



REQUEST FOR CEO ENDORSEMENT

PROJECT TYPE: Full-sized Project

TYPE OF TRUST FUND: GEF Trust Fund

PART I: PROJECT INFORMATION

Project Title: Capacity Building and Institutional Strengthening on the National Framework for Access and Benefit Sharing under the Nagoya Protocol.			
Country(ies):	Brazil	GEF Project ID: ¹	5760
GEF Agency(ies):	IADB	GEF Agency Project ID:	BR-T1304
Other Executing Partner(s):	UNDP Ministry of Environment	Submission Date:	10/18/2016
GEF Focal Area (s):	Biodiversity	Project Duration(Months)	48
Name of Parent Program (if applicable):	N/A	Project Agency Fee (\$):	418,183
<ul style="list-style-type: none"> ➤ For SFM/REDD+ <input type="checkbox"/> ➤ For SGP <input type="checkbox"/> ➤ For PPP <input type="checkbox"/> 			

A. FOCAL AREA STRATEGY FRAMEWORK²

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
BD-4	Outcome 4.1. Legal and regulatory frameworks, and administrative procedures established that enable access to genetic resources and benefit sharing in accordance with the CBD provisions	Output 4.1. Access and benefit sharing agreements (one) that recognize the core ABS principles of Prior Informed Consent (PIC) and Mutually Agreed Terms (MAT) including the fair and equitable sharing of benefits.	GEF TF	4,401,931	4,401,931
Total project costs				2	2

B. PROJECT FRAMEWORK

Project Objective: support Brazil implement a clear, robust and transparent national legal and regulatory framework, the governance and institutional capacity necessary to manage the access and benefit sharing of genetic resources (ABS) and associated traditional knowledge (ATK), and improve knowledge of providers and users of such resources, enabling Brazil to fulfill the ABS provisions of the CBD and the Nagoya Protocol (NP).

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Cofinancing (\$)
National Legal Framework on ABS	TA	1.1.Nagoya Protocol ratified by the National Congress	1.1.1 Dialogue workshops with key stakeholders , policy and decision-makers and public consultations on Nagoya Protocol and National ABS framework 1.1.2 Dissemination and awareness campaigns with	GEF TF	387,500	1,705,530

¹ Project ID number will be assigned by GEFSEC.

² Refer to the [Focal Area Results Framework and LDCF/SCCF Framework](#) when completing Table A.

		<p>1.2. Legal and institutional framework for ABS approved by the executive and legislative branches of government and operational</p> <p>1.3. Harmonized legal ABS regulations and standard procedures for five sectors are approved and published</p>	<p>key stakeholders, including indigenous peoples and local communities (ILC), on Nagoya Protocol</p> <p>1.1.3 Key instruments and tools developed for the implementation of the NP: National ABS Fund; harmonization of national regulations and NP</p> <p>1.2.1 Technical studies on ABS Institutional framework completed</p> <p>1.2.2 Strengthening and modernization of the institutional structure (CGEN)</p> <p>1.2.3 Awareness and capacity building activities implemented among key stakeholders and policy makers on ABS opportunities and implications</p> <p>1.3.1 Technical studies and the requirements for harmonization of the new ABS legislation and standard procedures for regulatory and checkpoint agencies and providers are concluded and submitted for legislative review.</p>			
Knowledge and Information Management	TA	<p>2.1. Reporting channels of the ABS Clearing-house mechanism implemented and accessible to users (with up 120,000 consultations/year)</p> <p>2.2. National ABS electronic management system in use by stakeholders, with increased number of registered ABS processes (up to 2600 registrations/yr)</p>	<p>2.1.1 Relevant information on ABS is identified and available to potential users and providers of genetic resources and traditional knowledge associated with genetic resources.</p> <p>2.1.2 Brazilian ABS Portal implemented</p> <p>2.1.3 Content for the ABS Clearing House Mechanism is updated and translated</p> <p>2.2.1 National Electronic Management System – SisGen - designed and implemented and in</p> <p>2.2.2 Guidelines for users (regulatory agencies, checkpoint entities, users and providers) on the National SisGen agreed and published</p>	GEF TF	1,045,900	496.401

			2.2.3 Sisgen and Portal are integrated			
Capacity Building and Training	TA	3.1 Improved awareness, capacities of ILC (470 multipliers) and other users (232 stakeholders) on ABS regime, and its procedures.	<p>3.1.1 Awareness activities implemented among indigenous and traditional communities and other users on the functioning of ABS.</p> <p>3.1.2 Guidelines for users of the National Electronic Management System and National ABS portal are published</p> <p>3.1.3 Guidelines and training materials developed specifically for engagement of indigenous peoples and traditional communities in ABS rules, project agreements, negotiations</p> <p>3.1.4 Training activities implemented among indigenous and traditional communities on ABS mechanism and negotiation skills</p> <p>3.1.5 One “Protocolo Comunitario” implemented and methodological guidelines developed as a tool for previous informed consent</p> <p>3.1.6 Mechanism for Permanent Dialogue established and functioning</p>	GEF TF	2,518,300	1,875,000
M&E	TA	4.1 Monitoring and Evaluation system in place	<p>4.1.1 Monitoring system operational generating periodic progress reporting</p> <p>4.1.2 Mid-term and final evaluation reports distributed to relevant stakeholders</p>	GEF TF	70,000	0
Contingencies				GEF TF	54,161	0
Subtotal					4,075,862	4,076,931
Project management Cost (PMC) ³				GEF TF	326,070	325,000
Total project costs					4,401,931	4,401,931

³ PMC should be charged proportionately to focal areas based on focal area project grant amount in Table D below.

