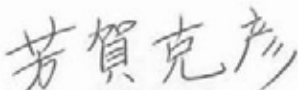


**RECORD OF DISCUSSIONS
BETWEEN JAPAN INTERNATIONAL COOPERATION AGENCY
AND
AUTHORITIES CONCERNED OF THE FEDERATIVE REPUBLIC OF BRAZIL
ON JAPANESE TECHNICAL COOPERATION FOR
THE PROJECT FOR UTILIZATION OF ALOS IMAGES TO SUPPORT THE PROTECTION
OF THE BRAZILIAN AMAZON FOREST AND COMBAT AGAINST ILLEGAL
DEFORESTATION**

Japan International Cooperation Agency (hereinafter referred to as "JICA") through Coordinator for Technical Cooperation of Japan in Brazil exchanged views and had a series of discussions with the Brazilian authorities concerned on desirable measures to be taken by both Japanese and Brazilian Governments for successful implementation of the Project for Utilization of ALOS images to support the protection of the Brazilian Amazon forest and combat against illegal deforestation, in the Federative Republic of Brazil (hereinafter referred to as "the Project").

As a result of the discussions, and in accordance with the provisions of the Agreement on Technical Cooperation between the Government of Japan and the Government of the Federative Republic of Brazil (hereinafter referred to as "the Agreement"), Coordinator for Technical Cooperation of Japan in Brazil and the Brazilian authorities concerned agreed the matters referred to in the document attached here to.


Brasilia, December 15, 2008



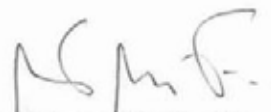
Mr. Katsuhiko Haga
Coordinator for Technical Cooperation of Japan
in Brazil
Japan International Cooperation Agency (JICA)
Japan



Mr. Luiz Fernando Correa
General Director
Department of Federal Police (DPF)
Ministry of Justice
Federative Republic of Brazil



Minister Marco Farani
Director
Brazilian Cooperation Agency (ABC)
Ministry of External Relations
Federative Republic of Brazil



Mr. Roberto Messias Franco
President
Brazilian Institute for the Environment and Renewable
Natural Resources (IBAMA)
Ministry of Environment
Federative Republic of Brazil



THE ATTACHED DOCUMENT

I. COOPERATION BETWEEN THE GOVERNMENT OF JAPAN THROUGH JICA AND THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL

1. The Government of the Federative Republic of Brazil will implement the Project in cooperation with JICA.
2. The Project will be implemented in accordance with the Master Plan which is given in Annex I.

II. MEASURES TO BE TAKEN BY THE GOVERNMENT OF JAPAN THROUGH JICA

In accordance with the laws and regulations in force in Japan and the provisions of Article III of the Agreement, JICA, as the executing agency for technical cooperation by the Government of JAPAN, the Government of Japan will take, at its own expense, the following measures according to the normal procedures of its technical cooperation scheme.

1. DISPATCH OF JAPANESE EXPERTS

JICA will provide the services of the Japanese experts as listed in Annex II. The provision of Article IV- (1) of the Agreement will be applied to the above-mentioned experts and the experts will comply in accordance with Article IV-(1).

2. PROVISION OF MACHINERY AND EQUIPMENT

JICA will provide such machinery, equipment and other materials (hereinafter referred to as the Equipment) necessary for the implementation of the Project as listed in Annex III. The provision of Article IV-1 of the Agreement will be applied to the Equipment.

3. TRAINING OF BRAZILIAN PERSONNEL IN JAPAN

JICA will receive the Brazilian personnel connected with the Project for technical training in Japan. The provision of Article III-(i) of the Agreement will be applied to the training.

III. MEASURES TO BE TAKEN BY THE GOVERNMENT OF THE FEDERATIVE REPUBLIC OF BRAZIL

1. In accordance with the laws and regulations in force in Brazil, the Government of the Federative Republic of Brazil will take necessary measures to ensure that the self-reliant operation of the Project will be sustained during and after the period of Japanese technical cooperation, through full and active involvement in the Project by all related authorities, beneficiary groups and institutions.
2. In accordance with the provisions of Article IV of the Agreement, the Government of the Federative

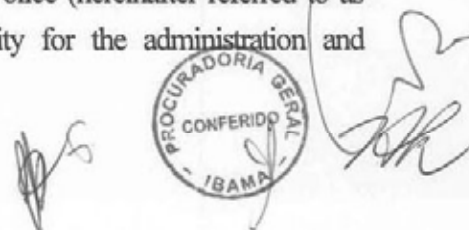


Republic of Brazil will ensure that the technologies and knowledge acquired by the Brazilian nationals as a result of the Japanese technical cooperation will contribute to the economic and social development of the Federative Republic of Brazil.

