuados antes da Data de Assinatura; ou
  - (b) para Despesas Elegíveis na Categoria (3) até que o Contrato de Cooperação do INTERMAT, o Contrato de Cooperação da SEMA e o Contrato de Cooperação da CGJ-MT tenham sido celebrados em forma e substância satisfatórias ao Banco; ou
  - (c) para Despesas Emergenciais na Categoria (4), a menos que e até que todas as seguintes condições tenham sido atendidas em relação a tais despesas:
    - (i) (A) o Tomador tenha determinado que ocorreu uma Emergência ou Crise Elegível e fornecido ao Banco uma solicitação para retirar valores do Empréstimo na Categoria (4); e (B) o Banco tenha concordado com tal determinação, aceitado a referida solicitação e notificado o Tomador sobre isso; e
    - (ii) o Tomador tenha adotado o Manual CERC e o Plano de Ação de Emergência, em forma e substância aceitáveis para o Banco.
2. A Data de Fechamento é 15 de maio de 2030. O Banco poderá conceder uma prorrogação da Data de Fechamento somente após o Ministério das Finanças do Garantidor ter informado o Banco que concorda com tal prorrogação.

### **APENSO 3**

#### **Cronograma de Reembolso de Amortização Vinculado a Compromisso**

A tabela a seguir estabelece as Datas de Pagamento de Principal do Empréstimo e o percentual do valor total do principal do Empréstimo pagável em cada Data de Pagamento do Principal (doravante denominado “Parcela”).

##### **Reembolsos de Principal de Nível**

<b>Data de pagamento de principal</b>	<b>Parcela</b>
Em cada 15 de fevereiro e 15 de agosto, iniciando em 15 de fevereiro de 2029 até 15 de agosto de 2048	2,5%

## APÊNDICE

### Definições

1. “Diretrizes Anticorrupção” significa, para efeitos do parágrafo 6 do Apêndice das Condições Gerais, as “Diretrizes sobre Prevenção e Combate à Fraude e Corrupção em Projetos Financiados por Empréstimos do BIRD e Créditos e Subsídios da AID”, datadas de 15 de outubro de 2006 e revisadas em janeiro de 2011 e 1º de julho de 2016.
2. “CAR” significa o Cadastro Ambiental Rural do Garantidor estabelecido nos termos da Lei nº 12.651 do Garantidor, de 25 de maio de 2012, conforme alterada até a data deste Contrato.
3. “Categoria” significa a categoria constante da tabela da Cláusula III.A do Apenso 2 deste Contrato.
4. “Manual CERC” significa o manual referido na Cláusula F do Apenso 2 deste Contrato, conforme tal manual vier a ser atualizado periodicamente com a concordância do Banco e que é parte integrante do Manual de Operações do Projeto.
5. “CGJ-MT” significa a Corregedoria Geral de Justiça, a Controladoria Geral de Justiça do Tomador referida na Lei nº 4.964 do Tomador, de 26 de dezembro de 2023, conforme alterada até a data deste Contrato.
6. “Contrato de Cooperação da CGJ-MT” significa o contrato referido na Cláusula I.B do Apenso 2 deste Contrato a ser celebrado entre o Tomador e a CGJ-MT.
7. “PO de Agricultura Familiar Comercial” significa uma organização de produtores bem estruturada e experiente e membros com atividade ativa e regular em mercados formais legalmente estabelecidos no território do Tomador e elegíveis para participar da Parte 1 do Projeto conforme detalhado no Manual de Operações do Projeto.
8. “Contratos de Cooperação” significam, coletivamente, o Contrato de Cooperação da INERMAT, o Contrato de Cooperação da SEMA, e o Contrato de Cooperação da CGJ-MT.
9. “Comitê Consultivo” significa o comitê consultivo referido na Cláusula I.A.1 (d) do Apenso 2 do Contrato de Empréstimo.
10. “Parte de Resposta a Emergências Contingentes” significa qualquer atividade ou atividades a serem realizadas sob a Parte F do Projeto para responder a uma Emergência ou Crise Elegível.
11. “CSA” significa atividades climaticamente inteligentes.
12. “Plano de Negócios da Agricultura Familiar de CSA” significa um plano de negócios que inclui práticas e tecnologias de SCA que contribuem para a resiliência às mudanças climáticas e/ou mitigação das mudanças climáticas, conforme estabelecido no Manual de Operações do Projeto.
13. “Beneficiário Elegível” significa um Agricultor Familiar ou PIQCT elegível para se beneficiar da regularização fundiária e/ou ambiental nos termos da Parte 2.1 do Projeto, de acordo com os critérios estabelecidos no Manual de Operações do Projeto.