C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Please include letters confirming cofinancing for the project with this form

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount (\$)
National Government	Ministry of Environment	In-kind	4,401,931
(select)		(select)	
Total Co-financing			4,401,931

D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY¹ NA

¹ In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.

² Indicate fees related to this project.

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	Grant Amount (\$)	Cofinancing (\$)	Project Total (\$)
International Consultants			0
National/Local Consultants	4,401,931	580,276	4,982,207

G. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

PART II: PROJECT JUSTIFICATION

A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF⁴

A.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NAPs, NBSAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc.

1. Brazil’s fifth national report to the CBD was published during preparation of the proposed project. This project will directly contribute to the achievements of Objective D target 16 and Objective E target 18 of the national biodiversity targets for 2011-2020 that are shown in the 5th report. More specially, this project will support the creation of the enabling environment for the required discussions that will lead to the ratification of the Nagoya Protocol. In addition the projected functioning of the new ABS legal system in combination with the establishment of modern information systems and the robust capacity building component focusing on ABS and indigenous people, traditional communities and other stakeholders were planned under compliance of Brazil’s national legislation and the international relevant commitments under the CBD.

A.2 GEF focal area and/or fund(s) strategies, eligibility criteria and priorities. N/A

A.3 The GEF Agency’s comparative advantage: N/A

A.4 The baseline project and the problem that it seeks to address:

⁴ For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter “NA” after the respective question.

2. This project builds on the initiatives and efforts of Brazil to implement an ABS mechanism aligned with the main provisions of the Nagoya Protocol. The National Law on ABS No.13.123/2015) came into force on November 17, 2015, revoking the Provisional Measure No. 2186-16 / 2001; the Decree no 8772 with the main regulations for the new national law was published on May 11, 2016. The new legal framework fully aligns with the Nagoya Protocol and is in compliance with the Brazil's commitments to the CBD. On the other hand, despite Brazil's extensive experience in the implementation of ABS policies, it has yet to ratify the Nagoya Protocol. During the next 4 years execution of the IDB/GEF investment, the baseline consists of initiatives by the Ministry of Environment and through a series of partnerships, estimated up to US\$4,618,800.

3. With the Ministry of Environment's leadership, several efforts have been made by the federal authorities, and will continue to be made, through dialogue workshops and consultations with focus groups, to improve the enabling environment and build consensus among the key stakeholders that could lead to the ratification of the Nagoya Protocol. In collaboration with the Ministry of Agriculture, the Ministry of Science and Technology and Innovation and the United Nations Environment Programme (UNEP), the next 4 years the MMA is undertaking foundational actions required to implement the ABS national law and to build consensus to ratify the NP, such as national and international dialogue workshops and consultations with key stakeholders and policymakers (US\$419,590), and to strengthen and modernize the governance structure of the now expanded CGEN (US\$1,271,000). In addition, investment through *EU-Brazil Sector Dialogues Support Facilities* are contributing to strengthen relationships between Brazilian and European regulatory agencies for ABS aiming at integrating procedures for transport and traceability of genetic samples (US\$98,830).

4. The new legislation stipulates the establishment and achievement of several targets specified in the NP, while some provisions still need to be harmonized with the upcoming NP ratification, such as: (i) establishment of proceedings for the implementation of other international instruments relevant to the NP in a mutually and supportive manner (Article 4 of the NP); (ii) establishment of model contractual clauses for mutually agreed terms for benefit-sharing arising from access to traditional knowledge associated with genetic resources (ATK) (Articles 12 e 20); (iii) establishment of codes of conduct, guidelines and best practices and/or standards (Article 20); (iv) designation of the National Focal Point and Competent National Authority and information dissemination (Articles 13, 14, 17, and 21); (v) establishment of transboundary cooperation in instances where the same genetic resources are found in situ within the territory of more than one Party (Articles 10, 11); (vi) designation of checkpoints and establishment of proceedings for collecting or receiving relevant information related to: prior informed consent (PIC); the source of the genetic resource; the establishment of mutually agreed terms; and/or the utilization of genetic resources (Article 17); (vii) establishment of mechanisms to provide compliance with domestic ABS legislations (Article 16); and (viii) dissemination of information through a national clearing-house (Article 21). The new law also establishes responsibilities to various other agencies of the federal government and the Ministry of Environment. It will be crucial to establish standardized procedures among regulatory agencies (e.g. IBAMA, Ministry of Agriculture, Federal Police), sector checkpoints and research development agencies (ANVISA, INPI, CNPq, MAP), and agencies granting access authorization under special circumstances (Council of National Defense and Navy). The harmonization and standardization of those procedures are vital for the operationalization of the new national ABS system. In collaboration UNEP, preliminary studies and legal analysis are being carried out by the MMA to identify the key existing legal regulations that need harmonization, to further design the actions, including new guidelines, resolutions and procedures required to effectively render, both the National ABS Law and the NP, operational.

5. Investment baseline programs and activities to implement the key tools and essential components of the information and management systems for ABS (Component 2) are estimated at US\$496,400. MMA will be mainly focused on building the security systems and traceability capabilities. Some NP pending provisions will be addressed through the creation of the Brazilian ABS Portal, which will serve as a national information platform for ABS and will enable the sharing information required by the ABS Clearing-House, such as: (i) legislative, administrative and policy measures on ABS; (ii) information on the national focal point and competent national authority; (iii) permits issued; (iv) model contractual clauses; (v) codes of conduct; (vi) guidelines and best practices; (vii) frequently asked questions; and (viii) tutorials and online courses suited to different stakeholders. In addition, the Brazilian ABS Portal will also share relevant information regarding the implementation of the new National Law.