3. In accordance with the provisions of Article V, VI and VIII of the Agreement, the Government of the Federative Republic of Brazil will grant in the Federative Republic of Brazil privileges, exemptions and benefits to the Japanese experts referred to in II-1 above and their families.
4. In accordance with the provisions of Article IX of the Agreement, the Government of the Federative Republic of Brazil will take the measures necessary to receive and use the equipment, machinery and materials provided by JICA under II-2 above and equipment, machinery and materials carried in by the Japanese experts referred to in II-1 above.
5. The Government of the Federative Republic of Brazil will take necessary measures to ensure that the knowledge and experience acquired by the Brazilian personnel from technical training in Japan will be utilized effectively in the implementation of the Project.
6. In accordance with the provision of Article V-(1)-(ii) of the Agreement, the Government of the Federative Republic of Brazil will provide the services of Brazilian counterpart personnel and administrative personnel as listed in Annex IV.
7. In accordance with the provision of Article V-(1)-(i) of the Agreement, the Government of the Federative Republic of Brazil will provide the buildings and facilities as listed in Annex V.
8. In accordance with the laws and regulations in force in the Federative Republic of Brazil, the Government of the Federative Republic of Brazil will take necessary measures to supply or replace at its own expense machinery, equipment, instruments, vehicles, tools, spare parts and any other materials necessary for the implementation of the Project other than the Equipment provided by JICA under II-2 above.
9. In accordance with the laws and regulations in force in the Federative Republic of Brazil, the Government of the Federative Republic of Brazil will take necessary measures to meet the running expenses necessary for the implementation of the Project.

IV. ADMINISTRATION OF THE PROJECT

1. Director, Technical Scientific Directorate, Department of Federal Police (hereinafter referred to as "DPF") as the Project Director, will bear overall responsibility for the administration and



implementation of the Project.

2. Head, Remote Sensing Center, Brazilian Institute for the Environment and Renewable Natural Resources (hereinafter referred to as "IBAMA") and Coordinator of the working group for the Project, National Criminalistics Institute, DPF as the Project Manager, will be responsible for the managerial and technical matters of the Project.
3. The Japanese Chief advisor will provide necessary recommendations and advice to the Project Director and the Project Managers on any matters pertaining to the implementation of the Project
4. The Japanese experts will give necessary technical guidance and advice to Brazilian counterpart personnel on technical matters pertaining to the implementation of the Project.
5. For the effective and successful implementation of technical cooperation for the Project, a Joint Coordinating Committee will be established whose functions and composition are described in Annex VI.

V. JOINT EVALUATION

Evaluation of the Project will be conducted jointly by JICA and the Brazilian authorities concerned, at the middle and the last six months of the cooperation term in order to examine the level of achievement.

VI. CLAIMS AGAINST JAPANESE EXPERTS

In accordance with the provision of Article VII of the Agreement, the Government of the Federative Republic of Brazil undertakes to bear claims, if any arises, against the Japanese experts engaged in technical cooperation for the Project resulting from, occurring in the course of, or otherwise connected with the discharge of their official functions in the Federative Republic of Brazil except for those arising from the willful misconduct or gross negligence of the Japanese experts.

VII. MUTUAL CONSULTATION

There will be mutual consultation between the two governments on any major issues arising from, or in connection with this Attached Document.

VIII. MEASURES TO PROMOTE UNDERSTANDING OF AND SUPPORT FOR THE



The bottom right corner of the page contains several handwritten signatures in black ink. To the left of these signatures is a circular official stamp. The stamp has the text "PROCURADORIA GERAL" around the top inner edge, "CONFERIDO" in the center, and "IBAMA" at the bottom. A signature is written across the stamp.

PROJECT

For the purpose of promoting support for the Project among the people of the Federative Republic of Brazil, the Government of the Federative Republic of Brazil will take appropriate measures to make the Project widely known to the people of the Federative Republic of Brazil.

IX. TERM OF COOPERATION

The duration of the technical cooperation for the Project under this Attached Document will be three (3) years from first dispatch of the expert.

ANNEX I MASTER PLAN

ANNEX II LIST OF JAPANESE EXPERTS

ANNEX III LIST OF MACHINERY AND EQUIPMENT

ANNEX IV LIST OF BRAZILIAN COUNTERPART AND ADMINISTRATIVE PERSONNEL

ANNEX V LIST OF OFFICE SPACES AND FACILITIES

ANNEX VI JOINT COORDINATING COMMITTEE

6.



ANNEX I MASTER PLAN

1 Overall Goal

Law enforcement is enhanced ground on technical information based on satellite images on illegal deforestation.

2 Project Purpose

Technical information based on ALOS/PALSAR images on illegal deforestation in the Brazilian Amazon is provided for law enforcement.

