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CANADIAN INTERNATIONAL DEVELOPMENT AGENCY
AMERICAS BRANCH

BRAZIL - CANADA

Amazon Environment Project. ~~Brazil~~
Sustainable Development of Acrean Forest Resources

CIDA Project No. 204/16379

PLAN OF OPERATION

First Draft

November 1989

Amazon Environment Project. Brazil
Sustainable Development of Acrean Forest Resources
CIDA Project Number
Plan of Operation

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II

PLAN OF OPERATION

The purpose of this Plan of Operation is to record the understanding between the 'Agência Brasileira de Cooperação', representing the Government of Brazil, and the Canadian International Development Agency, representing the Government of Canada, on the purpose of the project, the method and schedule for achieving that purpose, the resources required, and the means of managing and evaluating the achievement of the project purpose. The responsibility of achieving the purpose of the project is shared jointly by the designated representatives of both governments, and each undertakes to provide the project requirements as allocated and scheduled herein.

This Plan of Operation is considered to be a dynamic working document subject to amendment by mutual agreement when circumstances beyond the control of either party impose unavoidable changes, or if, for any other reason, an amendment is deemed necessary by both parties.

Signed inon the day of.....,198 ..
in two copies, both of which shall be considered an original.

.....
for the
Government of Brazil

.....
for the
Government of Canada

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ABBREVIATIONS

ABC	Agência Brasileira de Cooperação
CEA	Canadian Executing Agency
CIDA	Canadian International Development Agency
CNS	Conselho Nacional dos Seringeiros
CPI	Comissão Pro-Índio
CTA	Centro dos Trabalhadores da Amazônia
Embassy	The Canadian Embassy in Brasília
EMBRAPA	Empresa Brasileira de Pesquisa Agropecuária
FUNTAC	Fundação de Tecnologia do Acre
GoC	Government of Canada
GoB	Government of Brazil
IBAMA	Instituto Brasileiro do Meio Ambiente
IMAC	Instituto do Meio Ambiente do Acre
INCRA	Instituto Nacional de Colonização e Reforma Agrária
POP	Plan of Operation
UFAC	Universidade Federal do Acre
Cr.N.\$	Brazilian Cruzado Novo
\$	Canadian dollar
ha.	Hectare

NARRATIVE SUMMARY

Goal:

To help improve the management and conservation of renewable resources in the State of Acre, in a manner which is compatible with a just, economically sustainable socio-economic development.

Purposes:

- To contribute to socio-economic development in targeted extractive areas and communities.
- To support sustainable development and environmental protection by highlighting the long term profitability of the forest.
- To conduct both natural sciences and socio-economic research geared to the promotion of the rational and multiple uses of the forest.
- To strengthen the institutional capacity of FUNTAC in forest monitoring, applied research, and technology development and transfer.
- To strengthen the institutional capacity of CNS to support community organization, community development and economic development.

Outputs:

- Mapping of forests and of soil types
- Installation or completion of laboratories and information centre
- Creation of reference collections for plants, herbs, and woods
- Identification of new products and high yield trees.
- Economic, market and marketing analyses of traditional and non-traditional products
- Development of product technologies
- Set up of a bank of genetic material and seed supply
- Installation of demonstration plots and community nurseries
- Formal training of professionals and researchers
- Training of community administrators, monitors, extensionists, and of environmental monitors
- Set up of income-generating centres
- Information workshops for women
- Production of printed or audio materials on the environment

Inputs:

From Canada:	From Brazil:
Technical assistance	Personnel
Materials and equipment	Physical facilities
Development fund	Evaluation
Training	
Evaluation	

OBJECTIVELY VERIFIABLE INDICATORS

Measure of achievement:

- Development and implementation of official programmes to reduce/eliminate forest cutting and un-economic land uses.
- Generation of employment and/or economic activities in the seringueiro communities.
- Availability of improved social services to the seringueiro community
- Improved land use.
- Ability on the part of FUNTAC to carry out its mission as provider of practical information on the use of natural resources, and as developer of appropriate technologies.
- Ability on the part of CNS to deliver community development services to the seringueiros.

Magnitude of outputs:

- Mapping of 1/3 of the state
- 5 laboratories and 1 information centre
- Plants, herbs and wood collections
- Bank of genetic materials
- Technical, economic and market analyses of 3 major traditional products, and of 3 new products
- 5 plots installed
- 4 community nurseries installed
- 19 professionals formally trained
- 20 Professionals and technicians trained on-the-job
- 40 Community administrators trained
- 40 Community monitors trained
- 16 Extensionists trained
- 40 Environmental monitors trained
- 32 Income-generating centres created in the communities
- 8 Informational workshops for women held
- Printing of materials for environment education

Implementation target:

Million 1989 \$	Canada	Brazil
Personnel	2.878	3.783
Mat. & equip.	1.584	.414
Local costs	.250	.0 80
Training	.304	
Development fund	.150	

MEANS OF VERIFICATION

- Government of Brazil and Government of Acre statistics
- GOB/CIDA evaluation
- Project records
- Periodic CIDA missions
- Monitor's missions
- GOB/CIDA evaluations
- Final report of project
- Project records
- Project reports
- CEA invoices
- Monitor's reports
- Evaluation reports

IMPORTANT ASSUMPTIONS

To achieve goals:

- The Governments of Brazil and of Acre maintain their commitment to a programme of sustainable development for the Amazon region.

To achieve purposes:

- Interest on the part of the seringueiro community to participate in this project.
- Ability on the part of the two levels of government, FUNTAC and CNS to create/encourage operational links between the project and other participating institutions and groups.

To achieve outputs:

- The Government of Acre provides FUNTAC with the necessary personnel and budget.
- Brazilian and Canadian project staff is well qualified, stable and in sufficient numbers.
- Materials and equipment are purchased according to specifications, and are delivered on time.
- Options, applications and alternatives chosen by the project are technically feasible and economically viable.

To achieve inputs:

- CEA/CIDA contract
- Procurement contracts, invoices, waybills, customs permits
- Project Inception Report
- Identification of qualified Canadian CEA.
- Successful negotiation, and signature, of the MOU.

1. Project Context

1.1. Background

In the late 1960's the State of Acre was almost completely covered by primary tropical rainforest. The forest was occupied by Indians, seringueiros (rubber tappers) and ribeirinhos (riverside subsistence agriculturalists), who made their living by rubber tapping, gathering Brazil nuts and subsistence farming. Native rubber extraction played a crucial role in Acre's economy, and was controlled by rubber barons (seringalistas) and intermediaries. After Asian rubber was introduced on the world market, prices fell drastically and rubber production became concentrated in higher yielding areas such as Acre. At the time of World War II, the Brazilian Government monopolized the market and instituted price controls that served the interests of the rubber barons. However, the strategies of monopoly and price control proved ineffective, with the result that many producers fell into debt. This situation later facilitated the sale of rubber estates to new investors in the 1970's. In 1967 the monopoly was abolished and replaced in 1968 by a policy of price protection, incentive programmes for plantations and the rehabilitation of traditional rubber producing areas, a context which favored the emergence of autonomous rubber tappers.

Between 1971 and 1973, access roads to Eastern Acre were constructed and the federal government began to sell land to investors and to promote settlement schemes. The new landowners started to convert forest to pasture, a land use which returns relatively high short-term gains, and requires low initial investment. The sustainable extractive system for rubber, which had suffered economically from declining prices, could not compete with the demand for land to raise cattle, especially in a distorted economy where subsidies and tax incentives were used to encourage the use of the land for agriculture.

Land clearing has created profound social changes in the Amazon region, including Acre. Many rubber tappers who lost their livelihood moved to other forested areas such as Bolivia, or into towns. The urban centers, including Rio Branco, the capital of Acre, did not have the industry required to absorb the growing immigrant labour force. It is important to

note that extensive cattle raising has not become a profitable substitute for rubber production, and the state economy thus continues to rest upon extractivism.

The emergence of autonomous rubber tappers and the subsequent rapid destruction of their livelihood are the two intertwined processes underlying the cooperative and union movements in Acre. The first steps to create unions were taken in 1973 with the demonstrations against deforestation held in the municipality of Brasileia. Church based groups began organizing workers unions in 1974, and the Xapuri rubber tappers' cooperative was funded in 1978 with the support of non-governmental organizations. In 1980, the Superintendency for Rubber Development (SUDHEVEA) launched two programmes. The first involved the creation of rubber associations and the financing of small, technologically simple processing plants that allowed rubber tappers to sell rubber directly to industrial users for higher prices. The second intended to stimulate the planting of rubber trees in the areas occupied by the rubber tappers. These initiatives culminated in a 1985 proposal by the rubber tappers themselves to create extractive reserves, and in the founding of a national organization, the National Council of Rubber Tappers (CNS).

There is an evident lack of information on the actual and potential values of extractive production. To assess these values it is necessary to quantify the yield of various products and the potential to increase that yield, to improve the tapping and transforming technologies, and to develop the markets for these products. This can be achieved through research, demonstration, extension and training, and community development activities. The rubber tapper community can be helped to organize more effectively and to master new basic technologies, and extension workers must improve their ability to acquire and transmit new knowledge.

The development of the Amazon must be based on a good knowledge of the forest resources and the land base. In Acre, a state-wide survey of forest and soil types is necessary for land use planning, such as the delimitation of areas requiring full conservation of the natural forest. More detailed surveys are necessary for the identification of extractive reserves, areas for subsistence farming or for forest management. Following the local, national and international preoccupation with land clearing, the

Government of Acre has adopted a development policy based on the rational use of the forest.

A good number of these activities fall within the mandate of the Fundação de Tecnologia do Acre (FUNTAC), which is seeking the cooperation of CIDA to help promote knowledge and the rational utilization of Acre's renewable natural resources.

For its part, CNS must be involved in the implementation of the project, for it is the main organization representing the rubber tapping community.

1.2. Development Philosophy

This project addresses the notion of "sustainable development" in a tropical rainforest environment. As defined by the Brundtland Commission in 1987, the question is one of "development that meets the needs of the present without compromising the ability of future generations to meet their own needs".