6. The National ABS Law reinstated the Genetic Resources Management Council (CGEN) and expanded representation of stakeholders, now including nine members representing the civil society (private sector, academia,

research institutions, and indigenous peoples and traditional communities - ILC), in addition to the 12 members of federal government agencies. Also, CGEN council members are now required to undergo qualified training in order to support the implementation of the new ABS framework in Brazil.

7. The new National ABS Law brings several innovations to encourage research and development based on Brazil's rich biodiversity, while guaranteeing the rights of ILC. The Law also brings significant changes in procedures for access and benefit sharing in Brazil. As a result, new duties and responsibilities were created for the Ministry of Environment, as the head and operational arm of CGEN. At the same time, important aspects and provisions of the Law still need to be developed and regulated by CGEN and MMA through new procedures and technical norms.

8. Effective implementation of the new legislation and its regulations will therefore require a huge effort from the Ministry of Environment to reach out, inform, and provide training to the various stakeholders. Greater attention shall be dedicated to indigenous peoples, traditional communities and family smallholders, since these are the most vulnerable segments in the production value chain based on genetic resources and ATK. Investments for baseline programs for capacity building and training (Component 3) are underway and planned for the next 4 years (US\$2,200,000) by the MMA, under partnerships with the Ministry of Education (PRONATEC), and the Brazilian Micro and Small Business Support Service (Sebrae). These programs are focused on providing training for ILC young leaders on ABS negotiation skills, and for microenterprises pursuing development of biodiversity-based products.

9. Additional training is also required for a wide variety of stakeholders, such as representatives of government agencies with some responsibility in operating ABS mechanism, and potential users in academia, research institution and the private sector. Training efforts by the MMA emphasize the approach of "training the trainers", in order to build capacity at a national level to reach the maximum number of potential people trained in the long term. The strengthened capacity will enable stakeholders to achieve prior informed consent for ABS, develop community protocols, make use of the ABS system, comply with procedures and support enforcement of the new national legislation in ABS.

10. According to the NP's Articles 5, 6 and 7, each Party should take appropriate, effective and proportionate legislative, administrative or policy measures to ensure that access to genetic resources and ATK are provided in accordance with prior informed consent (PIC) and that mutually agreed terms have been established. The new National ABS Law brings a new approach for achieving that goal, while avoiding excessive burden to research and development.

11. All administrative proceedings to manage ABS cases will be performed through a new electronic web-based National System for Management of Genetic Heritage and Associated Traditional Knowledge - SisGen. In most cases, researchers and companies no longer require final authorization from CGEN prior to beginning exploratory activities, when they involve access to genetic resources. Users should register in the SisGen their requests for access and prior to each activity step: (i) transferring genetic material; (ii) the application of any intellectual property right; (iii) commercialization of an intermediate product; (iv) results dissemination; and (v) final product commercialization.

12. SisGen first development phase implementation is underway, financed with under the project "Biotechnology's Improved Business Environment for Sustainable use of Brazilian Resources" funded by the Foreign & Commonwealth Office Strategic Programme Fund and Bilateral Programme from the United Kingdom. This phase includes the registration, material transfer functions, and product notification and accreditation of ex situ collection.

13. To be a fully functioning of the system requires smart monitoring capabilities for traceability and an intelligence system, as well as a security model and finally its integration with the ABS clearing house and information sharing Portal. Traceability and intelligence systems will support monitoring the utilization of genetic resources, according to Article 17 of the Nagoya Protocol. It will also help enforce compliance with domestic ABS legislation, according to Articles 15 and 16 of the Nagoya Protocol. Lastly, it will help proving the relevant information required by the ABS Clearing-House, in accordance with Article 14 of the Nagoya Protocol. The security system will ensure protection and integrity of SisGen's database.

14. The National ABS Law also stipulates that the sharing of economic benefits arising from access to genetic resources and ATK may result in monetary and non-monetary terms, for which a financial instrument was created under the new National ABS Law - the National Benefit Sharing Fund (FNRB). This Fund will operate under the MMA, with the sole purpose of supporting activities and initiatives aiming at valuing the national genetic heritage and

ATK, and promote their sustainable use. The sharing of non-monetary benefits will focus on indigenous peoples, traditional communities and smallholders in circumstances of access to associated traditional knowledge with identifiable origin. This will be regulated through agreements between the parties. At the same time, the sharing of monetary benefits arising from commercial exploitation of the final product originated from access of genetic resource will be submitted to the FNRB under the following conditions: (i) access to genetic resource will credit 1% of net sales of the final product; (ii) access to associated traditional knowledge of unidentifiable origin will credit 1% of net sales of the final product; (iii) access to associated traditional knowledge of identifiable origin, when the knowledge is shared among more than one community, will credit 0,5% of net sales of the final product.

15. Funds deposited in FNRB arising from economic exploitation of final products or reproductive material from access to genetic resources should comply with the purposes of the National Benefit-Sharing Program. Funds credited in FNRB arising from economic exploitation of final products originated from access to ATK will be used exclusively for the benefit of traditional knowledge holders.

16. FNRB will be managed by the Steering Committee comprised of representatives from the federal government, organizations representing indigenous peoples, traditional communities and traditional farmers and the Brazilian Society for the Progress of Science - SBPC. The operation and functioning of the FNRB will depend on the ability of the Steering Committee, whose members will be given qualified training to build the required management capabilities.