14. “Emergência ou Crise Elegível” significa um evento que causou, ou provavelmente causará iminentemente, um grande impacto econômico, ambiental e/ou social adverso ao Tomador, associado a uma crise ou desastre natural ou provocado pelo homem.
15. “PO de Agricultura Familiar Comercial Elegível” significa uma PO de Agricultura Familiar Comercial que atenda aos critérios estabelecidos no Manual de Operações do Projeto para receber Subsídio de Equiparação.
16. “PO de Agricultura Familiar Emergente Elegível” significa uma PO de Agricultura Familiar Emergente que atenda aos critérios estabelecidos no Manual de Operações do Projeto para receber um Subsídio de Equiparação.
17. “PO Elegível” significa coletivamente PO de Agricultura Familiar Comercial Elegível” e uma PO de Agricultura Familiar Emergente Elegível.
18. “Plano de Ação de Emergência” significa o plano referido na Cláusula F do Apenso 2 deste Contrato, detalhando as atividades, orçamento, plano de implementação e mecanismos de monitoramento e avaliação para responder à Emergência ou Crise Elegível.
19. “Despesas Emergenciais” significa qualquer uma das despesas elegíveis estabelecidas no Manual CERC referidas na Cláusula F do Apenso 2 deste Contrato e exigidas para a Parte de Resposta a Emergências Contingentes.
20. “PO de Agricultura Familiar Emergente” significa uma Organização de Produtores legalmente estabelecida, com potencial técnico para alcançar um excedente de produção considerável, mas com produção excedente atualmente deficiente devido à baixa produtividade, má organização e gestão, ou padrões de qualidade de produção deficientes e elegível para participar de Parte 1 do Projeto conforme detalhado no Manual de Operações do Projeto.
21. “EMPAER” significa a Empresa Estadual de Pesquisa, Assistência e Extensão Rural de Mato Grosso, regida pela Lei Complementar nº 461 do Tomador, de 28 de dezembro de 2011, pela Lei nº 566 do Tomador, de 20 de maio de 2015, e regulamentada pela Portaria nº 421 do Tomador, de 05 de fevereiro de 2016.
22. “Plano de Compromisso Ambiental e Social” ou “ESCP” significa o plano de compromisso ambiental e social do Projeto, datado de 16 de novembro de 2023, podendo o mesmo ser alterado de tempos em tempos de acordo com as disposições do mesmo, que estabelece as medidas e ações substanciais que o Tomador deverá realizar ou fazer com que sejam realizadas para abordar os potenciais riscos e impactos ambientais e sociais do Projeto, incluindo os prazos das ações e medidas, institucionais, de pessoal, treinamento, monitoramento e arranjos de relatórios e quaisquer instrumentos ambientais e sociais a serem preparados no âmbito dos mesmos.
23. “Normas Ambientais e Sociais” significa, coletivamente: (i) “Norma Ambiental e Social 1: Avaliação e Gestão de Riscos e Impactos Ambientais e Sociais”; (ii) “Norma Ambiental e Social 2: Condições Laborais e de Trabalho”; (iii) “Norma Ambiental e Social 3: Eficiência de Recursos e Prevenção e Gestão da Poluição”; (iv) “Norma Ambiental e Social 4: Saúde e Segurança Comunitária”; (v) “Norma Ambiental e Social 5: Aquisição de Terras, Restrições ao

Uso da Terra e Reassentamento Involuntário”; (vi) “Norma Ambiental e Social 6: Conservação da Biodiversidade e Gestão Sustentável dos Recursos Naturais Vivos”; (vii) “Norma Ambiental e Social 7: Povos Indígenas/Comunidades Locais Tradicionais Subsaarianas Historicamente Desfavorecidas”; (viii) “Norma Ambiental e Social 8: Patrimônio Cultural”; (ix) “Norma Ambiental e Social 9: Intermediários Financeiros”; (x) “Norma Ambiental e Social 10: Envolvimento das Partes Interessadas e Divulgação de Informações”; em vigor em 1º de outubro de 2018, conforme publicado pelo Banco.

