

July, 1st, 2023



Letter of Intent No. 002/2023

**Letter of Intent
Pajeú Sustainable Compact of the Brazilian Pajeú Region between Stichting IDH and
Entities of the Public Sector, Private Sector and Civil Society**

Stichting IDH, a foundation under the laws of the Netherlands, registered with the Dutch Chamber of Commerce under number 53521129, having its registered office and its place of business at Arthur van Schendelstraat 500, 3511 MH Utrecht, the Netherlands, in this matter duly represented by Ms. Grazielle Cardoso, hereinafter referred to as "IDH", and;

the **Entities of the Public Sector, Private Sector and Civil Society** listed below.

IDH, Public Sector, Private Sector and Civil Society hereinafter collectively referred to as "Parties".

The Parties hereby resolve to sign this Letter of Intent ("LoI"), to show their intent on cooperating in the next six (6) months for the development and signature of an agreement, through which they will confirm their common vision, set of goals, targets and related timelines aimed at fostering environmental protection, sustainable production and enhancing people's livelihoods in the Brazilian Pajeú Region.

The Parties acknowledge that;

- in launching the PPI (Production, Protection and Inclusion) strategy - in the Brazilian Pajeú Region, in the state of Pernambuco, the promotion, fostering and implementation of a PPI sub-regional municipal model will contribute to the social and economic development of the region and to building a strong link between the protection of natural resources and sustainable production activities in the region;
- their interest and the interest of the public and private sectors that are established and active in the municipalities concerned, in promoting the common discussion regarding objectives, goals and actions with the purpose of making the PPI Compact operational while implementing the goals of the Forest Code in the region.

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- the joint effort between the public and private sectors can bring positive results for the municipalities of the Pajeú Region, by contributing to the development of a supportive and productive economy, fostering conservation and increasing the sustainable production of small family holders, encouraging the connection with public and private markets, promoting climate resilience actions, and contributing to the implementation of the objectives of the Forest Code.

In light of the foregoing, the Parties hereby intent to enter into the necessary (legal_ provisions to enable the terms of future cooperation and the implementation of this Lol, in particular the following:

- To sign within 180 days, among themselves or among themselves and/or jointly with other institutions, a (some) MOU(s) – Memorandum (Memoranda) of Understanding, Cooperation Agreement, or other (legal) agreement(s), as appropriate according to the applicable (legal) framework, to establish the activities and/or conditions to perform the cooperation between the Parties in the following areas:
 - **Produce Pillar:**
 1. Certification of products (SIM, SIE, SIF, SISBI, Ar seals - Municipal inspection service, State inspection service, Federal inspection service, Brazilian Inspection System, Art Seal);
 2. Providing support for the structuring of regional agribusinesses, by training local labor and connecting them to private markets with a focus on honey and fruit pulp + beekeeping, cashew and cassava crops;
 3. Fostering sheep and goat chains in the region, thereby supporting the industrialization process and market connection;
 4. Fostering the fish farming chain in the region;
 5. Fostering the agroecological cotton chain;
 6. Fostering the poultry farming chain.



- **Preserve Pillar:**

1. Fostering actions that encourage the restoration of native fauna and flora of the caatinga + fostering the regional implementation of Payments for Environmental Services – (“PES”);
2. Promoting programmes for the recovery of permanent preservation areas (PPAs) and springs, together with projects to provide access to water for the local population;
3. Encouraging actions that promote the reduction of illegal deforestation of the caatinga + fostering the creation of a permanent regional consultancy for carbon credit certification and training;
4. Promote assisting growers in matters related to environmental and land tenure regularisation;
5. Fostering the use of social technologies to mitigate greenhouses gases (GHG) emissions + stimulating composting to reuse organic waste on the property.

- **Include Pillar:**

1. Fostering technical assistance and rural extension (ATER) among farmers, family agriculture cooperatives and associations + fostering actions to train young people in order to reduce migration from rural areas - by strengthening the rural education policy + fostering continued training processes with organizations that operate in the Pajeú region
2. Fostering actions related to the gender issue in the landscape;
3. Increasing the number of domestic and international agreements that promote the inclusion of family farming chains (establishing commercialization chains for territorial production);
4. Scaling up efforts under the living pharmacy program, by increasing capacity and reach for the entire region (living pharmacy as a policy for family farming);
5. Developing a strategy for sustainable rural tourism in the territory (strengthen the chain together with agriculture, gender, youth) + support afro-descendent communities of Pajeú, with incentives for family production, organization and cultural practices of these peoples




Others to be defined among the Parties regarding the objectives of this Lol, always observing the limits and rules of legal compliance of the applicable legal framework in Brazil.

The Parties hereby intent to establish a work plan for implementing the objectives of this Lol that will allow the creation of conditions to encourage public and private institutions and other stakeholders to participate in/adhere to the objectives stated herein, for which they will establish their best efforts.


This Lol shall remain in effect for a period of six (6) months as of the date it is executed and will be automatically renewed for the same period if neither of the Parties gives thirty days' notice of their intention to terminate the effects thereof.

The Parties hereto agree to act in good faith and comply with all local, state, and federal laws and regulations in the State of Pernambuco and the Federal Laws of Brazil.

Afogados de Ingazeira, Pernambuco, Brazil
Date: July, 1st, 2023.



Grazielle Cardoso
IDH – The Sustainable Trade Initiative




Alesandro Palmeira de Vasconcelos Leite
Prefeito de Afogados da Ingazeira



SECRETARIA MUNICIPAL DE AGRICULTURA
Rivelton Santos da Silva - Secretário de Agricultura



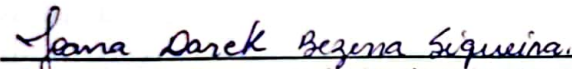
SECRETARIA MUNICIPAL DE SAÚDE
Artur Belarmino Amorim - Secretário de Saúde




ASSEMBLEIA LEGISLATIVA DE PERNAMBUCO
Deputado Estadual José Patriota




AASP - Associação agroecológica do Sertão do Pajeú
Ana Paula Siqueira - Secretaria



ASAP - Associação agroecológica do pajeu Asap de certificação participativa
Joana Darck Bezerra Siqueira presidente



SISAR ALTO PAJEÚ
Antônio dos Anjos Mendes



ASSOCIAÇÃO DA REDE DE MULHERES PRODUTORAS DO PAJEÚ
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José Henrique Malaquias Vieitez

Gerente Regional Unidade Sertao Central Moxotó Pajeú e Itaparica

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Lúcio Luiz Almeida Neto

Coordenador do 3ª Circunscrição Ministerial