17. In addition, the ABS Law has made provisions to avoid potential negative impacts of ABS on industry's competitiveness, through "Sector Agreement". It is a procedure by which individual companies of a given sector may request a reduction to the standard rate of 1% of net sales arising from utilization of genetic resources to be paid as benefit sharing. The Sector Agreement petition must demonstrate that the standard rate will impact the business competitiveness. Analysis of Sectoral Agreement will be carried out by MMA in coordination with Ministry of Development, Industry and Foreign Trade and with ILCs representative institutions.

18. Based on the above, the challenges to be addressed remain mostly the same as described in the Project Identification Form – PIF approved in May 2014, while many are now vested with new urgency since being mandated by the new National Law.

A.5 Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project:

19. The recent approval of the ABS Law in Brazil now heightens the incremental reasoning for the activities planned under this project. Most of the activities in the components are now required and stipulated by the legal framework. In other words, the implementation and operationalizing of the new regulation relies on several of the activities projected under this operation. Compared with the PIF, the scope of activities, outcomes and outputs remain essentially the same, except for the a few activities initially considered to support the approval of the national legislation, that were deemed no longer necessary.

20. In particular relevance, given the advances related to the national legal framework, components 1 and 2 as described in the PIF were merged into one, with the outcomes consistent with those committed in PIF. The respective outputs were adjusted and better specified as a result of the analytical studies undertaken during the preparation phase. Component 3 as presented in the PIF was expanded and divided into two new components: Knowledge and information management is now focused on the establishing the fundamental tools for communications, information sharing and systems management, and strengthen the institutions for implementing the ABS mechanism consistent with the NP; the component on Capacity building and training will focus on improving capacity of all stakeholders relevant in ABS, in understanding the new ABS mechanisms in Brazil, its rules and procedures and what roles are expected from each. Notwithstanding being reorganized accordingly, the expected outcomes expressed in the PIF have been maintained. The Outputs remain the same, with the inclusion of two new activities under the component on Capacity Building and Training, that respond to the same outcome and were demanded as a result of consultations with stakeholders: (i) the development of practical guidance and piloting for community protocol to work as a base model for ABS agreements with proper Prior Informed Consent (PIC), Mutually Agreed Terms (MAT) and Benefit Sharing,

according to provisions under the national ABS law and the Nagoya Protocol; and (ii) the establishment of a mechanism for a permanent dialogue on ABS to bolster stakeholders engagement and facilitate improvements regarding ABS operations and regulations.

21. The proposed project's main objective remains the same and gains even more prominence with the approval of the new ABS Legislation. The specific objectives are: i) to support the design and enactment of implementing regulations and procedures for the new National Law on ABS and the ratification of the NP; ii) to support development and implementation of key instruments and institutional capacity to share information and manage the national ABS mechanism; and iii) improve knowledge and capacity of key stakeholders, particularly indigenous and local communities, on ABS mechanism and procedures.

22. To achieve its objectives, during project preparation, the project components were designed and structured based on the new legal scenario in force.

23. Component 1- ABS National Legal Framework. The adoption of the Nagoya Protocol brings with it the prospect of legal certainty. Under the NP Articles 6th and 7th, Parties shall take the necessary legislative, administrative or policy measures to, among others, provide for legal certainty, clarity and transparency of their domestic access to genetic resources, access to traditional knowledge and benefit-sharing legislation or regulatory requirements. This component aims to establish the new ABS legal framework by providing a combination of key instruments, studies, awareness raising and capacity building that is crucial for the NP ratification and effective implementation of the new ABS Law. The component will finance the following activities: (i) dialogue, awareness campaigns and capacity building aimed at policy makers and key stakeholders (agencies represented at the CGEN, ILC organizations⁵, officials in key sector ministries, officers in the judiciary, and representatives in academia and the private sector), to promote an enabling environment for the implementation and regulation of the new law, and the NP ratification. This activity also entails meetings with representatives from other emerging countries (BRICS, UNASUR) to exchange experiences in the implementation of the Nagoya Protocol and the respective national legislation; (ii) development of two key provisions of the National ABS Law and the NP: the National ABS Fund and the regulations for harmonizing the NP with the national legal framework, including a monitoring system with traceability capability (with designation of checkpoints, and abilities for authorities and indigenous/local communities to monitor the utilization and commercialization of genetic resources, as established in Art. 15 – Art 17 of the NP); (iii) technical studies to support the ABS institutional framework improvement, focusing on the new expanded CGEN operations and develop procedures and agreements for integration with other sectoral governmental institutions (biotech, chemicals, cosmetics and pharmaceuticals industries, and agriculture); and (iv) strengthening the CGEN's institutional structure.

24. Component 2 - Knowledge and Information Management. This component is aimed at providing the enabling conditions and management instruments to facilitate knowledge sharing, stimulate ABS registration and authorization processes, and to provide the reporting channels consistent with the requirements under the NP through the development and implementation of the needed digital web-based instruments. The component will finance (i) development and implementation of a National ABS electronic management system (SISGEN) and an integrated advanced web-based ABS Portal (national information sharing mechanism) that mirrors and complements the CBD's ABS Clearing House; (ii) information gathering and organization on ABS required to feed the ABS Portal and the SISGEN; (iii) the manuals and guidelines for users and providers of both systems; and (iv) technical requirements to integrate the management system and the portal.