24. “Agricultor Familiar” significa o agricultor, na forma da Lei nº 11.326 do Garantidor, de 24 de julho de 2006: (a) que não possua, sob qualquer regime de posse, área com mais de quatro módulos fiscais, (b) que dependa predominantemente do trabalho da própria família; (c) cuja renda familiar seja predominantemente proveniente da agricultura familiar; e (d) cujos familiares explorem a fazenda, e “Agricultura Familiar” significa a agricultura desenvolvida por tal Agricultor Familiar.
25. “Fundação Uniselva” significa a fundação estabelecida e operando no território do Tomador de acordo com a Lei nº 8.958 do Garantidor, de 20 de dezembro de 1994.
26. “Condições Gerais” significa o “as Condições Gerais do Banco Internacional de Reconstrução e Desenvolvimento para Financiamento do BIRD, Financiamento de Projetos de Investimento”, datadas de 14 de dezembro de 2018 (última revisão em 15 de julho de 2023).
27. “Povos Indígenas” significa os povos referidos na Constituição Federal, Capítulo VIII, artigos 231 e 232 do Garantidor.
28. “INTERMAT” significa o Instituto de Administração de Terras do Tomador, instituído nos termos da Lei nº 3.681 do Tomador, de 28 de novembro de 1975, e regulamentado pelo Decreto nº 775 do Tomador, de 23 de novembro de 1976, ambas alteradas até a data de este Contrato.
29. “Contrato de Cooperação do INTERMAT” significa o contrato referido na Cláusula I. B do Apenso 2 deste Contrato a ser celebrado entre o Tomador e o INTERMAT.
30. “Subsídio de Equiparação” significa um subsídio feito a uma PO de Agricultura Familiar Comercial Elegível ou a uma PO de Agricultura Familiar Emergente Elegível para financiar o custo de bens, obras e/ou serviços de consultoria necessários para a implementação de um Subprojeto de acordo com as disposições do respectivo Contrato de Subprojeto.
31. “Custos Operacionais” significa as despesas operacionais incrementais incorridas pelo Tomador em gestão, monitoramento e avaliação, incluindo aluguel de escritório, materiais e suprimentos de escritório, serviços públicos, custos de comunicação, suporte para sistemas de informação, custos de tradução, despesas bancárias e de viagens, e custos diários e outras despesas razoáveis diretamente associadas à implementação das atividades do Projeto, todos baseados em um orçamento anual aceitável para o Banco.
32. “PCI” significa a Estratégia: Produzir, Conservar e Incluir, conforme estabelecida e regulamentada pela Portaria nº 468 do Tomador, de 31 de março de 2016.
33. “Dados Pessoais” significa qualquer informação relativa a uma pessoa física identificada ou identificável. Uma pessoa física identificável é aquela que pode ser identificada por meios

razoáveis, direta ou indiretamente, por referência a um atributo ou combinação de atributos dentro dos dados ou combinação dos dados com outras informações disponíveis. Os atributos que podem ser usados para identificar uma pessoa física identificável incluem, entre outros, nome, número de identificação, dados de localização, identificador on-line, metadados e fatores específicos da condição física, fisiológica, genética, mental, econômica, identidade cultural ou social de uma pessoa física.

34. “PIQCT” significa Povos Indígenas, Quilombolas, e outros Povos e Comunidades Tradicionais.
35. “Agente de Compras” significa a Fundação Uniselva, ou qualquer outro agente com qualificações e experiência satisfatórias para o Banco, contratado para auxiliar o Tomador nas compras das Partes 1.1, 2 e 3 do Projeto e quando solicitado pelo Tomador e acordado pelo Banco para compra de bens selecionados nos Subprojetos, tudo conforme estabelecido no Contrato de Agenciamento de Compras.
36. “Contrato de Agenciamento de Compras” significa o contrato mencionado na Cláusula I. B do Apenso 2 deste Contrato a ser celebrado entre o Tomador e o Agente de Compras
37. “Regulamentos de Compra” significa, para efeitos do parágrafo 85 do Apêndice das Condições Gerais, os “Regulamentos de Compra do Banco Mundial para Tomadores de IPF”, datados de setembro de 2023.
38. “Aliança Produtiva” significa uma relação comercial entre um grupo de produtores, prestadores de assistência técnica, instituições comerciais e financeiras e um mercado identificado de compradores.
39. “Organização de Produtores” ou “PO” significa, coletivamente, a PO de Produtores de Agricultura Familiar Comercial e a PO de Agricultura Familiar Emergente.
40. “Unidade de Gestão do Projeto” ou “PMU” significa a unidade a ser estabelecida nos termos da Cláusula I. A (b) do Apenso 2 deste Contrato.
41. “Manual de Operações do Projeto” ou “POM” significa o manual descrito na Cláusula I. C do Apenso 2 deste Contrato.
42. “Quilombolas” significa os povos referidos na Constituição, artigos 68 e 216 do Garantidor.
43. “SEAF” significa a Secretaria de Agricultura Familiar do Tomador ou qualquer sucessora desta.
44. “SEFAZ” significa a Secretaria de Finanças do Tomador ou qualquer sucessora desta.
45. “SEMA” significa a Secretaria de Meio Ambiente do Tomador ou qualquer sucessora desta.
46. “Contrato de Cooperação da SEMA” significa o contrato referido na Cláusula I.B do Apenso 2 deste Contrato a ser celebrado entre o Tomador e a SEMA.