The project proposes a practical approach developed by the rubber tappers themselves, that of "extractive reserves". This concept offers a development alternative based on forest conservation, intensification and diversification of extractive activities, and the improvement of agro-forestry systems. It rests on principles well supported within the rubber tapper community, and therefore possesses the basic ingredients to be successful. Women would be very much involved in the various socio-economic activities sponsored by the project.

Rubber tappers are receptive to the introduction of simple technologies and agro-forestral practices, and there are indications that these may help prove that forest conservation can be economically advantageous.

The extractive reserve is communally run, although individual families retain the right to tap their traditional territory. This societal framework precludes alienation of community lands and land speculation, and would permit some degree of community land use regulation.

as they are in the Fall of 1989. The policy of the Government of Acre views the forest as the state's major natural resource. The official commitment made to the goal of this project can best be described in the official request for Canadian assistance from the Governor of the State (02-20-89), so as to implement "economic activities which, by combining social and economic development with the sustainable use of natural resources, make possible a process of growth that is ecologically harmonious."

2. Project Description

2.1. Project Goal and Purpose

The goal of this project is to help improve the management and conservation of renewable natural resources in the State of Acre, in a manner which is compatible with just and economically sustainable socio-economic development.

The project purposes are:

- To contribute to socio-economic development in targeted extractive areas and communities.
- To support sustainable development and environmental protection by highlighting the long term profitability of the forest.
- To conduct both natural sciences research and socio-economic research geared to the promotion of the rational and multiple uses of the forest.
- To strengthen the institutional capacity of FUNTAC in forest monitoring, applied research, and technology development and transfer.
- To strengthen the institutional capacity of CNS to support community organization, community development and economic development.

2.2. Location

Project activities will take place in the State of Acre, Brazil. The project will be managed from the FUNTAC headquarters and the offices of CNS both located on the outskirts of the city of Rio Branco.

The project area will be the Eastern third of the State of Acre, an area roughly comprised within the 67-69 degrees longitude and 10-11 degrees latitude. Major activities will take place in the extractive reserve of San Luis Remanso and in FUNTAC's experimental forest grounds. The Eastern

third of Acre covers a 50,000 km² area of which approximately 30,000 km² are still covered by tropical rainforest of the sub-humid type.

2.3. Cost of the Project

Total cost of the project is estimated at \$12.3 million, with the Canadian Government contributing \$6,9 million, and the Brazilian counterpart \$5.4 million. Budget details are provided in "Section 4" hereafter.

2.4. Project Duration

The project shall have a duration of five years, from the date of mobilization of the expert team of the Canadian Executing Agency (CEA). The chronogram of activities is provided in "Section 5" hereafter.

2.5. Project Components

Figure "II" hereafter contains the work breakdown structure for this project.

The project is divided into six main components:

- 1000 Supervision and Control of Project by CIDA
- 2000 Project Management and Implementation
- 3000 Institutional Strengthening
- 4000 Research and Development of Resources
- 5000 Systems of Community Development
- 6000 Project Evaluation

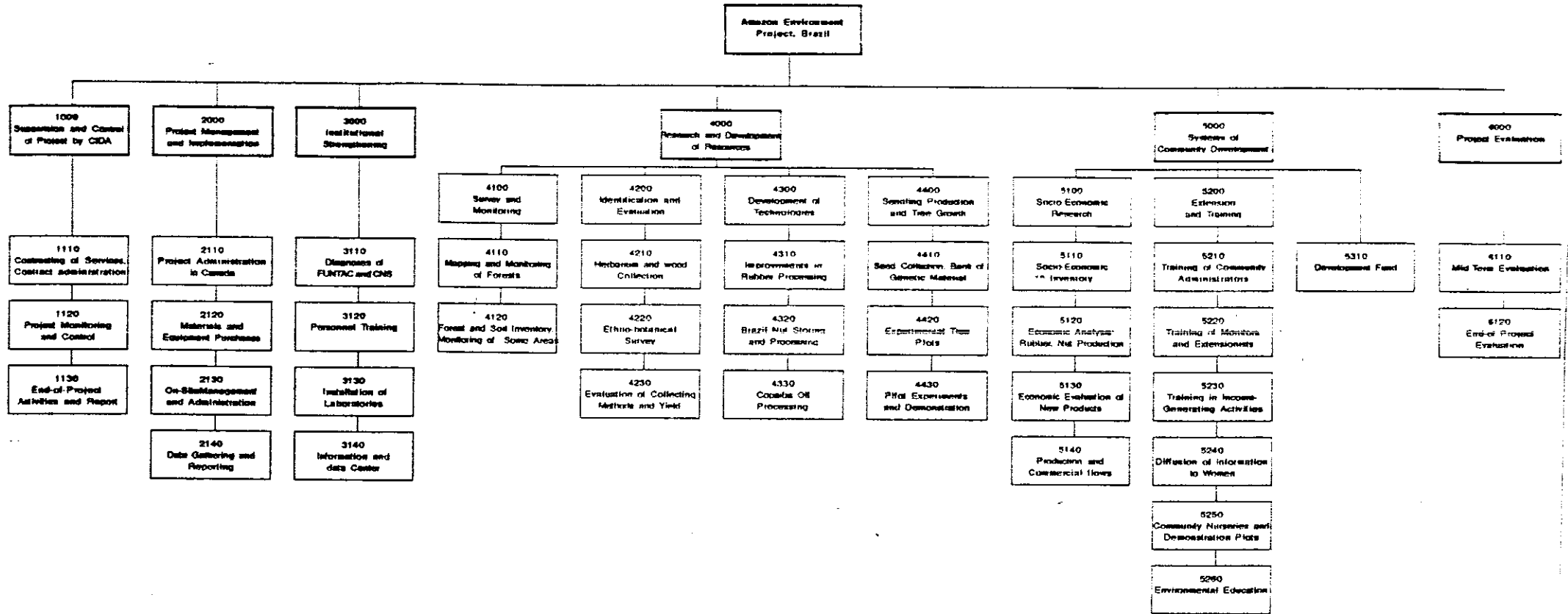
equipment?

2.6. General description of the project

The project covers a wide range of activities, all of which must be linked together to satisfy the needs of the seringueiro community, while supporting forest conservation as part of the state's natural resource use planning. The project components are grouped into elements (1000),

Project Work Breakdown Structure

Figure 17



sub-elements (1010) and activities (1110). The six elements are broadly defined as follows.

Element 1000 (Supervision and Control of Project by CIDA) covers all necessary steps required for the administration of CIDA's contract with the Canadian Executing Agency, for financial and administrative control of the project, and for the closure of the project at the end of its activities. CIDA will hire a monitor, who will examine project activities on a regular basis.

Element 2000 (Project Management and Implementation) ensures both in Canada and on-site the steps necessary to implement the project workplans, manage personnel and finances and facilitate a proper flow of information within the project. One of the major contributions this project intends to make lies in the collecting of information about the economic potential of the Amazonian rainforest. In order to ensure that all data is properly collected and preserved, the project will have a technical documentalist on-site.

Element 3000 (Institutional Strengthening) will provide FUNTAC and CNS with the personnel and material reinforcement they need to carry out project responsibilities now, and some of their regular activities in the foreseeable future. Materials and equipment for laboratories, experimentation plots, extension and offices will be provided. Personnel support will be provided by both full-time and part-time Canadian and Brazilian experts. The project will provide formal university training to four professionals and short-term training to seventeen other people working for either FUNTAC or CNS.

Element 4000 (Research and Development of Technologies) covers the inventory and monitoring of forested areas, the identification or confirmation of products with economic prospects, the development of appropriate technologies to gather and transform these products, the reproduction of valuable plants, and finally the set up of demonstration plots or pilot experiments as a basis for technology transfer.

Element 5000 (Systems of Community Development) will permit the accumulation of pertinent data on the local seringueiro community, its socio-economic environment, and on the economic return of several local

products. The project will train local community administrators, monitors and extensionists. Further on, the project will provide both technical and financial assistance to local income generating activities. Finally, two informational programmes will be set up, the first one directed to the women in the community (on health, nutrition, and so on), the second one directed to the population of the state at large (on environmental awareness).

Element 6000 (Project Evaluation) proposes two external evaluations to take place at mid-term and at the end of the project respectively.

Project activities are described in detail in Appendix "A". The description of the technical components therein is to be regarded as a project framework within which the CEA, FUNTAC and CNS will be able to develop yearly objectives and workplans according to needs identified over time. The project's design approach is intended to incorporate flexibility in planning, so that the Project Management Committee, under the guidance of the Steering Committee, will be managing a dynamic, process-oriented project instead of working with a fixed blueprint.

2.7. Project Beneficiaries

The expected beneficiaries of the project are both mediate and immediate. Mediate beneficiaries include:

1. The general population of the State of Acre, for whom research and technology development will bring the prospect of some increase and diversification in the state's economic base while, at the same time, helping set the criteria for proper land utilization and conservation.

Immediate beneficiaries include:

2. The population of the targeted forest communities (estimated to be some 800 families), for whom project-related activities will bring increased income, some measure of community organization, and an improved range of social services available.

3. The technical and professional staff of FUNTAC, for whom the project represents the possibility of technical and managerial skills development.

4. The leadership and staff of CNS, for whom the project represents the possibility of skills development in the areas of community organization, management and administration.