25. Component 3 - Capacity Building and Training. This component seeks to broaden the awareness, capacity and skills of different stakeholders to fully take advantage of the opportunities ABS has to offer. To maximize its effectiveness, trainings will focus on producing multipliers and champions among key stakeholders: men and women representatives of indigenous and local communities (ILC) as providers of genetic resources and associated traditional knowledge (ATK), on ABS new framework to improve their skills for negotiating ABS contracts, and local potential users, such as researchers, entrepreneurs, startups, on the benefits and implications of the new ABS legal and administrative framework and the functioning of ABS system. Capacity will also be given to key government staffs and legal agents to act as multipliers in creating regulatory and managing capacity in ABS proceedings. The

⁵ Include several national councils or federations representing indigenous peoples and traditional communities.

component will finance: (i) guidelines and training materials for engagement of ILC in ABS projects; (ii) awareness campaigns and training of trainers' programs for ILC and other key stakeholders on the functioning of ABS and negotiating skills; (iii) methodological guidelines as a tool for Prior Informed Consent; and (iv) design and piloting one "community protocol" as a base model for building future ABS agreements with proper Prior Informed Consent (PIC), Mutually Agreed Terms (MAT) and Benefit Sharing, under the coordination of the MMA, according to provisions under the national ABS law and the Nagoya Protocol. The pilot will be conducted with an a group of indigenous or traditional communities in a Federal Protected Area to be selected with a set of criteria, including some experience with provision of access to GR and ATK.

26. In terms of potential global environmental benefits, the implementation of a functioning robust, transparent National ABS mechanism that meets the provisions of the NP in Brazil, a country that holds 13% of the world's total biodiversity, brings significant opportunities for research, technology development, innovation, products and processes with expected great economic and social returns. At the same time, adopting such green economic opportunities provides durable incentives for biodiversity conservation. The consolidation of ABS will generate a wide variety of benefits, monetary and non-monetary, for providers of genetic resources and ATK, some of which will be reinvested in the biodiversity conservation and sustainable use. The resulting benefits will also support scientific capacity development, economic growth and the consolidation of the Brazilian system of protected area. More specific and measurable global environmental benefits may be identified once the project's activities are implemented and overall results are assessed.

Relationship to Aichi targets:

Aichi Targets	Project alignment
Target 16: By 2015, the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization is in force and operational, consistent with national legislation.	This project supports Brazil implement a clear, robust and transparent national legal and regulatory framework, the governance and institutional capacity necessary to manage the access and benefit sharing of genetic resources (ABS) and associated traditional knowledge (ATK), and improve knowledge of providers and users of such resources, enabling Brazil to fulfill the ABS provisions of the CBD and the Nagoya Protocol (NP).

27. In terms of innovativeness, sustainability and potential for scaling up, Brazil's approach on the use of genetic resources, emphasizing a more equal and shared perspective of sustainable of use of biodiversity, has resulted in a new National Law on ABS that is innovative in streamlining the legal system with effective management tools to create a transparent and predictable framework. This effort, combined with a special attention to build the capacity of ILC on ABS, would enable positive incentives for biodiversity conservation, sustainable development and income opportunities to the indigenous and traditional communities. At the same time, the project's expected outcomes show great potential for ABS scale-up in Brazil, by supporting a ABS regime that will promote development through the private sector, encourage cooperation in scientific research within the Brazilian territory and with international partners, and foster sustainable investments, thereby generating more economic and environmental benefits.

A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks.

28. The risks to the project were updated during the PPG phase, as follows:

Identified Risks	Rate	Mitigation measures
Uncertainty on the Nagoya Protocol ratification by the national congress.	Medium	It is known that one of the main bottlenecks for the ratification of Nagoya Protocol is the lack of knowledge by decision makers, regarding the impacts of its implementation. From the start, the project had and will continue to place strong emphasis on communications, sensitization and awareness efforts directed at policy makers, among other stakeholders.

Lack of trainers with solid knowledge of ABS, given the relative novelty of the subject	Low	The project will seek to recruit the highest qualified available professionals in the target topics; in addition, the component 3 includes financing workshops for training of trainers to make sure the learning curve is being produced appropriately.
Concerns among ILC over the national ABS law's provisions and obstacles with full engagement by all stakeholders	Low	Extensive consultations and advocacy campaigns with stakeholders about the ABS national law and operating regulations, systems and procedures, to ensure the highest level of engagement; sector dialogues have been carried out and will continue to be conducted, with special attention to indigenous and local communities, and local potential users(see report consultations).
Low commitment of the MMA/ changes in the team at DPG, causing delays in execution	Low	The execution scheme anticipates maintaining regular communication between the executing agency and the MMA, and the assignment of a dedicated team within the MMA responsible for coordinating, supervising and evaluating the execution in close collaboration with the PEA.

A.7. Coordination with other relevant GEF financed initiatives

29. The project will coordinate with actions under the BR-G1003 (GEF 4834) project *Recovery and protection of climate and biodiversity services in Brazil's Southeast Atlantic Forest Corridor*, which seeks the recovery and preservation of the Atlantic Forest of Brazil's Southeast Corridor, and includes support to producers within targeted areas to convert to land use practices that promote higher biodiversity and carbon biomass cover and testing multiple-use payment for ecosystem services mechanisms that foster forest conservation, sustainable uses. Synergies between both projects will be established to exchange lessons learned in adding value to biodiversity products and ATK and management of genetic resources.