47. “Data de Assinatura” significa a última das duas datas em que o Tomador e o Banco assinaram este Contrato, e tal definição se aplica a todas as referências à “data do Contrato de Empréstimo” nas Condições Gerais.
48. “Comissão Especial de Licitação” significa a comissão referida na Cláusula I.A.1 (e?) do Apenso 2 deste Contrato.
49. “Assentamentos Estaduais” significa o conjunto de unidades agrícolas instaladas pelo Instituto Nacional de Reforma Agrária (INCRA) em propriedade rural, destinadas a famílias de agricultores ou trabalhadores rurais sem condições econômicas para adquirir propriedade rural, na forma da Lei nº 8.629 do Garantidor, de 25 de fevereiro de 1993, conforme alterada até a data deste Contrato, e o Decreto nº 9.311 do Tomador, de 15 de março de 2018, conforme alterado até a data deste Contrato.
50. “Subprojeto” significa um conjunto de atividades incluídas em um Plano de Negócios de Agricultura Familiar de CSA a ser implementado por uma PO de Agricultura Familiar Comercial Elegível e/ou uma PO de Agricultura Familiar Emergente Elegível com financiamento de uma Subsídio de Equiparação.
51. “Contrato de Subprojeto” significa qualquer um dos contratos a serem celebrados de acordo com as disposições da Cláusula ID do Apenso 2 deste Contrato.
52. “Comitê de Avaliação de Subprojeto” significa o comitê mencionado na Cláusula I.A.1(f) no Apenso 2 do Contrato de Empréstimo.
53. “Povos e Comunidades Tradicionais” significam os grupos culturalmente diferenciados que se reconhecem como tais, que possuem formas próprias de organização social e que ocupam e utilizam territórios e recursos naturais como condição para a sua vida cultural, social, religiosa, ancestral e reprodução econômica, utilizando conhecimentos, inovações e práticas geradas e transmitidas pela tradição, conforme definidos no Decreto nº 6.040 do Garantidor, de 7 de fevereiro de 2017.
54. “Treinamento” significa despesas (exceto aquelas para serviços de consultoria) incorridas em conexão com visitas de estudo, cursos de treinamento, seminários, workshops e outras atividades de treinamento, não incluídas em contratos de fornecedores de bens ou serviços, incluindo custos de materiais de treinamento, aluguel de espaços e equipamentos, viagens, ajudas de custo para trainees e treinadores e taxas de treinadores (conforme aplicável), todos baseados num orçamento anual satisfatório para o Banco.
55. “Grupos Vulneráveis” significa PIQCTs, mulheres e jovens.

# **Contrato de Garantia**

**(Projeto de Desenvolvimento Sustentável da Agricultura Familiar de Mato Grosso)**

**entre**

**REPÚBLICA FEDERATIVA DO BRASIL**

**e**

**BANCO INTERNACIONAL DE RECONSTRUÇÃO  
E DESENVOLVIMENTO**

## CONTRATO DE GARANTIA

CONTRATO celebrado entre a REPÚBLICA FEDERATIVA DO BRASIL (doravante denominado “Garantidor”) e o BANCO INTERNACIONAL DE RECONSTRUÇÃO E DESENVOLVIMENTO (doravante denominado do “Banco”) (doravante denominado “Contrato de Garantia”) em conexão com o Contrato de Empréstimo da Data de Assinatura celebrado entre o Banco e o ESTADO DO MATO GROSSO (doravante denominado “Tomador”), acerca do Empréstimo Nº [em branco]- BR (doravante denominado “Contrato de Empréstimo”). O Garantidor e o Banco têm entre si justo e acordado o seguinte:

### ARTIGO I – CONDIÇÕES GERAIS; DEFINIÇÕES

Cláusula 1.01. As Condições Gerais (conforme definido no Apêndice do Contrato de Empréstimo) são aplicáveis a este Contrato e são parte integrante do mesmo.

Cláusula 1.02. A menos que o contexto exija de outra forma, os termos em letras maiúsculas utilizados neste Contrato têm os significados que lhes são atribuídos nas Condições Gerais ou no Contrato de Empréstimo.

### ARTIGO II - GARANTIA

Cláusula 2.01. O Garantidor, neste ato, garante incondicionalmente, como devedor primário e não como avalista apenas, o pagamento devido e pontual de todos os Pagamentos do Empréstimo devidos pelo Tomador de acordo com o Contrato de Empréstimo.

### ARTIGO III -REPRESENTANTE; ENDEREÇOS

Cláusula 3.01. O Representante do Garantidor é o Ministro da Fazenda.