2.8. Personnel Required

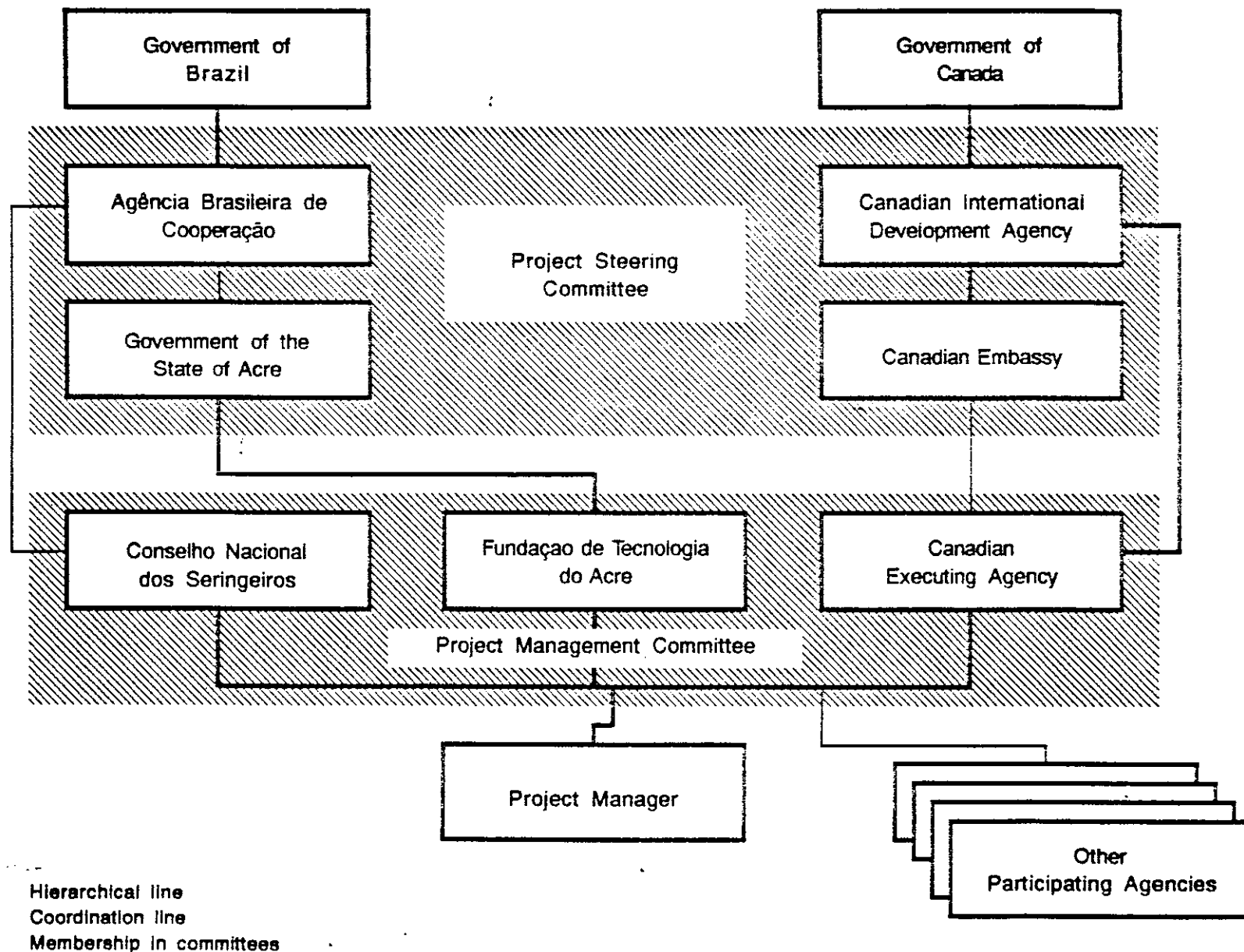
Appendix "B" describes the Canadian personnel required for implementation of this project.

2.9. Procurement

Materials and equipment procurement represents approximately \$1.6 million of the Canadian contribution to the project. The procurement process will be managed and implemented by the Canadian Executing Agency and, to the extent possible, will be a tied element of the project.

It is expected that most of the materials and equipment required from FUNTAC and CNS do already exist in these organizations, and therefore, will be supplied "in kind".

**Amazon Environment Project. Brazil
ORGANIZATION CHART**



3. Project Organization

3.1. Organization Chart

The organization chart opposite (Figure "III") graphically illustrates the functional and hierarchical links amongst the key institutions and organizations associated with this project.

3.2. Roles and Responsibilities. Canada

For purposes of this project, the Government of Canada is represented by the Canadian International Development Agency (CIDA) and the Canadian Embassy in Brasilia. The Canadian Executing Agency (CEA) is responsible for implementing the Canadian contribution to the project.

3.2.1. The Canadian International Development Agency (CIDA)

CIDA shall fulfill all of Canada's obligations as set forth in the Memorandum of Understanding signed with the Government of Brazil. CIDA shall constitute a project team under a Project Team Leader (PTL) who, on its behalf, shall carry out the following responsibilities:

- Ensure preparation, negotiation, approval and updates as required of the project's plan of operation.
- Obtain necessary Canadian official approvals for the project and any resulting contracts.
- Prepare a Memorandum of Understanding which sets out the responsibilities of both governments.
- Ensure the preparation of the terms of reference for the contracting of the Canadian Executing Agency.
- Ensure the evaluation of proposals from, and the negotiation

PROJECT SUMMARY

Project Number and Title:

 Sustainable Development Project,
 Amazon, Brazil

Approval dates:
 PIM POP
 PAM MOU

Project start:	Project finish:
Planned	Planned
Actual	Actual

Project goal:
 To help improve the management and conservation of renewable natural resources in the State of Acre, in a manner which is compatible with just and economically sustainable socio-economic development.

Project purpose:
 To contribute to socio-economic development in targeted extractive areas and communities. To support sustainable development and environmental protection. To conduct natural sciences and socio-economic research geared to the promotion of the rational and multiple uses of the forest. To strengthen the institutional capacity of FUNTAC and CNS.

Scope of Work

By Canada

- Personnel
- Equipment
- Training
- Local costs
- Evaluation

By Brazil

- Personnel
- Equipment
- Installations
- Local costs
- Evaluation

Canadian Inputs (\$'000):

	Planned	Actual
Personnel	2,878	
Materials & Equipment	1,564	
Local Costs & Other	290	
Formal Training	304	
Monit., Eval.	350	
Inflat. & Conting.	1,315	

Financial Provisions:

CIDA	6.85 million	
Brazil	5.42	*
Total	12,272	*

Milestones:

	Planned date	Actual date
Completion of diagnoses of FUNTAC/CNS		
Inception Report		
Completion of scientific surveys		
Completion of socio-economic studies		
Completion of staff training		
Mid-project evaluation		

CIDA cash flow (\$'000)

	Estimated	Actual
Fisc. Year 1	2,065	
Fisc. Year 2	1,132	
Fisc. Year 3	1,454	
Fisc. Year 4	1,095	
Fisc. Year 5	1,105	

with potential Canadian executing agencies.

- Ensure the engagement of the Canadian Executing Agency responsible for the implementation of the Canadian contribution to the project.

- Ensure the preparation of terms of reference, evaluation of proposals, negotiation and engagement of consultants to carry out project monitoring, audit, evaluation and other requirements as identified.

- Approve preparation of specifications, bid sets and purchasing of materials and equipment as necessary.

- Manage the overall Canadian participation in the project based on information obtained from the control reports, committee meetings and external verifications as indicated hereafter.

- Represent CIDA on the Project Steering Committee.

- Ensure that project objectives are being met on time and within budget.

- Inspect the project at significant milestones, and based on assessments, review original assumptions and if necessary recommend to CIDA changes to the project.

- Review all recommendations submitted concerning the project, and take appropriate actions.

- Control disbursement of project funds from Canada.

- Oversee preparation by the Canadian Executing Agency of the End-of-Project Report.

- Terminate project.

3.2.2. The Canadian Embassy

The Canadian Embassy in Brasilia (the Embassy), as the representative of the Government of Canada and of CIDA, shall have the following responsibilities:

- Support the PTL in the negotiation of the Memorandum of Understanding and the Plan of Operation with the Government of Brazil, and sign the Memorandum of Understanding on behalf of the Government of Canada
- Attend Project Steering Committee meetings as a member.
- Keep the PTL informed of any significant political or economic factor in Brazil that may affect the implementation of the project.
- Maintain liaison with the CEA personnel in the field on a regular basis, or specifically as requested by the PTL.
- Collaborate, as requested by the PTL, in the planning, organization, execution and analysis of the monitoring, auditing and evaluation of the project.
- Assist as required in consular and logistical matters pertaining to Canadian personnel working for the project.

3.2.3. The Canadian Executing Agency (CEA)

The Canadian Executing Agency is responsible to the PTL for the management, administration and implementation of the Canadian contribution to the project.

The CEA's Project Coordinator, located at the CEA headquarters in Canada, shall:

- Provide overall management of CEA's contractual and project responsibilities.

- Administer the CEA's contract with CIDA.
- Ensure all required project reports are prepared in a manner acceptable to CIDA, are complete, and are submitted in due course.
- Ensure that all CEA recruiting, hiring, purchasing, logistics, housing, accounting and administration are handled in the manner required by the CIDA contract.
- Direct the activities of the CEA Field Project Co-Director in Brazil.
- Ensure at all times liaison with CIDA.

The CEA Project Co-Director, located in Rio Branco, is the person in charge of the Canadian contribution to the implementation of the project. He is responsible to CIDA, through the CEA Project Coordinator, for the successful delivery of Canadian support to the project within budget and on time. The CEA Project Field Director shall:

- Be the Canadian representative on the Project Management Committee.
- With the FUNTAC and the CNS project co-directors, administer all facets of the project to ensure constant up to date information and status of all project implementation activities, Brazilian or Canadian.
- Assist the Project Steering Committee as a resource person, when so required.
- As required, maintain liaison with the Canadian Embassy in Brasilia.
- Ensure close liaison between the Canadian and Brazilian counterpart personnel working on the project.

3.3. Roles and Responsibilities, Brazil

The Government of Brazil is represented in this project by the Agência Brasileira de Cooperação and the Government of the State of Acre. Both Institutions are jointly designated by the Government of Brazil to fulfill the Brazilian obligations arising from the Memorandum of Understanding. The Fundação de Tecnologia do Acre and the Conselho Nacional dos Seringueiros are responsible for implementing the Brazilian contribution to the project.