30. This project is aligned with other GEF funded initiatives on ABS in several countries, in particular, the global project "Strengthening human resources, legal frameworks and institutional capacities to implement the Nagoya Protocol" (GEF-ID 5731) which includes countries in Latin America, and the project *Promoting the application of the Nagoya Protocol in Argentina* (GEF-ID 5820), both with UNDP as the IA. These projects provide synergies and coordination will sought to exchange experiences and lessons, to further the value of ABS and the just and equitable sharing of benefits of sustainable uses of genetic resources and ATK in the Region. Furthermore, building on the foundation for ABS through this project will closely coordinate with the project *Sustainable, accessible and innovative use of biodiversity resources and associated traditional knowledge in promising phytotherapeutic value chains in Brazil*, which Brazil and UNDP submitted for PIF approval. The activities planned under that project have complementarities with the present project, since the establishment of an effective ABS regime will encourage the development production chains for plant-based products. This is expected to promote productive inclusion of indigenous peoples, traditional peoples and communities and traditional farmers, generating more income and improving their quality of life. The required coordination between both projects is been taken under the Department of Genetic Heritage (DPG) at MMA

B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:

B.1 Describe how the stakeholders will be engaged in project implementation.

31. During project preparation, an extensive process of public consultations was carried out with different groups of stakeholders, starting during finalizing the draft and through the deliberation process of the Bill for the national ABS law in congress. After the law's approval, a national consultation was conducted with participation of more than 50 ILC representatives to define a participatory framework for debating the law and for contributing to the formulation of its implementing regulatory framework. A Working Group of the National Commission for Indigenous Peoples and Traditional Communities (GT-CNPCT) was tasked with following on the development of the regulations, and coordinating, with the MMA, several workshops conducted throughout the country for the active participation of ILCs in this process. As part of this effort, seven regional dialogue workshops were conducted, where more than 480 representatives of ILCs and/or respective organizations participated, besides agencies of the federal and state

governments, NGOs, and research institutions.

32. During implementation, the project's main stakeholders remain the same, including ILC as key providers of genetic resources and traditional knowledge, government agencies, agents of the judiciary and enforcement that play a role in ABS, as well as potential users of genetic resources and ATK. Participation of users and providers will continue to be stimulated through various workshops that will be focused on developing the procedures, guidelines and other specifics for implementing the National ABS law and reviewing the functioning of the information systems. Of particular relevance, users and providers will be encouraged to share their feedback during workshops and through digital communication channels, on the usability of SisGen and the new ABS web portal. The information acquired during this stage will be crucial for the implementation and functioning of the information systems. In addition under the project, a Permanent Dialogue Mechanism will be established for stakeholders, that is expected to provide the forum for continuous participation in improvements regarding the ABS operations and regulations in Brazil.

B.2 Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCF/SCCF):

33. This project will enable implementation of a robust and transparent national legal, regulatory and institutional framework and the strong governance structure to manage an ABS regime to properly share, in a fair and equitable way, the benefits arising from the commercial and other uses of genetic resources in Brazil. The establishment of the ABS mechanism and the NP will contribute to development challenges such as social inclusion and equality, by fostering clear and transparent provisions and strengthening the capacity for indigenous and local communities to benefit from the use of their traditional knowledge associated with genetic resources, thereby generating income opportunities while reinforcing the conservation and sustainable use of biodiversity.

34. The benefits shared, and the resources entering the National Fund for Benefit-Sharing will be applied in biodiversity conservation actions and benefits for indigenous peoples, traditional peoples and communities and traditional small farmers, taking into account their organizations and including consideration of gender dimensions. Although the project is not gender-oriented due to its nature, all activities related directly with the end beneficiaries (ILC), such as awareness activities and dialogues, trainings, guideline practices in community protocols, PIC and benefit agreements, will be carried out taking gender equity principles into consideration.

35. In the long term, the ABS framework is expected to develop a sustainable economy around genetic resources and ATK. The use of genetic resources in pharmaceuticals, biotechnology, agribusiness, and cosmetics has emerged as a significant source of income for ILCs and a viable alternative to replace production practices harmful to the environment, such as traditional livestock production and monoculture. This project contributes to promoting development through the private sector, by promoting the ABS regime that will encourage cooperation in scientific research within the Brazilian territory and with international partners, and foster sustainable investments, thereby generating more economic and environmental benefits.

B.3. Explain how cost-effectiveness is reflected in the project design:

36. The project's target audience is diverse and numerous. As potential providers of genetic resources and ATK, Brazil includes 238 indigenous peoples occupying 678 separate indigenous lands, and multiple categories of non-indigenous traditional communities. Furthermore, there are numerous government regulatory agencies, both federal and sub-national, relevant segments of the judiciary, as well as a burgeoning research and development institutions, and private sector. The design of the activities takes into account lessons learned through the 16 years of experience in ABS under the previous legal framework, and are focused on increasing the cost-effectiveness and impact the maximum number of stakeholders. As an example, the implementation of an efficient electronic management system will streamline and simplify ABS administrative procedures, engage a greater number of stakeholders, consequently achieving a greater number of accesses and benefit sharing activities. Also, activities related to awareness and outreach, and capacity building, given the size and breadth of potential beneficiaries, and consistent with the National Capacity Building Plan for ABS, the project emphasizes "training multipliers" to maximize the impact, with the limited resources available. Training of multipliers in ABS may exponentially increase the scope of project's results at a relatively low cost. The selection of multipliers among ILC will ensure representation of different groups and

ethnicities, as well as the various biomes and the various economic sectors involved in access and benefit sharing activities.

C. DESCRIBE THE BUDGETED M & E PLAN:

37. Component 4 comprises the Project Monitoring and Evaluation (M&E), which will be conducted in accordance with IDB and GEF procedures, at three levels: (i) project outcomes as stated in the projects results framework; (ii) delivery of project outputs in accordance with the annual work plan (AWP); and (iii) monitoring of project implementation and performance through periodic project evaluations.