Cláusula 3.02. Para fins da Cláusula 10.01 das Condições Gerais:

(a) o endereço do Garantidor é:

Ministério da Fazenda  
Procuradoria Geral da Fazenda Nacional  
Esplanada dos Ministérios, Bloco "P" - 8º andar  
70048-900 Brasília, DF  
Brasil

Com cópia para:

Ministério da Fazenda  
Secretaria do Tesouro Nacional  
Coordenação-Geral de Controle da Dívida Pública  
Esplanada dos Ministérios, Bloco P, Ed. Anexo, Ala A - 1º andar, sala 121  
Brasília, DF, 70048-900 - Brasil, e

(b) o Endereço Eletrônico do Garantidor é:

Fax: E-mail:  
 (55-61) 3412-1740 apoiocof.df.pgfh@pgfh.gov.br

Com cópia para:

codiv.df.sth@tesouro.gov.br  
 gecod.codiv.df.stn@tesouro.gov.br

Cláusula 3.03. Para os fins da Cláusula 10.01 das Condições Gerais:

(a) o endereço do Banco é:

Banco Internacional para Reconstrução e Desenvolvimento to  
 1818 H Street, N.W.  
 Washington, DC 20433  
 Estados Unidos da América; e

(b) o Endereço Eletrônico do Banco é:

Telex:	Fax:	E-mail:
248423(MCI) ou 64145(MCI)	1-202-477-6391	jzutt@worldbank.org

ACORDADO na última das duas datas escritas abaixo.

#### REPÚBLICA FEDERATIVA DO BRASIL

Por

\_\_\_\_\_  
 Representante Autorizado

Nome: \_\_\_\_\_

Cargo: \_\_\_\_\_

Data: \_\_\_\_\_

#### BANCO INTERNACIONAL DE RECONSTRUÇÃO E DESENVOLVIMENTO

Por

\_\_\_\_\_  
 Representante Autorizado

Nome: \_\_\_\_\_

Cargo: \_\_\_\_\_

Data: \_\_\_\_\_

# Cronograma de Amortização

<b>Projeto</b>	P175723-Mato Grosso Produtivo	<b>Região</b>	AMÉRICA LATINA E CARIBE	<b>País</b>	Brasil
<b>TTL</b>	Barbara CristinaNoronha F	<b>Instrumento de Empréstimo</b>	IPF		
<b>Empréstimo</b>	BIRD T13525-	<b>Produto Financeiro</b>	IFL - Empréstimo com Spread Variável	<b>Situação</b>	Minuta
<b>Valor em CoC</b>	US\$ 80.000.000,00	<b>Descrição do Empréstimo</b>	MATO GROSSO PRODUTIVO		
<b>Cronograma de Amortização</b>					
<b>País do Empréstimo</b>	BR-Brasil	<b>Categoria de Renda</b>	4	<b>Prazo médio de amortização (anos)</b>	20,00
<b>Parâmetros do Cronograma de Amortização</b>					
<b>Perfil de vencimento</b>	PERSONALIZADO	<b>Tipo de maturidade</b>	NÍVEL		
<b>Prazo de amortização</b>	ASSOCIADO_COMPROMISSO	<b>Frequência de amortização (em meses)</b>	006		
<b>Períodos de carência (em meses)</b>	060	<b>Vencimento Final (em meses)</b>	300		
<b>Data do primeiro vencimento</b>	15 de fevereiro de 2029	<b>Data do último vencimento</b>	15 de agosto de 2048		
<b>Data estimada do último desembolso</b>		<b>Agrupamento Disb (em meses)</b>	000		
<b>Dia/mês de pagamento</b>	15/02	<b>Taxa de anuidade (%)</b>	0,00		
Número da versão: 001					
<b>Cronograma de Amortização</b>					
<b>Número da Amortização</b>	<b>Data da Amortização</b>	<b>Valor da amortização (US\$)</b>	<b>Valor da amortização (US\$)</b>	<b>Porcentagem da amortização</b>	
001	15 de fevereiro de 2029	2.000.000,00	2.000.000,00	2,50000	
002	15 de agosto de 2029	2.000.000,00	2.000.000,00	2,50000	
003	15 de fevereiro de 2030	2.000.000,00	2.000.000,00	2,50000	
004	15 de agosto de 2030	2.000.000,00	2.000.000,00	2,50000	
005	15 de fevereiro de 2031	2.000.000,00	2.000.000,00	2,50000	
006	15 de agosto de 2031	2.000.000,00	2.000.000,00	2,50000	
007	15 de fevereiro de 2032	2.000.000,00	2.000.000,00	2,50000	
008	15 de agosto de 2032	2.000.000,00	2.000.000,00	2,50000	
009	15 de fevereiro de 2033	2.000.000,00	2.000.000,00	2,50000	
010	15 de agosto de 2033	2.000.000,00	2.000.000,00	2,50000	
011	15 de fevereiro de 2034	2.000.000,00	2.000.000,00	2,50000	
012	15 de agosto de 2034	2.000.000,00	2.000.000,00	2,50000	
013	15 de fevereiro de 2035	2.000.000,00	2.000.000,00	2,50000	
014	15 de agosto de 2035	2.000.000,00	2.000.000,00	2,50000	
015	15 de fevereiro de 2036	2.000.000,00	2.000.000,00	2,50000	
016	15 de agosto de 2036	2.000.000,00	2.000.000,00	2,50000	
017	15 de fevereiro de 2037	2.000.000,00	2.000.000,00	2,50000	
018	15 de agosto de 2037	2.000.000,00	2.000.000,00	2,50000	
019	15 de fevereiro de 2038	2.000.000,00	2.000.000,00	2,50000	
020	15 de agosto de 2038	2.000.000,00	2.000.000,00	2,50000	
021	15 de fevereiro de 2039	2.000.000,00	2.000.000,00	2,50000	
022	15 de agosto de 2039	2.000.000,00	2.000.000,00	2,50000	
023	15 de fevereiro de 2040	2.000.000,00	2.000.000,00	2,50000	
024	15 de agosto de 2040	2.000.000,00	2.000.000,00	2,50000	
025	15 de fevereiro de 2041	2.000.000,00	2.000.000,00	2,50000	
026	15 de agosto de 2041	2.000.000,00	2.000.000,00	2,50000	
027	15 de fevereiro de 2042	2.000.000,00	2.000.000,00	2,50000	
028	15 de agosto de 2042	2.000.000,00	2.000.000,00	2,50000	
029	15 de fevereiro de 2043	2.000.000,00	2.000.000,00	2,50000	
030	15 de agosto de 2043	2.000.000,00	2.000.000,00	2,50000	
031	15 de fevereiro de 2044	2.000.000,00	2.000.000,00	2,50000	
032	15 de agosto de 2044	2.000.000,00	2.000.000,00	2,50000	
033	15 de fevereiro de 2045	2.000.000,00	2.000.000,00	2,50000	
034	15 de agosto de 2045	2.000.000,00	2.000.000,00	2,50000	
035	15 de fevereiro de 2046	2.000.000,00	2.000.000,00	2,50000	
036	15 de agosto de 2046	2.000.000,00	2.000.000,00	2,50000	
037	15 de fevereiro de 2047	2.000.000,00	2.000.000,00	2,50000	
038	15 de agosto de 2047	2.000.000,00	2.000.000,00	2,50000	