3.3.1. The Agência Brasileira de Cooperação (ABC)

The Agência Brasileira de Cooperação shall:

- Negotiate and sign the Memorandum of Understanding on behalf of the Government of Brazil.
- Nominate a representative to the Project Steering Committee.
- In agreement with the Government of the State of Acre, designate FUNTAC as Brazilian executing agency responsible, jointly with CNS, for the implementation of the Brazilian contribution to the project.
- Designate CNS as Brazilian executing agency responsible for the implementation of the Brazilian contribution to the project, jointly with FUNTAC.
- Ensure, in Brazil, liaison between the different Brazilian agencies and their Canadian counterparts.
- Ensure the required participation in the project of other Brazilian institutions. Ensure that the inputs from these various Brazilian agencies are timely and of the quality and quantity stipulated in the plan of operation.
- Assist Canadian personnel working in the project in obtaining documents, permits and other requirements necessary for their

residence and work in Brazil. Also, assist in the mobilization and demobilization of these personnel and their dependents, as required.

- Assist the CEA Project Co-Director with the timely and proper customs clearance of imported materials and equipment required to implement the project.

- Ensure the preparation of terms of reference and engagement of persons to carry out project monitoring, audit, evaluation and other requirements as identified.

3.3.2. The Government of the State of Acre

The Government of the State of Acre shall:

- In agreement with the Agência Brasileira de Cooperação, designate FUNTAC as Brazilian executing agency responsible, jointly with CNS, for the implementation of the Brazilian contribution to the project. In this delegation, the Government of the State of Acre undertakes to provide FUNTAC with sufficient resources, authority and responsibility to fulfill its functions as stipulated in the Memorandum of Understanding and in this plan of operation.

- Nominate a representative to the Project Steering Committee.

- Ensure, in Acre, liaison between the different State agencies and their Canadian counterparts.

- Ensure the required participation in the project of other State institutions. Ensure that the inputs from these various State agencies are timely and of the quality and quantity stipulated in the plan of operation.

- Provide normal line supervision of State project participants. Supervise the overall direction of the project through the Project Steering Committee.

3.3.3. The Fundação de Tecnologia do Acre (FUNTAC)

Together with CNS, FUNTAC is an executing agency for this project. The General Manager of FUNTAC, who is a Project Co-Director, is the person in charge of the contribution that the State of Acre pledges to the implementation of the project. He is answerable to the Government of the State of Acre for the successful delivery of Acre's support to the project within budget and on time. The General Manager of FUNTAC shall:

- Sit on the Project Management Committee.
- Together with the CEA and the CNS project co-directors, manage all facets of the project to ensure constant up to date information and status of all project implementation activities, Brazilian or Canadian.
- Assist the Project Steering Committee as a resource person, when so requested.
- Facilitate the inputs of other Government of Acre institutions and agencies collaborating with the project.
- Ensure that all FUNTAC recruiting, hiring, purchasing, logistics, accounting and administration are handled in the manner required by the Government of Acre, the Memorandum of Understanding and this plan of operation.
- Ensure close liaison between the FUNTAC, CNS and Canadian counterpart personnel working on the project.

3.3.4. The Conselho Nacional dos Seringeiros (CNS)

Together with FUNTAC, CNS is an executing agency for this project. CNS shall designate a Project Co-Director, who shall be the person in charge of the contribution that CNS pledges to the implementation of the project. This person shall ensure the successful delivery of local and community support to the project within budget and on time. The designated co-director shall:

- Sit on the Project Management Committee.
- Together with the CEA and the FUNTAC project co-directors, manage all facets of the project to ensure constant up to date information and status of all project implementation activities, Brazilian or Canadian.
- Assist the Project Steering Committee as a resource person, when so requested.
- Facilitate the inputs of other local, community and non-governmental groups and agencies collaborating with the project.
- Ensure that all CNS recruiting, hiring, purchasing, logistics, accounting and administration are handled in the manner required by Brazilian legislation, the Memorandum of Understanding and this plan of operation.
- Ensure close liaison between the CNS, FUNTAC and Canadian counterpart personnel working on the project.

Other Brazilian Institutions

After having signed agreements with FUNTAC or with CNS, other Brazilian institutions identified in the project workplans shall have the following responsibilities as a condition for their participation in the project:

- Adhere to the goals and objectives of the project.
- Provide the project, in a timely and effective manner, with all the resources and services stipulated in the said agreement.
- Establish close liaison with their Brazilian and Canadian counterparts.
- Nominate representatives and participate in selected technical advisory meetings and project implementing activities upon request of the Project Management Committee.

3.4. Roles and Responsibilities, Internal Project Organization

The project committees structure described herein is established to ensure concurrence in overall project direction, and close cooperation and understanding between Brazilian and Canadian participants at all levels

3.4.1. Project Steering Committee

The Project Steering Committee is the senior level of authority within the project, and is concerned with the general direction of the project and with policy issues which may arise from time to time. The Committee is to ensure that all participants comply with the terms of the Memorandum of Understanding and that the project goal remains valid in the context of Brazilian development policy.

Specifically, the Project Steering Committee shall:

- Receive, review and give appropriate disposition to the project's annual report.
- Receive, consider and decide on the contents of the project annual workplan.
- Receive, review and ensure the follow-up of the project evaluations.

The Committee shall meet at least once every year, and at the request of any member formally communicated thirty or more days in advance of the proposed date.

The Committee shall be composed of the four previously indicated members (ABC, CIDA, Government of the State of Acre, Canadian Embassy in Brasilia), with the ABC representative acting as its chairperson.

3.4.2. Project Management Committee

The Project Management Committee is established to provide direct supervision to project activities. The Committee is composed of the three previously identified members (one representative of CNS, the General Manager of FUNTAC, the CEA Field Project Co-Director), one of whom shall be designated as its chairperson. The Committee shall meet formally at least once every month and informally as often as required. The minutes of the Committee's meetings shall be attached to the next formal report each co-director makes to his own superiors. The CEA copy will be forwarded through channels to the CIDA PTL, with a copy to the Embassy.

The Committee shall prepare and present a formal project report to each session of the Project Steering Committee.

The Project Management Committee is directly and specifically responsible for project implementation.

3.4.3. The Project Manager

The Project Management Committee has authority to create the function of Project Manager. The Project Manager administers project activities and operations on behalf of the Project Management Committee, as specifically directed by the latter.

4. Project Budget

4.1. Overall Implementation Budget

The overall implementation budget for this project is as follows:

<u>Financial component</u>	<u>\$ '000</u>
Personnel	6,670
Materials and Equipment	1,978
Local Costs	310
Formal Training	304
Community Development Fund	150
Other	40
Project Monitoring	250
Project Evaluation	140
Contingency, Risk (5%)	493
Inflation (5%)	1,938
Total	12,273

4.2. Canadian and Brazilian Contributions

CIDA costs by financial component (\$ '000):

Personnel	2,878
Materials and Equipment	1,564
Local Costs	250
Formal Training	304
Development Fund	150
Other	40
Project Monitoring	250
Project Evaluation	100
Contingency, Risk (5%)	277
Inflation (5%)	1,038

Total Canadian contribution 6,851

Brazilian costs by financial component (\$ '000):

Personnel	3,793
Materials and Equipment	414
Local Costs	60
Project Evaluation	40
Contingency, Risk (5%)	215
Inflation (5%)	900
 Total Brazilian contribution	 5,422

4.3. Budget Disbursement Plan

The Table opposite presents the budget disbursement plan by project components. Budget details are given in Appendix "D".

Amazon Environment Project. Brazil

PROJECT BUDGET DISBURSEMENT PLAN in Can\$

Cost Element	Total Cost	Year I	Year II	Year III	Year IV	Year V
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CANADIAN BUDGET DISBURSEMENT PLAN

Personnel	2,877,900	728,680	531,680	669,580	494,380	453,580
Materials and Equipment	1,563,850	935,050	230,800	250,000	98,000	50,000
Local Costs	250,000	50,000	50,000	50,000	50,000	50,000
Formal Training	304,000	70,800	70,800	70,800	70,800	20,800
Community Development Fund	150,000	30,000	30,000	30,000	30,000	30,000
Project Monitoring	250,000	50,000	50,000	50,000	50,000	50,000
Project Evaluation	100,000			50,000		50,000
Other	40,000	8,000	8,000	8,000	8,000	8,000
Total Canadian Costs	5,535,750	1,872,530	971,280	1,178,380	801,180	712,380
Contingency, Risk (5%)	276,787	93,626	48,564	58,919	40,059	35,619
Inflation (5%)	1,038,164	98,308	111,815	217,113	253,695	357,233
GRAND TOTAL CANADIAN COSTS	6,850,701					

BRAZILIAN BUDGET DISBURSEMENT PLAN

Personnel	3,792,750	747,750	763,250	794,252	772,248	715,248
Materials and Equipment	414,000	82,800	82,800	82,800	82,800	82,800
Local Costs	60,000	12,000	12,000	12,000	12,000	12,000
Project Evaluation	40,000			20,000		20,000
Total Brazilian Costs	4,306,750	842,550	858,050	909,052	867,048	830,048

Amazon Environment Project. Brazil

PROJECT BUDGET DISBURSEMENT PLAN in Can\$

Cost Element	Total Cost	Year I	Year II	Year III	Year IV	Year V
Contingency, Risk (5%)	215,337	42,127	42,902	45,453	43,352	41,502
Inflation (5%)	899,599	44,234	94,519	163,989	867,048	830,048
GRAND TOTAL BRAZILIAN COSTS	5,421,687					
OVERALL PROJECT COST	\$12,272,388					

5. Project Schedule

5.1. Project Implementation Schedule

A schedule of project activities is attached hereafter: Figure "IV".