38. The IADB has established procedures and tools for project monitoring and evaluation. These include the results matrix, annual work plans and procurement plans. The Results Framework presented in Annex A will be the main monitoring instrument. The RF contains a description of the main activities and outputs by project component; for each product, there are indicators and yearly goals to simplify monitoring. The AWP presents the activities to be executed each year, while the progress monitoring report keeps track of project advances.

39. Monitoring. The AWP and progress reports will be used to monitor implementation progress. The verification of project progress and outputs completion will be undertaken by UNDP as the project executing agency, with technical support of MMA-DPG. The PEU will also provide updated financial information according to the policies and procedures of the Bank and the GEF.

40. The project team will supervise the achievement of the outputs and outcomes associated to IDB/GEF funding, based on the bi-annual progress reports and will incorporate them into the Bank’s Annual Report System. Also, the project team will incorporate all project outputs and outcomes associated to the BID/GEF funds and parallel financing into the Project Implementation Reports (PIR) to be reported periodically to GEF. The Project Implementation Reports (PIRs) will be submitted annually starting at the second year of implementation. Annual reports will be submitted to the Bank, the MMA and the stakeholders.

41. Evaluation. An external mid-term evaluation will be conducted by an independent consultant financed with IDB/GEF funds, when 40% of the IDB/GEF resources are disbursed, or 24 months after project start, whichever comes first, under supervision of the IDB and UNDP. The midterm evaluation will determine the progress towards achieving the stated goals, the level of stakeholder involvement, positive changes in the beneficiaries because of the intervention and changes to be made to the implementation strategy. In addition, a final evaluation by an external consultant will be carried out once 80% of the project’s IDB/GEF resources are disbursed, or within the last three months of the project execution. The final evaluation will review project results, including its contribution to strengthening national and local capacity, its sustainability, draw the lessons from the project and recommendations for implementation in similar operations. Audit services will take place annually under the PEU supervision.

42. Project field visits and monitoring by IDB staff will take place annually or upon eminent need and will be paid by IA fees. The IADB will hold a final mission to discuss the results of the final evaluation with the executing agency, the MMA and key stakeholders involved. An indicative budget is presented next.

Type of activity	Responsible	Budget US\$
Project monitoring progress and outputs implementation	PEA/UNDP and MMA	15,000
Mid-Term Review	PEA/UNDP and MMA	15,000
Final Evaluation Report	PEA/UNDP MMA IDB	20,000
Auditing	PEA/UNDP	20,000
Project visits	IDB	Paid by IA fees
Total		70,000

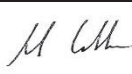
PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this form. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Rodrigo Martins Vieira	Operational Focal Point	Ministry of Planning, Budget and Management	03/07/2014

B. GEF AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Michael Collins IDB/GEF coordinator		10/18/2016	a.i. Helena L. Piaggese	202-623-1872	helenal@iadb.org

ANNEX A: PROJECT RESULTS FRAMEWORK (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Detailed Results Framework							
Project Objective: support Brazil implement a clear, robust and transparent national legal and regulatory framework, the governance and institutional capacity necessary to manage the access and benefit sharing of genetic resources (ABS) and associated traditional knowledge (ATK), and improve knowledge of providers and users of such resources, enabling Brazil to fulfill the ABS provisions of the CBD and the Nagoya Protocol (NP).							
COMPONENTS, OUTCOMES AND OUTPUTS	Baseline 2016	Year 1	Year 2	Year 3	Year 4	Target	Means of verification
Component 1: ABS National Legal Framework							
Outcome 1: Nagoya protocol is ratified by the Brazilian executive and legislative branches of government							
indicator: # of legal instruments approved	0		1			1	DOU Publishing
Outputs							
Dissemination and awareness campaigns on Nagoya Protocol designed and conducted to key stakeholders, (# campaigns)	0	3	2	1		6	PEU progress reports
Key instruments and tools for NP developed and implemented (# instruments)	0	2				2	PEU progress reports
Outcome 2 : National ABS legal and institutional framework approved and operational							
indicator: # legal regulations enacted	0	1				1	DOU Publishing
Outputs							
Awareness and capacity building campaigns designed and conducted to key stakeholders and policy makers on ABS opportunities and implications (# campaigns)	0		1	1			PEU progress reports
Outcome 3: Key productive sectors with regulations and standard procedures harmonized with ABS law and NP							
indicator: # sectors	0		5			5	DOU Publishing
Outputs							
Technical study on the requirements for harmonization of the new ABS legislation and procedures concluded (# studies)	0	1				1	PEU progress reports
Component 2: Knowledge and Information Management							
Outcome 4: Reporting channels of the ABS Clearing-house mechanism is accessible to users and functioning							
indicator: # (x1000/year) of consultations at ABS National Portal	0	80	100	110	120	120	ABS Portal Stats