Cronograma de Amortização				
Número da Amortização	Data da Amortização	Valor da amortização (US\$)	Valor da amortização (US\$)	Porcentagem da amortização
039	15 de fevereiro de 2048	2.000.000,00	2.000.000,00	2,50000
040	15 de agosto de 2048	2.000.000,00	2.000.000,00	2,50000
Total		80.000.000,00	80.000.000,00	100,00000

Prazo médio de amortização		
Prazo médio de amortização do subempréstimo (ARM)	14,78	
Economia do ARM	5,22	

Data: \_\_\_\_\_

Sr. Mauro Mendes  
Governador  
Estado de Mato Grosso  
Cuiabá, MT  
Brasil

**Ref.: Empréstimo BIRD xxxx-BR - Projeto de Desenvolvimento Sustentável da Agricultura Familiar do Mato Grosso**  
**Instruções Adicionais: Carta de Desembolso e Informações Financeiras**

[Saudação]:

Faço referência ao Contrato de Empréstimo entre o Estado de Mato Grosso (doravante denominado “Tomador”) e o Banco Internacional de Reconstrução e Desenvolvimento (doravante denominado “Banco”) para financiamento do Projeto acima mencionado. As Condições Gerais, conforme definido no Contrato de Empréstimo, estabelecem que o Tomador pode, de tempos em tempos, solicitar saques de valores do Empréstimo da Conta Empréstimo de acordo com a Carta de Desembolso e Informações Financeiras (doravante denominada “DFIL”), e as instruções adicionais que o Banco vier a especificar de tempos em tempos, mediante notificação ao Tomador. As Condições Gerais também preveem que a Carta de Desembolso e Informações Financeiras pode estabelecer requisitos específicos de gestão financeira e relatórios. Esta carta constitui essa Carta de Desembolso e Informações Financeiras e pode ser revisada de tempos em tempos.

**I. Acordos de Desembolso, Retirada de Fundos do Empréstimo e Relatórios de Usos de Fundos do Empréstimo para o Projeto**

*(i) Acordos de Desembolso*

As *Diretrizes de Desembolso para Financiamento de Projetos de Investimento*, datadas de fevereiro de 2017 (doravante denominadas “Diretrizes de Desembolso”), estão disponíveis no site seguro do Banco “Conexão do Cliente” em <https://clientconnection.worldbank.org> e seu site público em <https://www.worldbank.org>. As Diretrizes de Desembolso são parte integrante da DFIL, e a forma como as disposições das Diretrizes de Desembolso se aplicam ao Empréstimo é especificada abaixo.