Figure IV

Amazon Environment Project, Brazil

SCHEDULE OF ACTIVITIES

Activity	Pre-Project			Year I				Year II				Year III				Year IV			Year V					
	4th Q.	3d Q.	2d Q.	1st Q.	1st Q.	2d Q.	3d Q.	4th Q.	1st Q.	2d Q.	3d Q.	4th Q.	1st Q.	2d Q.	3d Q.	4th Q.	1st Q.	2d Q.	3d Q.	4th Q.	1st Q.	2d Q.	3d Q.	
1000 Supervision and Control of Project by CIDA																								
1110 Contracting of Services, Contract Administration																								
1120 Project Monitoring and Control																								
1130 End-of-Project Activities and Report																								
2000 Project Management and Implementation																								
2110 Project Administration in Canada																								
2120 Materials and Equipment Purchases																								
2130 On-Site Management and Administration																								
2140 Data gathering and Reporting																								
3000 Institutional Strengthening																								
3110 Diagnosis of FUNTAC and CNS																								
3120 Personnel Training																								
3130 Installation of Laboratories																								
3140 Information and Data Centre																								
4000 Research and Development of Resources																								
4100 Survey and Monitoring																								
4110 Mapping and Monitoring of Forests																								
4120 Forest and Soil Inventory, Monitoring of Some Areas																								
4200 Identification and Evaluation																								
4210 Herbarium and Wood Collection																								
4220 Ethno-Botanical Survey																								
4230 Evaluation of Collecting Methods and Yield																								
4300 Development of Technologies																								
4310 Improvements in Rubber Processing																								
4320 Brazil Nut Storing and Processing																								
4430 Copra Oil Processing																								
4400 Seeding Production and Tree Growth																								
4410 Seed Collection, Bank of Genetic Material																								
4420 Experimental Tree Plots																								
4330 Pilot Experiments and Demonstration																								
5000 Systems of Community Development																								
5100 Socio-Economic Research																								
5110 Socio-Economic Inventory																								
5120 Economic Analysis: Rubber, Nut Production																								
5130 Economic Evaluation of New Products																								
5140 Production and Commercial Flows																								
5200 Extension and Training																								
5210 Training of Community Administrators																								
5220 Training of Monitors and Extensionists																								
5230 Training in Income-Generating Activities																								
5240 Diffusion of Information to Women																								
5250 Community Nurseries and Demonstration Plots																								
5230 Environmental Education																								
5310 Development Fund																								
6000 Project Evaluation																								
6110 Mid-Term Evaluation																								
6120 End-of-Project Evaluation																								

Note: - discrete activity
 - intermittent activity

6. Project Control

6.1. Project Controls

Project controls ensure that the planned results are being attained in line with the standards of quality, cost and timing as set out in the plan of operation. These controls shall ascertain that value is received for money spent, and that the data required for monitoring, evaluation and future planning are being assembled and preserved. To these ends, ABC, the Government of Acre and CIDA shall require reports and documents to verify that:

1. Goods and supplies are purchased within the limits of price, schedule and specifications set by the project.
2. Goods and supplies are received on time and in good condition.
3. Equipment is maintained, is repaired as needed and is operating efficiently.
4. Studies, research, analyses, experimentation and statistical information are being completed on time and are of good quality.
5. Sites selection and target groups selection are proceeding on time.
6. Development assistance is being delivered on time and in the required manner.
7. Technical assistance, institutional support and training programmes are being delivered at the technical level and with the frequency planned.
8. Operational and technical assessments of the project are being made on time and in the required manner.

9. Variances in any of these matters have been noted, and appropriate action has been taken.

6.2. CIDA Project Control Mechanisms

Project control will be exercised through the following mechanisms:

- A. Project Reports
 - Project Inception Report
 - Annual Project Progress Report
 - Annual Workplan

- B. CEA Reports:
 - CEA Quarterly Progress Reports
 - CEA Quarterly Financial Reports and Invoices
 - Special Reports, as required
 - Final Project Report

- C. Meetings:
 - CIDA Project Team Meetings
 - Project Steering Committee Meetings
 - Project Management Committee Meetings

- D. Project Visits. The following minimum CIDA management visits are required annually:
 - CEA Project Coordinator
 - CIDA Project Team Leader
 - CIDA Principal Resources Officer(s)

- E. Project Monitoring every six months.

- F. Mid and Final Project Evaluations.

Appendix "E" hereafter describes in detail these different control mechanisms.

7. Project Evaluation

It is planned that the project be evaluated twice, at mid-term and near its completion. The evaluations shall be carried out by a three person team from Canada: a specialist in project management, a specialist in forest environment issues, and a specialist in social development and programmes. The Agência Brasileira de Cooperação shall determine and appoint the Brazilian counterparts to the Canadian evaluators.

7.1. Evaluation Criteria. Data Collection

The Mid-term Evaluation will pursue two distinct purposes:

1. In the first place, the project will be examined as a discrete undertaking (implementation time, budget and expected outputs are considered as definitely set). From this perspective, the evaluation will make a comparison between the progress achieved by the project to date and the targets set in the plan of operation. This comparison will take into consideration both efficiency and effectiveness criteria. The conclusions drawn from this analysis should indicate whether the project is likely to reach all of its objectives within budget and by the end of its five year period. As well, the evaluation will make recommendations as to whether there could be an internal reappportioning of project resources, as a result of the different progress and results observed in individual project activities.

2. In the second place, the evaluation will consider the progress made by the project thus far in relation to the medium and long term development needs of the State of Acre and of the Amazon region.

The Final Evaluation will draw the appropriate lessons, after analysis of the following aspects, among others:

- Were the Canadian and Brazilian resources supplied (quantity, quality, scheduling, cost) consistent with the actual requirements of the project?

- Were the results obtained (actual outputs, measurable effects) consistent with the project expectations?
- Was the project properly planned, managed and controlled?
- If at all measurable, to what extent did the degree of achievement of the project purpose contribute to attainment of the goal?

The Canadian Executing Agency, in consultation with the PTL, will prepare a plan for the gathering and maintenance of information required for purposes of project monitoring and evaluation (see activity #2140).

7.2. Evaluation Schedule

The Mid-term Evaluation will take place not later than the end of the third year of the project. The Final Evaluation will take place normally within the last six months of the project fifth year.

Appendices

Appendix "A" : Detailed Project Activities

New activity sheets to come from André

Appendix "B": Canadian personnelPost/Professional DesignationPerson/months

New list to come from André

Appendix "C": List of Materials and Equipment

List from André

Appendix "D": Detailed Budget by Project Activities

Activity Item	Total Cost	Year I	Year II	Year III	Year IV	Year V
1120 Project Monitoring and Control						
Project Monitor (flat fee \$50,000/year)	250,000	50,000	50,000	50,000	50,000	50,000
sub-total 1120	250,000	50,000	50,000	50,000	50,000	50,000
2110 Project Administration in Canada						
Project Coordinator (4 days x 60 months x \$650)	156,000	31,200	31,200	31,200	31,200	31,200
Administrator I (4 days x 60 months x \$300)	84,000	16,800	16,800	16,800	16,800	16,800
Administrator II (2 days x 60 months x \$400)	48,000	9,600	9,600	9,600	9,600	9,600
Communic mat. and equip. mainten (60 months x \$400)	24,000	4,800	4,800	4,800	4,800	4,800
Travel to Acre (5 trips x \$6,000)	30,000	6,000	6,000	6,000	6,000	6,000
Travel to Hull (10 trips x \$1,000)	10,000	2,000	2,000	2,000	2,000	2,000
Secretary (2 days x 60 months x \$170)	20,400	4,080	4,080	4,080	4,080	4,080
sub-total 2110	372,400	74,480	74,480	74,480	74,480	74,480
2120 Materials and Equipment Purchases in Canada						
Canadian Shipping Agent (flat fee)	40,000	20,000		20,000		
Brazilian receiving agent (flat fee)	20,000	10,000		10,000		
sub-total 2120	60,000	30,000		30,000		
2130 On-Site Management and Administration						
Canadian Project Co-Director (5 years x \$180,000)	900,000	180,000	180,000	180,000	180,000	180,000
Canadian Administrator (5 years x \$120,000)	600,000	120,000	120,000	120,000	120,000	120,000
Secretaries (2 x 5 years x \$15,000)	150,000	30,000	30,000	30,000	30,000	30,000
Industrial Equipment fund	150,000	50,000	50,000	50,000		
Local costs fund	250,000	50,000	50,000	50,000	50,000	50,000
Micro-computers, printers, materials (3 sets x \$8,000)	24,000	24,000				
4WD Vehicles (6 units x \$30,000)	180,000	180,000				
Vehicles maint. and repair (6 units x 60 months x \$400)	144,000	28,800	28,800	28,800	28,800	28,800
Radio Communication Equipment	10,000	10,000				
Accessories for boats and Maintenance	12,000	2,400	2,400	2,400	2,400	2,400
CNS office rental (\$1,000/month)	60,000	12,000	12,000	12,000	12,000	12,000
sub-total 2130	2,480,000	687,200	473,200	473,200	423,200	423,200
2140 Data Gathering and Reporting						
Canadian Expert (3 months x 5 years \$15,000)	225,000	45,000	45,000	45,000	45,000	45,000
sub-total 2140	225,000	45,000	45,000	45,000	45,000	45,000
3110 Diagnoses of FUNTAC and CNS						
Canadian Expert (3 months x \$17,000)	51,000	51,000				
sub-total 3110	51,000	51,000				
3120 Personnel Training						
4 master's degree candidates x \$50,000	200,000	50,000	50,000	50,000	50,000	
7 short-term training in Canada x \$8,000	56,000	11,200	11,200	11,200	11,200	11,200
6 short-term training in Brazil x \$4,000	24,000	4,800	4,800	4,800	4,800	4,800
4 short-term training in LatAm x \$6,000	24,000	4,800	4,800	4,800	4,800	4,800
sub-total 3120	304,000	70,800	70,800	70,800	70,800	20,800
3130 Installation of Laboratories						
Canadian Hydromet Expert (4 weeks)	15,000	15,000				
Soil Physics Laboratory Equipment	21,000	21,000				
Soil Chemistry Laboratory Equipment	21,600	21,600				
Wood Technology Laboratory Equipment	297,750	297,750				
Hydrometeorological Station Equipment	6,200	6,200				
Main Nursery and Seed Laboratory Equipment	47,000	47,000				
sub-total 3130	408,550	408,550				
3140 Information and Data Centre						
Drafting and mapping equipment	20,000	20,000				
PC, printer, Dbase III and software	10,000	10,000				
Book purchase (250/300 volumes)	20,000	10,000		10,000		
Subscription to 10 reviews for 5 years	10,000	2,000	2,000	2,000	2,000	2,000
sub-total 3140	60,000	42,000	2,000	12,000	2,000	2,000
4110 Mapping and Monitoring						
Canadian Expert (4 weeks)	17,000	17,000				
Brazilian Expert (3 weeks)	5,000	5,000				
Equipment	36,000	36,000				
sub-total 4110	58,000	58,000				