Outputs													
Content information on ABS organized for upload to Portal (# reports)	0	1											PEU progress reports
Technical studies for the development of the Brazilian ABS portal (# reports)	0	1					1						PEU progress reports
Brazilian ABS Portal implemented (#)	0	1											PEU progress reports
Outcome 5 : ABS National management system is operational and ABS registrations increase													
Indicator: # ABS registrations/year in SisGen	680*	1715	2340	2464	2589	2600							*YTD in old system SisGen database
Outputs													
National Electronic Management System - SisGen - designed (# systems)	0	1											PEU progress reports
Sub-systems and databases integrated into SisGen (# modules)	0	2	4	2									PEU progress reports
Component 3: Capacity Building and Training													
Outcome 6: Awareness and capacity of ILC and small users on ABS improved indicators:													
6.1 Number of qualified users and other stakeholders	0	20	40	86	86	232							PEU progress reports
6.2 Number of qualified ILC multipliers (men and women)	0		120	170	180	470							PEU progress reports
Outputs													
Awareness campaigns conducted for indigenous and traditional communities and other users on the functioning of ABS. (# campaigns)	0			20	17	37							PEU progress reports
Technical studies on "Community protocols" global experiences concluded (# studies)	0		1			1							PEU progress reports
Guidelines and training materials for users of the National Electronic Management System and National ABS portal developed (# manuals)	0	2				2							PEU progress reports
Training materials produced for indigenous and traditional communities on ABS negotiation skills (# manuals)	0	1				1							PEU progress reports
Methodological guidelines for community protocols developed as a tool for PIC (# guidelines)		1				1							PEU progress reports
Community protocols implemented (#)	0		1			1							PEU progress reports
Permanent dialogue sessions conducted (# sessions)	0	1	1	1	1	4							PEU progress reports

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

STAP Comments	IDB Responses
Root causes and barriers are not presented explicitly	Baseline information was further elaborated in topic A.2, including information about the recent approved national ABS regulation.
Baseline investments	Baseline investments and actions regarding ABS in Brazil are described in A.2.
Incremental cost reasoning is not clearly laid out	Incremental cost is explained and reinforced in A.5 including the need to implement and operate the new ABS Law.
GEBs could be further elaborated	Further explained in A.5
Lack of stakeholders role	A list of stakeholders and its roles was provided.
The list of risks could be expanded further	Description of risks and mitigation measures is updated.
No coordination mechanism or processes that may be employed are presented.	Coordination mechanism is now explained in IDB document.
USA Comments	
Although we are supportive of this project, we note concern about the likelihood of Brazil passing their draft ABS bill through Congress and assess this as “high risk” instead of “medium risk”. Thus, The United States requests that the IADB consider this during the development of the full project proposal prior to GEF CEO Endorsement.	This risk was eliminated, as ABS Law was approved in 2015.
Germany Comments	
Given the pivotal role of Brazil in the global ABS process and the learning experiences that can be expected during implementation, an advisory committee to the project might be considered. Actors such as the ABS Capacity Development Initiative (mentioned in the PIF) and the German supported project “Proteção e Gestão Sustentável das Florestas Tropicais” (also conducting ABS supporting activities) could participate in the committee. Also representatives from other BRICs countries, particularly from India and South Africa (where an informal exchange on ABS implementation with Brazil is already established through the ABS Initiative) could share valuable experiences.	Coordination mechanism is described in the execution arrangements that are included in IDB project document. The project will create a mechanism of permanent dialogue to engage all key stakeholders, and provide the opportunity for participation in ABS processes in Brazil. Furthermore, the UNDP as the executing agency on behalf of the Beneficiary, will provide support for dissemination of results and sharing of lessons learned with strategic partners. In addition, south-south knowledge exchange events will be held with the participation of government representatives from the BRIC and other emerging countries as described in page 8, to exchange information and experiences on Nagoya Protocol implementation and national legislations
Related to component 1: National Legal Framework on ABS. The PIF only refers to Art. 6 of the NP which is relating to clear access regulations. However, under the Nagoya Protocol (Art 15. – Art 17), Parties are also obliged to develop “user measures” (e.g., checkpoints, enabling authorities / ILC to monitor the utilization and commercialization of genetic resources). As Brazil bears a variety of commercial and scientific users of GR under its jurisdiction, this aspect should be explicitly reflected in the expected outcomes/ outputs.	These recommendations are incorporated in outputs 1.3.1 and 2.2.2. In addition further explanation is provided in the description of component 1 in Part II A.5.
Related to component 2: The notion of Brazil to be a provider country - and not a country that uses GR at large scale – becomes apparent. Particularly with respect to the intention of the Brazilian government to support national R&D / innovation based on GR, increased and explicit attention should be given to how ABS regulations may affect domestic Brazilian users of GR on the one hand, and to how Brazilian public / private research could	These issues have been a concern to the Ministry of Environment and other regulatory agencies, and are being addressed through a series of partnerships and collaborations with international organizations, such as the UNEP, EU-Brazil Sector Dialogue Support Facilities, as described in A.4 – Baseline. Also, the provision under the new National ABS Law for

benefit from smart benefit sharing regulations on the other, e.g. promoting joint research efforts, capacity building and technology transfer during the R&D and the commercialization phase.

“Sector Agreements” is intended to mitigate possible loss of competitiveness of local productive sectors, as a result of payment of monetary benefits for access to genetic resources and ATK.

ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS⁶

A. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

PPG Grant Approved at PIF: US\$120,000			
<i>Project Preparation Activities Implemented</i>	<i>GEF/LDCF/SCCF/NPIF Amount (\$)</i>		
	<i>Budgeted Amount</i>	<i>Amount Spent To date</i>	<i>Amount Committed</i>
Studies / activities for component 1: • Legal studies for harmonizing ABS in regulatory framework • Workshops and consultations with stakeholders	24,000 12,000	21,600 2,000	1,400 4,000
Preparation studies for component 2 • ABS management and information systems • Institutional analysis	22,500 16,500	15,700 10,620	6,800 5,880
Preparation for component 3 • Stakeholder analysis/design awareness capacity building • Community protocol development	25,000 20,000	6,530 8,850	8,100
Total	120,000	65,300	27,580

⁶ If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.

ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)