A tabela do Anexo 1 estabelece as formas de desembolso que poderão ser utilizadas pelo Tomador, informações sobre cadastro de signatários autorizados, processamento de Solicitações de Saque (incluindo valor mínimo de pedidos e processamento de adiantamentos), instruções sobre documentação comprobatória e frequência de relatórios sobre a(s) Conta(s) Designada(s).

*(ii) Solicitações de Saque (Entrega Eletrônica)*

O Tomador deverá apresentar as solicitações de saque ou de compromisso especial (doravante denominadas “Solicitações”) com documentos comprobatórios eletronicamente através do portal do Banco “Client Connection” em <https://clientconnection.worldbank.org>. Esta opção será efetivada após os funcionários designados por escrito pelo Tomador, que forem autorizados a assinar e entregar Solicitações,

terem se cadastrado como usuários do “*Client Connection*”. Os funcionários designados entregarão as Solicitações eletronicamente preenchendo o Formulário 2380, que pode ser acessado por meio da “*Client Connection*”. Ao assinar a Carta de Signatário Autorizado, que pode ser entregue manual ou eletronicamente, o Tomador confirma que está autorizando tais pessoas a aceitarem Credenciais de Identificação Segura (SIDC) e a entregarem as Solicitações e documentos comprobatórios ao Banco por estes meios. O Tomador poderá exercer a opção de preparar e entregar Solicitações em forma impressa em casos excepcionais (inclusive aqueles em que o Tomador encontrar limitações legais) e que tenham sido previamente acordados com o Banco. Ao designar funcionários para usar o SIDC e entregar as Solicitações eletronicamente, o Tomador confirma, por meio da Carta de Signatário Autorizado, seu acordo em (a) cumprir os Termos e Condições de Uso de Credenciais de Identificação Seguras em conexão com o Uso de Meios Eletrônicos para Processar Solicitações e Documentação de Suporte, disponível no site público do Banco em <https://www.worldbank.org> e “*Client Connection*” em <https://clientconnection.worldbank.org>; e (b) fazer com que tais funcionários cumpram esses termos e condições.

## **II. Relatórios Financeiros e Auditorias**

(i) *Relatórios Financeiros*. O Tomador deverá preparar e fornecer ao Banco no prazo máximo de 60 (sessenta) dias após o final de cada semestre civil relatórios financeiros provisórios não auditados (doravante denominados “IFRs”) para o Projeto abrangendo o semestre.

(ii) *Auditorias*. Cada auditoria das Demonstrações Financeiras cobrirá o período de 1 (um) ano fiscal do Tomador, começando com o ano fiscal em que o primeiro saque foi feito. As Demonstrações Financeiras auditadas para cada período serão fornecidas ao Banco pelo Tomador no prazo máximo de 6 (seis) meses após o final de tal período.

## **III. Outras informações importantes**

Para informações adicionais sobre modalidades de desembolso, consulte o Manual de Empréstimo disponível no site público do Banco em <https://www.worldbank.org> e “*Client Connection*” em <https://clientconnection.worldbank.org>, o Banco recomenda que você se cadastre como usuário do “*Client Connection*”. A partir deste site, você poderá preparar e entregar Cartas de Signatários Autorizados e Solicitações de Retirada, monitorar o status quase em tempo real do Empréstimo e recuperar informações políticas, financeiras e de compras relacionadas. Para obter mais informações sobre o site e procedimentos de registro, ou se você tiver alguma dúvida em relação ao acima exposto, entre em contato com o Banco pelo e-mail [askloans@worldbank.org](mailto:askloans@worldbank.org) usando a referência acima.

Atenciosamente,

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Johannes C. M. Zutt  
Diretor Nacional  
Brasil  
América Latina e Caribe

Anexos

1. Modelo de Carta de Signatário Autorizado
2. Demonstração de Despesas (SOE)
3. Demonstração de Despesas Personalizada

Com cópias:       [Ministério das Finanças]  
                          [endereço]  
                          [cidade], [país]  
                          [endereço de email]

                          [Entidade Implementadora do Projeto 1]  
                          [endereço]  
                          [cidade], [país]  
                          [endereço de email]