Activity Item	Total Cost	Year I	Year II	Year III	Year IV	Year V
4120 Forest and Soil Inventory and monitoring ...						
Canadian Forestry Expert (8 weeks)	30,000	30,000				
Brazilian Expert (6 weeks)	10,000	10,000				
Canadian Soils Expert (2 months)	34,000	34,000				
Equipment	52,000	52,000				
sub-total 4120	126,000	126,000				
4210 Herbarium and Wood Collection						
Equipment	14,000	14,000				
sub-total 4210	14,000	14,000				
4220 Ethno-Botanical Survey						
Equipment	4,000	4,000				
sub-total 4220	4,000	4,000				
4230 Evaluation of Collecting Methods and Yields						
Equipment	2,500	2,500				
sub-total 4240	2,500	2,500				
4310 Improvements In Rubber Processing						
Equipment (included in 2130)						
sub-total 4310						
4320 Brazil Nut Storing and Processing						
Equipment (included in 2130)						
sub-total 4320						
4330 Copaliba Oil Processing						
Equipment (included in 2130)						
sub-total 4330						
4410 Seed Collection Bank of Genetic Material						
Canadian Expert (4 weeks)	17,000	17,000				
Brazilian Expert (6 weeks)	10,000	10,000				
Equipment	3,000	3,000				
Nursery facilities	10,000	10,000				
sub-total 4410	40,000	40,000				
4420 Experimental Tree Plots						
Canadian Expert (4 weeks)	17,000	17,000				
Brazilian Expert (3 weeks)	5,000	5,000				
Brazilian Expert (3 weeks)	5,000	5,000				
Equipment and tools	14,000	14,000				
sub-total 4420	41,000	41,000				
4430 Pilot Experiments and Demonstrations						
Canadian Expert (20 weeks)	75,000			75,000		
Brazilian Expert (15 weeks)	25,000			25,000		
Brazilian Expert (3 weeks)	5,000			5,000		
CNS Assistant (12 months)	6,000			6,000		
Production costs, equipment and tools	57,000			57,000		
sub-total 4430	168,000			168,000		
5110 Socio-Economic Inventory						
Activity Coordinator (4 months)	2,000	2,000				
Canadian Expert (8 weeks)	30,000	30,000				
Brazil Expert (12 weeks)	20,000	20,000				
PC computer	6,000	6,000				
sub-total 5110	58,000	58,000				
5120 Economic Analysis: Rubber, Nut Production						
Canadian Expert (4 weeks)	15,000		15,000			
Local Consultant (12 months)	8,400		8,400			
sub-total 5120	23,400		23,400			
5130 Economic Evaluation of New Products						
Local Consultant (6 months)	5,600			5,600		
Technician (18 months)	6,400			4,400	2,000	
Assistants (18 months)	4,800			3,000	1,800	

Activity Item	Total Cost	Year I	Year II	Year III	Year IV	Year V
Equipment	16,000			16,000		
sub-total 5130	32,800			26,000	3,800	
5140 Production and Commercial Flows						
Canadian Expert (2 months)	34,000			34,000		
Brazilian Expert (12 weeks)	20,000			20,000		
Assistants (12 months)	3,600			3,600		
sub-total 5140	57,600			57,600		
5210 Training of Community Administrators						
Local Coordinator (24 months)	9,600		4,800	4,800		
Canadian Expert (4 weeks)	15,000		15,000			
Brazilian Experts (3 people x 3 weeks)	15,000		7,500	7,500		
Classroom furniture and materials	26,000		26,000			
sub-total 5210	65,600		53,300	12,300		
5220 Training of Monitors and Extensionists						
Local Coordinator (24 months)	9,600		2,400	2,400	2,400	2,400
Canadian Expert (8 weeks)	30,000		15,000		15,000	
Brazilian Experts 6 people x 3 weeks)	30,000		7,500	7,500	7,500	7,500
Local Consultant (8 months)	5,600		2,800		2,800	
Preparation of didactic materials	40,000	10,000	10,000		20,000	
Classroom furniture and materials	26,000		13,000		13,000	
sub-total 5220	141,200	10,000	50,700	9,900	60,700	9,900
5230 Training in Income Generating Activities						
Local Coordinator (36 months)	18,000		6,000	6,000	6,000	
Assistant (36 months)	10,800		3,600	3,600	3,600	
Adaptation of FUNTAC technologies	15,000		15,000			
12 sewing machines	4,800		4,800			
12 sets of tools for handicrafts	12,000		12,000			
12 sets of tools for food prep	3,600		3,600			
12 sets of hives	2,400		2,400			
12 motorcycles	24,000		24,000			
sub-total 5230	90,600		71,400	9,600	9,600	
5240 Diffusion of information to Women						
Local Coordinator (24 months)	12,000			6,000	6,000	
Assistant (24 months)	7,200			3,600	3,600	
Professional CNS (4 months)	2,900			2,900		
Reproduction of materials	2,000			2,000		
sub-total 5240	24,100			14,500	9,600	
5250 Community Nurseries and Demonstration Plots						
8 motorcycles x \$2000	16,000			16,000		
Materials	4,000			4,000		
sub-total 5250	20,000			20,000		
5260 Environmental Education						
Preparation and dissemination of materials	50,000		20,000	15,000	15,000	
sub-total 5260	50,000		20,000	15,000	15,000	
5310 Development Fund						
Fund Administrator (60 months)	35,000	7,000	7,000	7,000	7,000	7,000
Canadian Expert (4 weeks)	17,000	17,000				
PC computer	6,000	6,000				
Development Fund	150,000	30,000	30,000	30,000	30,000	30,000
sub-total 5310	208,000	60,000	37,000	37,000	37,000	37,000
6110 Mid-Term Evaluation						
sub-total 7110	50,000			50,000		
6120 End-of-Project Evaluation						
sub-total 7120	50,000					50,000
Total Canadian Costs	5,535,750	1,872,530	971,280	1,178,380	801,160	712,360

Activity	Item	Total Cost	Year I	Year II	Year III	Year IV	Year V
	Contingency, Risk (5%)	278,787	93,626	46,564	66,910	40,089	35,618
	Inflation (5%)	1,036,184	98,300	111,615	217,113	263,895	357,233
	GRAND TOTAL CANADIAN COSTS	6,650,701					

Personnel Costs

Activity Item	Total Cost	Year I	Year II	Year III	Year IV	Year V
2110 Project Administration In Canada						
Project Coordinator (4 days x 60 months x \$650)	158,000	31,200	31,200	31,200	31,200	31,200
Administrator I (4 days x 60 months x \$300)	84,000	16,800	16,800	16,800	16,800	16,800
Administrator II (2 days x 60 months x \$400)	48,000	9,600	9,600	9,600	9,600	9,600
Secretary (2 days x 60 months x \$170)	20,400	4,080	4,080	4,080	4,080	4,080
2130 On-Site Management and Administration						
Canadian Project Co-Director (5 years x \$180,000)	900,000	180,000	180,000	180,000	180,000	180,000
Canadian Administrator (5 years x \$120,000)	600,000	120,000	120,000	120,000	120,000	120,000
Secretaries (2 x 5 years x \$15,000)	150,000	30,000	30,000	30,000	30,000	30,000
2140 Data Gathering and Reporting						
Canadian Expert (3 months x 5 years \$15,000)	225,000	45,000	45,000	45,000	45,000	45,000
3110 Diagnoses of FUNTAC and CNS						
Canadian Expert (3 months x \$17,000)	51,000	51,000				
3130 Installation of Laboratories						
Canadian Hydromet Expert (4 weeks)	15,000	15,000				
4110 Mapping and Monitoring						
Canadian Expert (4 weeks)	17,000	17,000				
Brazilian Expert (3 weeks)	5,000	5,000				
4120 Forest and Soil Inventory and monitoring						
Canadian Forestry Expert (8 weeks)	30,000	30,000				
Brazilian Expert (6 weeks)	10,000	10,000				
Canadian Soils Expert (2 months)	34,000	34,000				
4410 Seed Collection Bank of Genetic Material						
Canadian Expert (4 weeks)	17,000	17,000				
Brazilian Expert (6 weeks)	10,000	10,000				
4420 Experimental Tree Plots						
Canadian Expert (4 weeks)	17,000	17,000				
Brazilian Expert (3 weeks)	5,000	5,000				
Brazilian Expert (3 weeks)	5,000	5,000				
4430 Pilot Experiments and Demonstrations						
Canadian Expert (20 weeks)	75,000			75,000		
Brazilian Expert (15 weeks)	25,000			25,000		
Brazilian Expert (3 weeks)	5,000			5,000		
CNS Assistant (12 months)	6,000			6,000		
5110 Socio-Economic Inventory						
Activity Coordinator (4 months)	2,000	2,000				
Canadian Expert (8 weeks)	30,000	30,000				
Brazil Expert (12 weeks)	20,000	20,000				
5120 Economic Analysis: Rubber, Nut Production						
Canadian Expert (4 weeks)	15,000		15,000			
Local Consultant (12 months)	8,400		8,400			
5130 Economic Evaluation of New Products						
Local Consultant (8 months)	5,600			5,600		
Technician (16 months)	6,400			4,400	2,000	
Assistants (16 months)	4,800			3,000	1,800	
5140 Production and Commercial Flows						
Canadian Expert (2 months)	34,000			34,000		
Brazilian Expert (12 weeks)	20,000			20,000		
Assistants (12 months)	3,600			3,600		
5210 Training of Community Administrators						
Local Coordinator (24 months)	9,600		4,800	4,800		
Canadian Expert (4 weeks)	15,000		15,000			
Brazilian Experts (3 people x 3 weeks)	15,000		7,500	7,500		
5220 Training of Monitors and Extensionists						