3 Outputs

1. Deforestation areas including suspicious areas are detected using ALOS/PALSAR data.
2. The information flow of satellite monitoring system throughout DPF and IBAMA is improved.
3. Human resources in DPF and IBAMA are upskilled to detect and characterize illegal deforestation.

4 Activities

- 1-1 Convert ALOS/PALSAR data format to fit into SISCOM*.
- 1-2 Develop methodologies to extract deforestation information from ALOS/PALSAR images.
- 1-3 Identify potential deforestation areas using ALOS/PALSAR images and other available geographic information.

*SISCOM: Environmental data sharing system of IBAMA

- 2-1 Document existing monitoring mechanism throughout DPF and IBAMA..
- 2-2 Identify possible upgrading opportunities in the DPF/IBAMA deforestation monitoring mechanism.
- 2-3 Determine the upgraded mechanism.
- 2-4 Execute the plan determined in 2.3.

- 3-1 Assess training needs to monitor and characterize illegal deforestation in DPF/IBAMA.
- 3-2 Determine the training plan.
- 3-3 Execute the training plan.
- 3-4 Monitor/evaluate/upgrade the trainings.

In case in which the Master Plan should be changed due to the situation of the Project, JICA and the Government of the Federative Republic of Brazil will agree to and confirm the changes by exchanging Minutes of Meeting.

6



The image shows a circular official stamp from the Procuradoria Geral do IBAMA. The text inside the stamp reads "PROCURADORIA GERAL" at the top, "CONFERIDO" in the center, and "IBAMA" at the bottom. To the right of the stamp are two handwritten signatures. Below the stamp is a large, stylized signature.

ANNEXII LIST OF JAPANESE EXPERTS

1. Experts

Some experts will be dispatched as needed.

2. The fields of experts

The fields of experts will be decided as needed and including the following fields:

- (1) Remote-sensing/Administrative coordination;
- (2) Information Communication Technology management
- (3) WEB programming;
- (4) GIS

Note: The field of experts might be changed when both Brazilian side and Japanese side agree its necessity.

6.



The image shows a circular official stamp from the Procuradoria Geral do IBAMA. The text inside the stamp reads "PROCURADORIA GERAL CONFERIDO IBAMA". To the right of the stamp, there are several handwritten signatures and initials, including a prominent one that looks like "RKH" and another that looks like "G".

ANNEX III LIST OF MACHINERY AND EQUIPMENT

Part of machinery and equipment necessary for the effective implementation of the Project will be provided by the Japanese side within the budget allocated for technical cooperation. Main items of machinery and equipment to be provided are as follows:

1. Software for ALOS/PALSAR image Processing
2. ALOS images with high resolution
3. Servers
4. Storages
5. Other necessary equipment for the implementation of the Project.

Note: Contents, specification and quantity of the above-mentioned equipment will be decided through mutual consultations within the allocated budget of the Japanese fiscal year.

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ANNEX IV LIST OF BRAZILIAN COUNTERPARTS AND ADMINISTRATIVE PERSONNEL

1. Project Director

Director, Technical Scientific Directorate, DPF

2. Project Managers

- Head, Remote Sensing Center, IBAMA
- Coordinator of the working group for the Project, National Criminalistics Institute, DPF

3. Counterpart Personnel

DPF and IBAMA staffs. (In detailed Counterpart Personnel refer to Plan of Operation.)

4. Administrative Personnel

Administrative and clerical personnel, drivers and others to support the implementation of the Project.

And other personnel as mutually agreed upon.

6.  


ANNEX V LIST OF OFFICE SPACES AND FACILITIES

1. Office spaces for JICA experts in the buildings of IBAMA
2. Other necessary facilities, equipment and materials for the administration of the Project.

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Handwritten signature



Handwritten signature

ANNEX VI JOINT COORDINATING COMMITTEE

1. Functions

The Joint Coordinating Committee shall;

- (1) Discuss and decide overall strategies in the management and coordination of the Project,
- (2) Review and endorse the annual plan of the Project,
- (3) Monitor and evaluate the progress of the Project, and
- (4) Make decisions relevant to the overall management of the Project.

2. Compositions

The Joint Coordinating Committee shall be composed of;

- (1) Chairman: Director, Environmental Protection Directorate, IBAMA
- (2) Members:
 - Project Director (DPF)
 - Project Managers (IBAMA and DPF)
 - Representative of Brazilian Cooperation Agency
 - Japanese experts of the Project
 - Coordinator for technical cooperation of Japan in Brazil (JICA Brazil)
 - Others appointed by the Chairman
- (3) Observers: Official(s) of Embassy of Japan

3. The Secretariat of the Committee

Both IBAMA and DPF will act as the Secretariat of the Committee. The Secretariat will coordinate matters pertaining to the administration of the Committee.

6.