**Apenso 1: Disposições sobre Desembolso**

Informação básica					
<b>No do Empréstimo do BIRD</b>	XXXXXX	<b>País</b>	Brasil	<b>Data de Fechamento</b>	Cláusula III.B.2 do Apenso 2 do Contrato de Empréstimo.
		<b>Tomador</b>	Estado de Mato Grosso		
		<b>Nome do Projeto</b>	Projeto de Desenvolvimento Sustentável da Agricultura Familiar do Mato Grosso	<b>Data limite de desembolso</b>	4 (quatro) meses após a data de fechamento
Métodos de Desembolso e Documentação de Apoio					
<b>Métodos de Desembolso</b>		<b>Métodos</b>	<b>Documentação de suporte</b>		
Pagamento direto		Sim	- Cópia de Registros		
Reembolso		Sim	- Demonstração de Despesas (SOE), no formato constante do Anexo 2 da DFIL, para as categorias 1, 3 e 4. - Demonstração de Despesas Personalizada, no formato constante do Anexo 3 da DFIL, para a categoria 2 (Subsídios de Equiparação)		
Adiantamento (para uma conta designada)		Sim	- Demonstração de Despesas (SOE), no formato constante do Anexo 2 da DFIL, para as categorias 1, 3 e 4. - Demonstração de Despesas Personalizada, no formato constante do Anexo 3 da DFIL, para a categoria 2 (Subsídios de Equiparação)		
Compromissos Especiais		Não	- Não aplicável		
Conta Designada					
<b>Tipo</b>	Segregada - gerenciada pela SEAF			<b>Teto</b>	Variável
<b>Instituição Financeira - Nome</b>	Banco do Brasil			<b>Moeda</b>	US\$
<b>Frequência de relatórios</b>	Trimestral			<b>Quantia</b>	Com base em uma previsão semestral de despesas elegíveis aprovada pelo Banco
Valor Mínimo das Solicitações					
O valor mínimo das solicitações de Reembolso e Pagamento Direto é equivalente a US\$ 500.000.					
Assinaturas Autorizadas					
Solicitações de Saque e Documentação					
O modelo de <b>Carta de Signatário Autorizado</b> (ASL) está previsto no Anexo 1 desta carta.					
A ASL e todas as Solicitações de Saque com sua documentação de suporte serão submetidas eletronicamente através do sistema “ <i>Client Connection</i> ” do Banco.					

Informações/Instruções Adicionais
Não aplicável

**Modelo de Carta de Signatário Autorizado**

[Papel timbrado]  
Ministério das Finanças  
[Endereço]

[DATA]

O Banco Mundial  
1818 H Street, N.W.  
Washington, D.C. 20433  
Estados Unidos da América

A/C: **[Diretor Nacional]**Prezado **[Diretor Nacional]**:**Ref: Empréstimo BIRD [Empréstimo No.] - [Código do País] - [Nome do Projeto]**

Faço referência ao Contrato de Empréstimo (doravante denominado “Contrato”) entre o Banco Internacional para Reconstrução e Desenvolvimento (doravante denominado “Banco”) e **[Nome do Tomador]** (doravante denominado “Tomador”), prevendo o Empréstimo acima. Para os fins da Cláusula 2.02 das Condições Gerais conforme definido no Contrato, qualquer <sup>1</sup> **[uma/duas/três]** das pessoas cujas assinaturas autenticadas aparecem abaixo está/ão autorizada/s em nome do Tomador a assinar e enviar uma solicitação para requerer um saque da Conta Empréstimo (doravante denominadas “Solicitações”).

Para efeito de entrega das Solicitações ao Banco,<sup>2</sup> **[uma/duas/três]** das pessoas cujas amostras de assinaturas autenticadas aparecem abaixo é/são autorizada/s em nome do Tomador, agindo **[individualmente/em conjunto]**<sup>3</sup> para entregar as Solicitações e provas em suporte das mesmas nos termos e condições especificados pelo Banco.

Esta Autorização também confirma que o Tomador está autorizando tais pessoas a aceitarem Credenciais de Identificação Segura (SIDC) e a entregarem as Solicitações e documentos de suporte ao Banco, inclusive por meio eletrônico. O Banco se baseará nessas declarações e garantias, incluindo as declarações e garantias contidas nos *Termos e Condições de Uso de Credenciais de Identificação Seguras em conexão com o Uso de Meios Eletrônicos para Processar Solicitações e Documentação de Apoio* (doravante denominados “Termos e Condições de Uso de SIDC”), o Tomador declara e garante ao Banco que fará com que tais pessoas cumpram esses termos e condições.

Esta Autorização substitui qualquer Autorização atualmente nos registros do Banco com relação ao(s) Contrato(s) mencionado(s) na linha de assunto desta Autorização.

**Detalhes do Signatário**

<sup>1</sup> Instrução ao Tomador: Estipular se mais de uma pessoa precisa assinar Solicitações, e quantas ou quais cargos, e se algum limite se aplica. *Por favor, exclua esta nota de rodapé na carta final enviada ao Banco.*

<sup>2</sup> Instrução ao Tomador: Estipular se mais de uma pessoa precisa assinar *conjuntamente* Solicitações, em caso afirmativo, por favor indique o número real. *Por favor, exclua esta nota de rodapé na carta final enviada ao Banco.*

<sup>3</sup> Instrução para o Tomador: Use este teor entre parênteses apenas se várias pessoas tiverem que assinar conjuntamente cada Solicitação; se isso não for aplicável, exclua-o. *Por favor, exclua esta nota de rodapé na carta final enviada ao Banco.*