Amazon Environment Project, Brazil

PROJECT BUDGET Canadian Costs

Activity	Item	Personnel Costs					
		Total Cost	Year I	Year II	Year III	Year IV	Year V
	Local Coordinator (24 months)	9,600		2,400	2,400	2,400	2,400
	Canadian Expert (8 weeks)	30,000		15,000		15,000	
	Brazilian Experts (6 people x 3 weeks)	30,000		7,500	7,500	7,500	7,500
	Local Consultant (6 months)	5,600		2,800		2,800	
5230	Training in Income Generating Activities						
	Local Coordinator (36 months)	18,000		6,000	6,000	6,000	
	Assistant (36 months)	10,800		3,600	3,600	3,600	
5240	Diffusion of Information to Women						
	Local Coordinator (24 months)	12,000			6,000	6,000	
	Assistant (24 months)	7,200			3,600	3,600	
	Professional CNS (4 months)	2,900			2,900		
5310	Development Fund						
	Fund Administrator (60 months)	35,000	7,000	7,000	7,000	7,000	7,000
	Canadian Expert (4 weeks)	17,000	17,000				
	Total Canadian Costs	2,877,900	728,680	531,680	669,580	494,380	453,580
	Contingency, Risk (5%)	143,895	36,434	26,584	33,479	24,719	22,879
	Inflation (5%)	575,919	38,256	59,652	120,145	147,430	210,436
	CANADIAN COSTS Personnel	3,597,714					

Activity Item	Total Cost	Year I	Year II	Year III	Year IV	Year V
2110 Project Administration in Canada						
Communic. mat and equip mainten (60 months x \$400)	24,000	4,800	4,800	4,800	4,800	4,800
2120 Materials and Equipment Purchases in Canada						
Canadian Shipping Agent (flat fee)	40,000	20,000		20,000		
Brazilian receiving agent (flat fee)	20,000	10,000		10,000		
2130 On-Site Management and Administration						
Industrial Equipment fund	150,000	50,000	50,000	50,000		
Micro-computers, printers, materials (3 sets x \$8,000)	24,000	24,000				
4WD Vehicles (6 units x \$30,000)	180,000	180,000				
Vehicles maint and repair (6 units x 60 months x \$400)	144,000	28,800	28,800	28,800	28,800	28,800
Radio Communication Equipment	10,000	10,000				
Accessories for boats and Maintenance	12,000	2,400	2,400	2,400	2,400	2,400
CNS office rental (\$1,000/month)	60,000	12,000	12,000	12,000	12,000	12,000
3130 Installation of Laboratories						
Soil Physics Laboratory Equipment	21,000	21,000				
Soil Chemistry Laboratory Equipment	21,600	21,600				
Wood Technology Laboratory Equipment	297,750	297,750				
Hydrometeorological Station Equipment	6,200	6,200				
Main Nursery and Seed Laboratory Equipment	47,000	47,000				
3140 Information and Data Centre						
Drafting and mapping equipment	20,000	20,000				
PC, printer, Dbase III and software	10,000	10,000				
Book purchase (250/300 volumes)	20,000	10,000		10,000		
Suscription to 10 reviews for 5 years	10,000	2,000	2,000	2,000	2,000	2,000
4110 Mapping and Monitoring						
Equipment	36,000	36,000				
4120 Forest and Soil Inventory and monitoring						
Equipment	52,000	52,000				
4210 Herbarium and Wood Collection						
Equipment	14,000	14,000				
4220 Ethno-Botanical Survey						
Equipment	4,000	4,000				
4230 Evaluation of Collecting Methods and Yields						
Equipment	2,500	2,500				
4310 Improvements in Rubber Processing						
Equipment (included in 2130)						
4320 Brazil Nut Storing and Processing						
Equipment (included in 2130)						
4330 Copaliba Oil Processing						
Equipment (included in 2130)						
4410 Seed Collection Bank of Genetic Material						
Equipment	3,000	3,000				
Nursery facilities	10,000	10,000				
4420 Experimental Tree Plots						
Equipment and tools	14,000	14,000				
4430 Pilot Experiments and Demonstrations						
Production costs, equipment and tools	57,000			57,000		
5110 Socio-Economic Inventory						
PC computer	6,000	6,000				
5130 Economic Evaluation of New Products						
Equipment	16,000			16,000		
5210 Training of Community Administrators						

Materials and Equipment

Activity	Item	Total Cost	Year I	Year II	Year III	Year IV	Year V
	Classroom furniture and materials	26,000		26,000			
5220	Training of Monitors and Extensionists						
	Preparation of didactic materials	40,000	10,000	10,000		20,000	
	Classroom furniture and materials	26,000		13,000		13,000	
5230	Training in Income Generating Activities						
	Adaptation of FUNTAC technologies	15,000		15,000			
	12 sewing machines	4,800		4,800			
	12 sets of tools for handicrafts	12,000		12,000			
	12 sets of tools for food prep	3,600		3,600			
	12 sets of hives	2,400		2,400			
	12 motorcycles	24,000		24,000			
5240	Diffusion of Information to Women						
	Reproduction of materials	2,000			2,000		
5250	Community Nurseries and Demonstration Plots						
	8 motorcycles x \$2000	16,000			16,000		
	Materials	4,000			4,000		
5260	Environmental Education						
	Preparation and dissemination of materials	50,000		20,000	15,000	15,000	
5310	Development Fund						
	PC computer	6,000	6,000				
	Total Canadian Costs	1,563,850	935,050	230,800	250,000	98,000	50,000
	Contingency, Risk (5%)	78,192	46,752	11,540	12,500	4,900	2,500
	Inflation (5%)	232,865	49,090	29,143	51,110	46,449	57,073
	CANADIAN COSTS Materials and Equipment	1,874,907					

Activity Item	Other Costs					
	Total Cost	Year I	Year II	Year III	Year IV	Year V
1120 Project Monitoring and Control Project Monitor (flat fee \$50,000/year)	250,000	50,000	50,000	50,000	50,000	50,000
2110 Project Administration in Canada Travel to Acre (5 trips x \$6,000) Travel to Hull (10 trips x \$1,000)	30,000 10,000	6,000 2,000	6,000 2,000	6,000 2,000	6,000 2,000	6,000 2,000
2130 On-Site Management and Administration Local costs fund	250,000	50,000	50,000	50,000	50,000	50,000
3120 Personnel Training 4 master's degree candidates x \$50,000 7 short-term training in Canada x \$8,000 8 short-term training in Brazil x \$4,000 4 short-term training in LatAm x \$6,000	200,000 56,000 24,000 24,000	50,000 11,200 4,800 4,800	50,000 11,200 4,800 4,800	50,000 11,200 4,800 4,800	50,000 11,200 4,800 4,800	11,200 4,800 4,800
5310 Development Fund Development Fund	150,000	30,000	30,000	30,000	30,000	30,000
6110 Mid-Term Evaluation	50,000			50,000		
6120 End-of-Project Evaluation	50,000					50,000
Total Canadian Costs	1,094,000	208,800	208,800	258,800	208,800	208,800
Contingency, Risk (5%)	54,700	10,440	10,440	12,940	10,440	10,440
Inflation (5%)	229,381	10,962	23,020	45,858	59,816	89,724
CANADIAN COSTS Other	1,378,081					

Activity Item	Total Cost	Year I	Year II	Year III	Year IV	Year V
0000 FUNTAC						
Office Space (60 months x \$3,000)	180,000	36,000	36,000	36,000	36,000	36,000
Facilities, Equipment (60 months x 1,500)	90,000	18,000	18,000	18,000	18,000	18,000
Vehicles (6 units x 60 months x \$400)	144,000	28,800	28,800	28,800	28,800	28,800
Operating fund	60,000	12,000	12,000	12,000	12,000	12,000
sub-total 0000	474,000	94,800	94,800	94,800	94,800	94,800
3110 Diagnosis of FUNTAC and CNS						
Professional FUNTAC (1 month)	2,500	2,500				
Professional CNS (1 month)	2,500	2,500				
sub-total 3110	5,000	5,000				
3130 Installation of Laboratories						
Professional FUNTAC 5 months)	12,500	12,500				
Technician FUNTAC (5 months)	7,500	7,500				
Other Nursery Personnel (6 months)	8,000	8,000				
Professional FUNTAC (60 months)	150,000	30,000	30,000	30,000	30,000	30,000
Assistants FUNTAC (120 months)	180,000	36,000	36,000	36,000	36,000	36,000
sub-total 3130	358,000	92,000	66,000	66,000	66,000	66,000
4110 Mapping and Monitoring						
Professionals FUNTAC (120 months)	300,000	60,000	60,000	60,000	60,000	60,000
Technicians FUNTAC (180 months)	270,000	54,000	54,000	54,000	54,000	54,000
sub-total 4110	570,000	114,000	114,000	114,000	114,000	114,000
4120 Forest and Soil Inventory and monitoring ...						
Forester FUNTAC (45 months)	112,500	22,500	22,500	22,500	22,500	22,500
Assistants FUNTAC (75 months)	75,000	15,000	15,000	15,000	15,000	15,000
Professional FUNTAC (37.5 months)	93,750	18,750	18,750	18,750	18,750	18,750
sub-total 4120	281,250	56,250	56,250	56,250	56,250	56,250
4210 Herbarium and Wood Collection						
Technician FUNTAC (60 months)	90,000	18,000	18,000	18,000	18,000	18,000
Assistants FUNTAC (120 months)	120,000	24,000	24,000	24,000	24,000	24,000
Professional FUNTAC (60 months)	150,000	30,000	30,000	30,000	30,000	30,000
sub-total 4210	360,000	72,000	72,000	72,000	72,000	72,000
4220 Ethno-Botanical Survey						
Professional FUNTAC (60 months)	150,000	30,000	30,000	30,000	30,000	30,000
Assistants (90 months)	90,000	18,000	18,000	18,000	18,000	18,000
Field Workers FUNTAC (120 months)	60,000	12,000	12,000	12,000	12,000	12,000
sub-total 4220	300,000	60,000	60,000	60,000	60,000	60,000
4230 Evaluation of Collecting Methods and Yields						
Professional FUNTAC (60 months)	150,000	30,000	30,000	30,000	30,000	30,000
Technician FUNTAC (60 months)	90,000	18,000	18,000	18,000	18,000	18,000
Assistants (240 months)	240,000	48,000	48,000	48,000	48,000	48,000
Professional FUNTAC (9 months)	22,500		5,625	5,625	5,625	5,625
Technician FUNTAC (12 months)	15,000		3,750	3,750	3,750	3,750
Professional FUNTAC (9 months)	22,500		5,625	5,625	5,625	5,625
Technician FUNTAC (12 months)	15,000		3,750	3,750	3,750	3,750
Assistants (18 months)	18,000		4,500	4,500	4,500	4,500
sub-total 4230	573,000	96,000	119,250	119,250	119,250	119,250
4310 Improvements in Rubber Processing						
Professional FUNTAC (9 months)	22,500		5,625	5,625	5,625	5,625
Technician FUNTAC (6 months)	9,000		2,250	2,250	2,250	2,250
Assistants (24 months)	24,000		6,000	6,000	6,000	6,000
sub-total 4310	55,500		13,875	13,875	13,875	13,875
4320 Brazil Nut Storing and Processing						
Professional FUNTAC (9 months)	22,500	7,500	7,500	7,500		
Technician FUNTAC (9 months)	13,500	4,500	4,500	4,500		
Designer FUNTAC (9 months)	18,000	6,000	6,000	6,000		
Assistants (12 months)	12,000	4,000	4,000	4,000		
sub-total 4320	66,000	22,000	22,000	22,000		
4330 Copaliba Oil Processing						
Professional FUNTAC (4 months)	10,000			3,334	3,333	3,333

Activity	Item	Total Cost	Year I	Year II	Year III	Year IV	Year V
	Technician FUNTAC (12 months)	12,000			4,000	4,000	4,000
	Assistants (24 months)	24,000			8,000	8,000	8,000
	sub-total 4330	48,000			16,334	16,333	16,333
4410	Seed Collection, Bank of Genetic Material						
	Professional FUNTAC (10 months)	25,000	8,000	8,000	8,000	8,000	8,000
	Technician FUNTAC (30 months)	45,000	9,000	9,000	9,000	9,000	9,000
	Assistants 120 months)	120,000	24,000	24,000	24,000	24,000	24,000
	Professional FUNTAC (24 months)	60,000	15,000	15,000	15,000	15,000	
	Technician FUNTAC (48 months)	72,000	18,000	18,000	18,000	18,000	
	Assistants (96 months)	96,000	24,000	24,000	24,000	24,000	
	sub-total 4410	418,000	95,000	95,000	95,000	95,000	98,000
4420	Experimental Tree Plots						
	Professional FUNTAC (15 months)	37,500	7,500	7,500	7,500	7,500	7,500
	Technician FUNTAC (20 months)	30,000	6,000	6,000	6,000	6,000	6,000
	Assistants 30 months)	30,000	6,000	6,000	6,000	6,000	6,000
	Professional FUNTAC (12 months)	30,000			10,000	10,000	10,000
	Technician FUNTAC (24 months)	38,000			12,000	12,000	12,000
	Assistants 48 months)	48,000			16,000	16,000	16,000
	sub-total 4420	211,500	19,500	19,500	57,500	57,500	57,500
4430	Pilot Experiments and Demonstrations						
	Professional FUNTAC (3 months)	7,500		1,875	1,875	1,875	1,875
	Technician FUNTAC (12 months)	18,000		4,500	4,500	4,500	4,500
	Assistants 12 months)	12,000		3,000	3,000	3,000	3,000
	Professional FUNTAC (8 months)	20,000			6,667	6,666	6,666
	Assistants 8 months)	8,000			2,667	2,666	2,666
	Professional FUNTAC (60 months)	150,000	30,000	30,000	30,000	30,000	30,000
	Technicians FUNTAC (90 months)	135,000	27,000	27,000	27,000	27,000	27,000
	Assistants 120 months)	120,000	24,000	24,000	24,000	24,000	24,000
	sub-total 4430	470,500	81,000	90,375	99,709	99,707	99,707
5140	Production and Commercial Flows						
	Professional FUNTAC (8 months)	20,000	10,000	10,000			
	Technicians (24 months)	26,000	13,000	13,000			
	Assistants CNS (24 months)	24,000	12,000	12,000			
	sub-total 5140	70,000	35,000	35,000			
5240	Diffusion of Information to Women						
	Professional FUNTAC (4 months)	10,000			3,334	3,333	3,333
	sub-total 5240	10,000			3,334	3,333	3,333
5280	Environmental Education						
	Professionals IMAC						
	sub-total 5280						
6110	Mid-Term Evaluation (ABC)	20,000			20,000		
	sub-total 7110	20,000			20,000		
6120	End-of-Project Evaluation (ABC)	20,000					20,000
	sub-total 7120	20,000					20,000
	Total Brazilian Costs	4,306,750	842,550	858,050	909,052	867,048	830,048
	Contingency, Risk (5%)	215,337	42,127	42,902	45,453	43,352	41,502
	Inflation (5%)	889,589	44,234	94,518	163,889	242,628	354,230
	GRAND TOTAL BRAZILIAN COSTS	5,421,687					

Appendix "E" : CIDA Project Control Mechanisms

Inception Report/Annual Workplan

The objective of this report is to present a detailed plan of implementation that takes into account the actual context in which the project is to be carried out. The Project Inception Report is prepared jointly by FUNTAC, CNS and the CEA, and shall be submitted to the Project Steering Committee by the Project Management Committee within six months of the CEA's installation in Rio Branco. The basic contents of this report are:

1. Project context. A brief description of the context, including identification of any changes which may have occurred since the plan of operation was prepared. The report will discuss any new constraints on the implementation of the project, be they of a managerial, institutional, technical or operational nature.
2. Project description. This will consist of a statement confirming the project's elements and activities as described in the plan of operation, or, where necessary, suggestions for their modification.
3. Implementation schedule. This is to be a suggested update of the schedule for the project.
4. Disbursement plan. The CEA may make comments on the rhythm of its own estimated expenditures, as well as on the use and administration of locally administered funds.

The Annual Workplan shall be submitted to the Project Steering Committee by the Project Management Committee no later than thirty days after the end of the calendar year.

Quarterly/Annual Progress Reports

The Quarterly Progress Report is a summary of the state of the project. It links the results obtained during the period with the disbursements made. It is essential that this report be factual, accurate and brief. The report is submitted to the PTL by the CEA's Project Coordinator. The CEA's Project Co-Director is responsible for obtaining from his field personnel the information required for the preparation of the report. The Quarterly Progress Report will contain the following information:

1. A concise explanation (no more than three pages) of the project status, which will include:
 - activities completed during the period;
 - activities continuing into next period;
 - activities to be commenced the next period;
 - variances between the activities planned for the period and those actually realised;
 - issues dealt with during the period;
 - issues unresolved, and actions underway or recommended.
2. Schedule status of the project as a bar chart representation.
3. Budget status of the project as a graphical representation against an annual expenditure cost curve which shows expenditures to date and forecast to be completed.
4. Copies of the minutes of the Project Management Committee meetings held during the period.

The information required for completion of the Monthly Progress Report shall be forwarded from the CEA Field Project Co-Director to the CEA Project Coordinator by the fifth working day of the month following the end of the quarter. The Quarterly Progress Report is due at CIDA (the PTL's desk) on the twentieth day of that month.

Quarterly Invoice

The CEA Project Coordinator shall forward a quarterly invoice to CIDA in

accordance with the CEA's contract provisions.

Quarterly Financial Reports

With the monthly invoice submitted for the last month of each quarter, the CEA Project Coordinator shall forward a Quarterly Financial Report which will contain the information indicated below. This Report is due on the 20th day of the month following the close of the quarter.

Special Reports

Special Reports will be submitted at the earliest possible time in any situation that calls for immediate action by CIDA. Normally these reports will be sent via Telex, FAX or telephone, followed by written confirmation.

Final Project Report

The Final Project Report sums up project activities, highlights the main achievements and draws the appropriate conclusions. This report is submitted to CIDA by the CEA. The report contains basically:

1. Project description. It is essential to differentiate clearly between the project as initially conceived and the project as actually implemented.
2. Project purposes and objectives. Comments on the degree of realization of these purposes and objectives. Initial comments on the expected impact of the project.
3. Inputs. A summary of the resources utilized (human, financial, material), listing the respective actual contributions of Canada and Brazil.
4. Outputs. Statistical and narrative detail of the results obtained. Any variance between the results obtained and the results anticipated in the project logical framework must be explained.
5. Project management and implementation. Comments on any

relevant incident whether technical, administrative, operational or other, which may have occurred during the implementation of the project.

6. Conclusions and recommendations.

The Final Project Report is due within ninety days following the CEA's demobilization.

Meetings of Project Committees

Project committee meetings are a primary information exchange and review mechanism at all levels. Minutes of all Project Management Committee meetings and Project Steering Committee meetings shall be reviewed by the PTL, so that required actions can be identified and followed up. These committee minutes will be filed as part of the CIDA project file. Minutes of eventual project technical or advisory committee meetings shall be forwarded to the PRO, or to the SRO, who shall review the document and pass it on to the PTL with his/her comments. These minutes, and the PRO's comments on them, will be kept in the CIDA project file as well.

Project Visits

The specific terms of reference for these visits will be determined by CIDA's Project Team, as required.

Project Monitoring

The Project Monitor shall be contracted for the duration of the project, and shall be the PTL's principal consultant for purposes of project operational control. Emphasis will be placed upon the monitoring of the CEA's project team in the field. The Monitor will visit the project twice a year for management overview. The Project Monitor shall:

1. Verify the accuracy of the data and reports produced within the project.
2. Determine the project's degree of compliance with

established objectives, policies, methods and procedures, and contractual obligations.

3. Appraise the procedures, systems, staffing, movement of information and coordination, and productivity of the joint Canadian/Brazilian project team.

4. Make periodic comparisons between the progress achieved by the project and the expectations of the plan of operation.

5. Determine that technical activities are being implemented in accordance with relevant technical standards.

The Project Monitor will prepare a mission report to the attention of the PTL, within twenty days after completion of a semi-annual visit to the project. CIDA shall invite ABC to appoint a counterpart monitor, if it so wishes.

Project Evaluations

As stated in Section "7" of this plan of operation.